

INTER-CITIC MINERALS INC.

60 Columbia Way, Suite 501
Markham, Ontario
Canada L3R 0C9
(905) 479-5072

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares in the capital of INTER-CITIC MINERALS INC. (the “**Corporation**”) will be held at the offices of Miller Thomson LLP, 58th floor, Scotia Plaza, 40 King Street West, Toronto, Ontario, on Thursday, May 26th, 2011 at the hour of **4:30 o’clock in the afternoon** (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for its fiscal year ended November 30, 2010 and the report of the auditors thereon;
2. to elect directors;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants as auditors and to authorize the directors to fix their remuneration; and
4. to transact such further or other business which may properly come before the Meeting, or any adjournment or adjournments thereof.

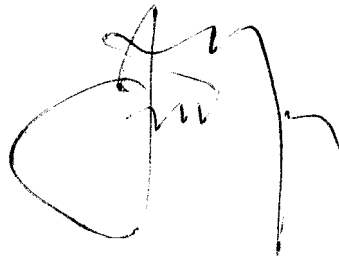
Accompanying this Notice are the Management Information Circular, the Corporation’s 2010 Annual Report containing the audited consolidated financial statements of the Corporation for the year ended November 30, 2010, together with the auditors’ report thereon as well as management’s discussion and analysis of the Corporation for the year ended November 30, 2010, a form of proxy, a supplemental mailing list reply form and a return envelope.

A Shareholder entitled to vote at the Meeting is entitled to appoint a proxyholder to attend and vote in the Shareholder’s stead. If you are unable to attend the Meeting, or any adjournment thereof, in person, please date, execute, and return the enclosed form of proxy in accordance with the instructions set out in the notes to the proxy and any accompanying information from your intermediary.

As provided in the *Canada Business Corporations Act*, the directors have fixed a record date of April 25, 2011. Accordingly, Shareholders registered on the books of the Corporation at the close of business on April 25, 2011 are entitled to notice of the Meeting and to vote at the Meeting.

DATED at Toronto, Ontario, this 28th day of April, 2011.

ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'James J. Moore', written over a faint, illegible stamp or background.

James J. Moore
PRESIDENT

INTER-CITIC MINERALS INC.

60 Columbia Way, Suite 501
Markham, Ontario
Canada L3R 0C9
(905) 479-5072

MANAGEMENT INFORMATION CIRCULAR AS AT APRIL 28, 2011

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (“**MANAGEMENT INFORMATION CIRCULAR**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY AND ON BEHALF OF THE MANAGEMENT OF INTER-CITIC MINERALS INC. (the “**Corporation**”) for use at the annual meeting (“**Meeting**”) of holders of common shares (“**Shareholders**”) in the capital of the Corporation to be held on May 26, 2011, at the offices of Miller Thomson LLP, 58th floor, Scotia Plaza, 40 King Street West, Toronto, Ontario, at 4:30 p.m., and any adjournments thereof, for the purposes set forth in the attached notice of annual meeting (“**Notice of Meeting**”). Except where otherwise indicated, the information contained herein is stated as of April 28, 2011.

All costs of this solicitation will be borne by the Corporation. In addition to the solicitation of proxies by mail, directors (“**Directors**”), officers and some regular employees of the Corporation may solicit proxies personally, by telephone or telegraph, but will not receive compensation for so doing.

APPOINTMENT OF PROXYHOLDER

The persons named as proxyholders in the accompanying form of proxy were designated by the management of the Corporation (“**Management Proxyholder**”). **A Shareholder has the right to appoint a person other than the Management Proxyholder to represent the Shareholder at the Meeting (“Alternate Proxyholder”) and may do so by inserting such other person’s name in the space indicated or by completing another proper form of proxy.** A person appointed as proxyholder need not be a Shareholder. All completed proxy forms must be deposited with Computershare Investor Services, Proxy Department, 9th Floor – 100 University Avenue, Toronto Ontario M5J 2Y1, not less than forty-eight (48) hours, excluding Saturdays, Sundays, and holidays, before the time of the meeting.

REVOCATION OF PROXY

Every proxy may be revoked by an instrument in writing:

- (a) executed by the Shareholder or by the Shareholder’s attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer, or attorney, of the corporation; and
- (b) delivered either to the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it, at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those of our Shareholders who do not hold shares in their own name.

Only registered holders of common shares of the Corporation (the “**Shares**”), or duly appointed proxyholders, are permitted to vote at the Meeting. Most Shareholders are “non-registered” shareholders because the Shares they own are not registered in their names but instead are registered in the name of the brokerage firm, bank or trust company through which they purchased their Shares. A person is not a registered Shareholder (a “**Non-Registered Holder**”) in respect of Shares which are held either (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Shares, or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited), of which the Intermediary is a participant.

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Shares will more likely be registered under the names of the Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Non-Registered Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about them to the Corporation are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “**OBOs**”.

The Corporation takes advantage of certain provisions of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), which permit the Corporation to directly deliver proxy-related materials to Canadian NOBOs who have not waived the right to receive them. As a result, Canadian NOBOs can expect to receive a scannable voting instruction form (a “**VIF**”), together with the Notice of Meeting, this Management Information Circular and the proxy (the proxy, the Management Information Circular and the Notice of Meeting collectively, the “**Meeting Materials**”) from its transfer agent, Computershare Investor Services (“**Computershare**”). These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare is required to follow the voting instructions properly received from Canadian NOBOs. Computershare will tabulate the results of the VIFs received from Canadian NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

By choosing to send the Meeting Materials to the Canadian NOBOs directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to the Canadian NOBOs, and (ii) executing their proper voting instructions.

In accordance with the requirements of NI 54-101, the Corporation has also distributed copies of the Meeting Materials to the clearing agencies and intermediaries for onward distribution to Canadian OBOs and US Non-Registered Holders who have not waived the right to receive them. Intermediaries are required to forward the Meeting Materials to these Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them.

The Meeting Materials are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent has sent the Meeting Materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

Meeting materials sent to NOBOs directly are accompanied by a VIF. This form is used instead of a proxy. By returning a VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the registered Shareholder how to vote on behalf of the Non-Registered Holder. The VIF should be completed and returned in accordance with the specific instructions noted on the VIF.

A Non-Registered Holder may revoke a proxy authorization form (voting instructions) or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of proxy authorization form (voting instructions) or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

Should a Non-Registered Holder who receives a form of proxy (including a VIF or proxy authorization form) wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the proxy and insert the Non-Registered Holder's name in the blank space provided.

Please return your voting instructions as specified in the applicable form of proxy. Non-Registered Holders should carefully follow the instructions set out in the applicable form of proxy, including those regarding when and where the form is to be delivered.

EXERCISE OF DISCRETION BY PROXYHOLDER

Shares represented by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the relevant Shareholder on any ballot that may be called for and if such Shareholder specifies a choice with respect to any matters to be acted upon, the Shares will be voted accordingly. Where there is no choice specified, Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy will be voted **for** each of the matters to be voted on by Shareholders as described in this Management Information Circular. In the absence of any direction as to how to vote the Shares, an Alternate Proxyholder has discretion to vote them as he or she chooses.

The enclosed form of proxy confers discretionary authority upon the proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting. At present, the management of the Corporation ("**Management**") knows of no such amendments, variations or other matters. However, if any other matters which at present are not known to Management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the Management Proxyholders.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

No (i) Director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, (ii) proposed nominee for election as a Director or (iii) associate or affiliate of a person in (i) or (ii) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than in the election of Directors. The Corporation's Directors at any time since the beginning of the Corporation's last financial year now are, and, subject to the disclosure in the section entitled "*Election of Directors*", are expected to continue to be Donald Brown, Michael Doggett, Mark R. Frederick, Adrian

Pedro K.H. Ho, Carlos K.H. Ho, Peter Joynt, Lan Fusheng, James J. Moore, Malcolm Swallow and Zhang Hongyi. For more information on the nominees to the board (the “**Board**”) of Directors of the Corporation, see “*Election of Directors*”.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Shares. On April 25, 2011 there were 106,404,013 Shares issued and outstanding. Each Share carries the right to one vote.

The Directors have fixed April 25, 2011, as the record date for the Meeting. Registered Shareholders at the close of business on April 25, 2011 shall be entitled to attend the Meeting and vote thereat on the basis of one vote for each Share held, except to the extent that a registered Shareholder has transferred the ownership of any Shares and the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Shares, and demands, not later than 10 days before the Meeting, that his or her name be included in the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Shares at the Meeting.

To the knowledge of the Directors or executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation other than Zijin Mining Group Co., Ltd. (“**Zijin**”) that holds approximately 20,163,300 Shares, representing 18.95% of the outstanding Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

1. ELECTION OF DIRECTORS

Under the articles of the Corporation, the number of Directors can range from a minimum of three (3) to a maximum of fifteen (15) and Directors are empowered to determine, from time to time, by resolution, the number of Directors to be elected at the annual meeting of Shareholders within this range.

At the Corporation's last annual meeting of Shareholders held on May 20, 2010, nine (9) individuals were elected as Directors. Pursuant to a subscription agreement (the "**Subscription Agreement**") with Zijin, made as of April 12, 2010, among other things, the Corporation agreed to appoint a nominee of Zijin to the Board to serve as a Director until the next election of Directors. In accordance with this provision of the Subscription Agreement, the number of Directors was increased and fixed by resolution of the Directors at ten (10). Zijin's nominee, Lan Fusheng was appointed to the Board, as its tenth (10th) Director, on November 19, 2010.

The Subscription Agreement further provides that during the forty-two (42) month period following the date of the closing of the Subscription Agreement, the Corporation will put forward a nominee of Zijin for election as a Director at each subsequent meeting of the Corporation at which Directors are to be elected *provided that Zijin holds not less than 19% of the outstanding Shares of the Corporation (on an undiluted basis, and subject to certain exceptions)*. If at any time during this forty-two (42) month period Zijin holds less than nineteen percent (19%) of the outstanding Shares, this obligation of the Corporation ceases, regardless of whether Zijin subsequently holds nineteen percent (19%) or greater of the outstanding Shares.

On the assumption that on the date of the Meeting, Zijin will hold not less than nineteen percent (19%) of the outstanding Shares (such percentage adjusted as necessary pursuant to the Subscription Agreement), the Corporation has included Lan Fusheng as one of its Director nominees (please see the following table for the full list of all ten (10) of the Corporation's Director nominees) and the Corporation has assumed that ten (10) Directors will need to be elected. If, however, as of the date of the Meeting, Zijin holds less than nineteen percent (19%) of the outstanding Shares, then immediately prior to the Meeting the current Directors will reduce the number of Directors to be elected at the Meeting from ten (10) to nine (9) and the Corporation shall not put Lan Fusheng forward as one of its Director nominees. The Corporation will continue to put forward for election the other nine (9) of its Director nominees. In such case, Management Proxyholders will use their discretionary power to vote for each of the Corporation's Director nominees other than Lan Fusheng – even if a Shareholder has voted for the election of all ten (10) of the Corporation's Director nominees in a completed form of proxy.

Each Director will hold office until the next annual meeting, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a Director if so elected. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Shares represented by proxy for the election of any other person or persons as Directors.

The following table sets out the names of the Management nominees and their respective province or state and country of residence; the period or periods during which each Director has served as a Director; their respective positions and offices in the Corporation; the number of Shares which each beneficially owns, or over which control or direction is exercised, and their respective principal occupations. Six (6) of the nominees for Director are residents of Canada.

Name and Jurisdiction of Residence	Director/ Officer Since	Position(s) with Corporation	Principal Occupation, Name and Principal Business of Employer	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly as at the Date Hereof [5]
Donald W. Brown ^{[1][2][3]} Ontario, Canada	October 2006	Director	Managing Director, Catalyst Strategies Inc., of Toronto, an investment holding and consulting company	50,000
Michael Doggett British Columbia, Canada	February 2008	Director	Consultant, Mineral Economics, a private consulting firm in the field of mining economics	80,000
Mark R. Frederick ^{[2][3]} Ontario, Canada	March 2000	Director and Chairman of the Board	Barrister & Solicitor, Miller Thomson LLP, a law firm, of Toronto	Nil
Adrian Pedro K.H. Ho ^[2] Hong Kong, People's Republic of China	May 2004	Director	Investment Banker, Kuentai Investors Limited, of Hong Kong, a private investment company	Nil
Carlos K. H. Ho ^{[1][3]} Hong Kong, People's Republic of China	December 2002	Director	Assistant to the Managing Director, Chairman's Office, Henderson (China) Investment Co. Ltd., Henderson Land Group, a real estate and utilities conglomerate.	Nil
Peter Joynt ^[1] Ontario, Canada	May 2008	Director	President, Balsam Capital Inc., a consulting company	25,000
Lan Fusheng Xiamen City, Fujian, People's Republic of China	November 2010	Director	Vice-Chairman, Zijin Mining Group Co. Ltd, of China, a publicly traded mining and metals production company	Nil
James J. Moore ^[4] Ontario, Canada	May 1997	Director, President and CEO	President, CEO and Director of Inter-Citic Minerals Inc., of Toronto	290,985
Malcolm Swallow British Columbia, Canada	May 2008	Director and Vice-President, Development	Principal, Swallow Services Limited, a mining, project and managerial services company.	229,500
Zhang Hongyi Hong Kong, People's Republic of China	May 2008	Director	Director, Henderson (China) Investment Co. Ltd, a subsidiary of Henderson Land Group, a real estate and utilities conglomerate	Nil

[1] Member of Audit Committee.

[2] Member of Governance and Nominating Committee.

[3] Member of Compensation Committee.

[4] Director of Inter-Citic Holdings Ltd., a subsidiary of the Corporation.

[5] This column shows all voting securities of the Corporation and any of its subsidiaries held by each respective Director.

NOTES:

(a) The information as to the shareholdings has been furnished by the respective nominees.

(b) Each of the above nominees is now a Director and, with the exception of Mr. Lan, was so elected at the last annual meeting of Shareholders. Mr. Lan was appointed as a Director on November 19, 2010 pursuant to the terms of the Subscription Agreement.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no Director or proposed Director is, as at the date of this Management Information Circular, or was within 10 years before the date of this Management Information Circular, a director or chief executive officer or chief financial officer of any company (including the Corporation) that: (a) was the subject of an order (as defined in Form 51-102F5 under National Instrument 51-102 Continuous Disclosure Obligations) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Corporation, no Director or proposed Director: (a) is, or within 10 years before the date hereof has been a director or executive officer of a corporation that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director.

No Director or proposed Director has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for the Director or proposed Director.

2. APPOINTMENT OF AUDITORS

Management is recommending that Shareholders vote for the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, 145 King Street West, Toronto, Ontario M5H 1V8 as auditors for the Corporation and to authorize the Directors to fix their remuneration.

3. OTHER MATTERS

As of the date of this Management Information Circular, Management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Shares represented by the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this section:

“**Chief Executive Officer**” or “**CEO**” means each individual who served as chief executive officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**Chief Financial Officer**” or “**CFO**” means each individual who served as chief financial officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**executive officer**” of the Corporation means an individual who at any time during the year was the chairman or a vice-chairman of the Board, where such person performed the functions of such office on a full-time basis, the president, any vice-president in charge of a principal business unit such as sales, finance or production, or any officer of the Corporation or of a subsidiary or other person who performed a policy-making function in respect of the Corporation.

The table in the section entitled “*Summary Compensation Table*” provides a summary of the compensation paid to the CEO, the CFO and each executive officer who earned over \$150,000 in total salary and bonus (the “**Named Executive Officers**”) during the most recently completed financial year, for services rendered to the Corporation.

Compensation Discussion and Analysis

Composition of the Compensation Committee

Messrs. Mark Frederick, Carlos Ho and Donald Brown are members of the Compensation Committee (the “**Compensation Committee**”) of the Board. The Compensation Committee reviews and provides recommendations to the Board with respect to compensation policies relating to the executive officers of the Corporation and its subsidiaries. None of the members of the Compensation Committee are, or have been, officers or employees of the Corporation.

The Corporation’s executive compensation is reviewed by the Compensation Committee and recommendations are made to the Board for approval. The Compensation Committee is responsible for reviewing the structure and competitiveness of the Corporation’s compensation program.

The Compensation Committee’s assessment of corporate performance is based on a number of qualitative and quantitative factors including execution of on-going projects and transactions, stock price performance, operational performance and progress on key growth initiatives. Named Executive Officers do not automatically receive any particular award based on the Compensation Committee’s determination of the overall performance of the Corporation, but rather the determination establishes the background for the Compensation Committee’s subsequent review of the Named Executive Officers’ individual performance.

The Corporation’s compensation philosophy is that compensation be competitive with the market while taking into account milestones and achievements specific to the Corporation.

Role of the Executive Officers

The executive officers are not involved in the executive compensation process except to assist the Compensation Committee in understanding their relevant activities and achievements over the year.

Objectives of the Compensation Program

The objectives of the Corporation's executive compensation program are:

- Align the interests of executive officers with the short- and long-term interests of Shareholders;
- Link executive compensation to the performance of both the Corporation and the individual;
- Emphasize variable compensation to reinforce pay for performance through achievement of key business and other strategic objectives; and
- Compensate executive officers at a level and in a manner that ensures the Corporation is capable of attracting, motivating and retaining exceptional talent.

Components of Compensation

The compensation of the executive officers currently consists of a base salary, stock options and a performance related cash bonus. The components are typical compensation components for such positions and allow the Corporation to provide compensation rewarding both short term and long-term performance. The amount of each component is determined in taking all components into consideration, to ensure the overall compensation is fair and reasonable with regard to all relevant circumstances.

Executive officer pay relative to other executives is generally considered in establishing compensation levels. The difference between one executive officer's compensation and that of the other Named Executive Officers reflects, in part, the difference in their relative responsibilities. The Chief Executive Officer's responsibility for the management and oversight of the enterprise is greater than each of the executive officers' respective business areas. As a result, the compensation level for the Chief Executive Officer is higher than for other Named Executive Officers.

The Compensation Committee also considers the retentive potential of its compensation decisions. Retention of the Named Executive Officers is critical to business continuity and succession planning.

Base Salary

Salary is determined based on historic factors and is limited by existing employment agreements. Base salary is the fixed portion of overall compensation and is an element of compensation intended to attract and adequately remunerate executive officers for properly fulfilling the minimum requirements of their position. Base salary provides some compensation certainty and allows executive officers to make decisions that may be beneficial to the Corporation, or its stakeholders, independent of considering the impact such decisions might have on their personal compensation that is tied to either short term or long-term corporate performance.

Stock Options

The Corporation's stock option plan ("**Stock Option Plan**") is designed to advance the interests of the Corporation by encouraging eligible participants, being Directors, employees, officers and consultants, to have equity participation in the Corporation through the acquisition of Shares – thus aligning the interests of such participants with Shareholders.

Cash Bonus

Performance bonuses reward short term performance gains and reward each executive officer for their yearly individual contribution and performance of personal and corporate objectives in the context of

overall annual corporate performance. The annual cash bonus is designed to motivate executives annually to achieve personal and corporate business objectives, to be accountable for their relative contribution to the Corporation's performance, as well as to attract and retain executives. Annual cash bonuses are capped pursuant to existing employment agreements.

Compensation of Chief Executive Officer

Mr. James J. Moore has been employed by the Corporation since May 1997 as President and Chief Executive Officer. Mr. Moore was paid an annual base salary of \$329,437 and earned bonuses in the amount of \$250,000 in 2010 and owns directly and indirectly, or exercises control over, 290,985 Shares. The Compensation Committee considered the following factors in determining the compensation of the Chief Executive Officer: (i) performance of the Corporation's stock; (ii) success of the Corporation's mineral exploration projects; and (iii) such other factors as the Compensation Committee deemed appropriate.

Compensation of Chief Financial Officer

Mr. Lou Pasubio has been employed by the Corporation since December 2000, as Vice-President Finance, Chief Financial Officer and Vice-President China Operations. Mr. Pasubio was paid an annual base salary of \$225,105 and earned bonuses in the amount of \$226,000 in 2010 and owns directly and indirectly, or exercises control over 259,100 Shares. The Compensation Committee considered the following factors in determining the compensation of the CFO: (i) performance of the Corporation's stock; (ii) success of the Corporation's mineral exploration projects; and (iii) such other factors as the Compensation Committee deemed appropriate.

Compensation of Vice-President, Communications and Secretary

Mr. Stephen Lautens has been Vice-President, Communications, General Counsel and Secretary of the Corporation since joining the Corporation in 2005. Mr. Lautens was paid an annual base salary of \$179,438 in 2010 and earned a cash bonus in the amount of \$75,000 in 2010, and owns directly and indirectly, or exercises control over 81,300 Shares. Mr. Lautens' compensation is set by management which considered factors such as: (i) performance of the Corporation's stock; (ii) recognition by the investor community of the Corporation and its activities; (iii) measurable success and coverage of new and existing investor relations programs; and (iv) such other factors as management deemed appropriate.

A. SUMMARY COMPENSATION TABLE

The following table sets forth the compensation awarded or paid to the Corporation's Named Executive Officers for the last two (2) fiscal years ended November 30.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ^[1]	Option-based awards (\$) ^[2]	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
James J. Moore President & CEO	2010 2009	329,437 313,750	Nil 52,785 ^[3]	315,000 255,750	250,000 250,000 ^[4]	Nil Nil	Nil Nil	N/A N/A	894,437 872,285
Lou Pasubio Vice-President, Finance & CFO	2010 2009	225,105 214,396	Nil 27,600 ^[3]	315,000 132,000	226,000 200,000 ^[4]	Nil Nil	Nil Nil	N/A N/A	766,105 573,996
Stephen Lautens Vice-President, Communications & Secretary	2010 2009	179,438 173,250	Nil Nil	127,500 33,000	75,000 17,223 ^[4]	Nil Nil	Nil Nil	N/A N/A	381,938 223,473

- [1] The amounts in this column for 2009 are calculated by multiplying the grant date fair value of the share-based award of \$0.69 (which was the closing price of the Shares on the TSX as of the day before the award was made) by the number of share-based awards awarded.
- [2] In 2009, Mr. Moore, Mr. Pasubio and Mr. Lautens were granted options to acquire 775,000, 400,000 and 100,000 Shares, respectively. In 2010, Mr. Moore, Mr. Pasubio and Mr. Lautens were granted options to acquire 500,000, 500,000 and 150,000 Shares, respectively. The value of option-based awards is estimated using the Black-Scholes option-pricing model as determined as of the grant date.
- [3] Transfer of an investment in owned Shares in lieu of a cash bonus (i.e. not issued from treasury).
- [4] The 2009 bonus was earned in 2009 but the amount was not finalized or awarded until 2010 pending the late results of the 2009 exploration season. As a result, amounts differ from figures previously disclosed in the meeting materials for the 2010 annual and special meeting of the Corporation.

B. OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table provides details regarding the outstanding share-based awards and option-based granted to the NEOs as of November 30, 2010:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money option ^[1] (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
James J. Moore	285,000	0.88	Dec. 12/11	259,350	Nil	Nil
	100,000	1.45	Apr. 13/12	34,000		
	100,000	1.76	Jun. 20/13	3,000		
	775,000	0.50	Jul. 8/14	999,750		
	500,000	0.97	Feb. 18/15	410,000		
Lou Pasubio	110,000	0.95	Jan. 27/11	92,400	Nil	Nil
	100,000	1.45	Apr. 13/12	34,000		
	100,000	1.76	Jun. 20/13	3,000		
	400,000	0.50	Jul. 8/14	516,000		
	500,000	0.97	Feb. 18/15	410,000		
Stephen Lautens	100,000	1.45	Apr. 13/12	34,000	Nil	Nil
	100,000	1.76	Jun. 20/13	3,000		
	100,000	0.50	Jul. 8/14	129,000		
	150,000	1.30	Apr. 27/15	73,500		

[1] Stock price at close of November 30, 2010 was \$1.79.

C. INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following provides details on the value of awards vested or earned during the year ended November 30, 2010 under the Stock Option Plan:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
James J. Moore	Nil	Nil	250,000
Lou Pasubio	Nil	Nil	226,000
Stephen Lautens	Nil	Nil	75,000

EMPLOYMENT CONTRACTS

Except as discussed below, the Corporation does not currently have any compensatory plans or arrangements with respect to compensation of the Named Executive Officers as a result of the resignation, retirement or other termination of employment or from a change of control of the Corporation, or any other employment contracts with the Named Executive Officers.

The Corporation has previously entered into a written employment contract with James Moore (“**Moore Employment Agreement**”), the President and Chief Executive Officer of the Corporation, which currently entitles Mr. Moore to an annual base salary of \$347,300 and annual increases in compensation of five percent (5%) of previous year’s compensation. Mr. Moore is also entitled to receive an annual incentive bonus in an amount of not less than twenty percent (20%) and not greater than one hundred and fifty percent (150%) of his base annual salary, with the performance criteria and the amount of such bonus to be determined by the Compensation Committee and approved by the Board. The Corporation

has further agreed to provide a term life insurance policy in an amount of \$1,000,000 payable to Mr. Moore's spouse or designate. The Moore Employment Agreement provides that in the event of termination without cause, Mr. Moore shall be entitled to receive from the Corporation a severance payment equal to twelve (12) times his base monthly salary plus an amount equal to his base monthly salary multiplied by the number of years of service by Mr. Moore (up to a maximum of twenty-four (24) times the base monthly salary). He is also entitled to a proportionate portion of his incentive bonus. The estimated minimum amount to be paid to Mr. Moore in the event of termination without cause is approximately \$723,000. The Moore Employment Agreement further provides that if there is a change in control of the Corporation resulting in the resignation of Mr. Moore, he shall be entitled to receive a lump sum equal to twenty-four (24) times his base monthly salary. Upon Mr. Moore's termination by the Corporation without cause, all vested options then held by Mr. Moore may be exercised until the earlier of the date of expiry of the options and the first anniversary of the termination of employment. The total amount to be paid to Mr. Moore in the event of a change in control of the Corporation is approximately \$694,600 in cash plus options. Upon Mr. Moore's death, all unvested options vest within two (2) years of the date of death and his personal representatives may exercise vested options until the earlier of the date of expiry of the options and the second anniversary of the date of death.

The Corporation has previously entered into a written employment contract with Lou Pasubio ("**Pasubio Employment Agreement**"), the Chief Financial Officer of the Corporation, which currently entitles Mr. Pasubio to an annual base salary of \$237,300 and annual increases in compensation of five percent (5%) of previous year's compensation. Mr. Pasubio is also entitled to receive an annual incentive bonus in an amount of not less than ten percent (10%) and not greater than one hundred percent (100%) of his base annual salary, with the performance criteria and the amount of such bonus to be determined by the CEO in consultation with and approval of the Compensation Committee and approved by the Board. The Pasubio Employment Agreement provides that in the event of termination without cause, Mr. Pasubio shall be entitled to: (i) a proportionate bonus equal to the average of all prior annual incentive bonuses paid to Mr. Pasubio divided by the number of full months elapsed in the applicable year prior to the date of employment termination; and (ii) a severance payment equal to Mr. Pasubio's base monthly salary multiplied by the number of years of service by Mr. Pasubio (to a minimum of twelve (12) months and a maximum of twenty-four (24) times the base monthly salary). The minimum estimated amount to be paid to Mr. Pasubio in the event of termination without cause is approximately \$237,300. The Pasubio Employment Agreement further provides that if there is a change in control of the Corporation resulting in the resignation of Mr. Pasubio, he shall be entitled to receive a lump sum equal to twenty-four (24) times his base monthly salary. The total amount to be paid to Mr. Pasubio in the event of a change in control of the Corporation is approximately \$474,600. Upon Mr. Pasubio's termination by the Corporation without cause, all vested options then held by Mr. Pasubio may be exercised until the earlier of the date of expiry of the options and the first anniversary of the termination of employment. Upon Mr. Pasubio's death, all unvested options vest within two (2) years of the date of death and his personal representatives may exercise vested options until the earlier of the date of expiry of the options and the second anniversary of the date of death.

The Corporation entered into a written employment contract with Stephen Lautens ("**Lautens Employment Agreement**"), Vice-President, Communications and Secretary of the Corporation, on March 1, 2010, which currently entitles Mr. Lautens to an annual base salary of \$190,800. Mr. Lautens is also entitled to receive an annual incentive bonus in an amount of not less than ten percent (10%) and not greater than one hundred percent (100%) of his base annual salary, with the performance criteria and the amount of such bonus to be determined by the President & CEO and approved by the Board. The total amount to be paid to Mr. Lautens in the event of termination without cause is equal to 1 month's salary per full or partial year of employment, or currently approximately \$95,400.

COMPENSATION OF DIRECTORS

By resolution of the Board made February 26, 2008, Directors receive compensation for attendance (in person or by telephone) at full meetings of the Board duly called by the Chairman or at committee meetings as follows:

1. full-day attendance (any meeting in excess of 4 hours) \$1,500 CAN per meeting;
2. less than full-day attendance (less than 4 hours) \$750 CAN per meeting.

Committee work would not be paid where such work took place on the same day as a meeting called by the Chairman. The Chairman does not receive any compensation.

In the fiscal year ended November 30, 2010, the following payments were made to Directors (not including James J. Moore):

Name	Fees earned (\$)	Share-based awards	Option-based awards	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Donald W. Brown ^[1]	10,500	Nil	63,000	Nil	Nil	Nil	73,500
Michael Doggett	Nil	Nil	126,000	Nil	Nil	31,803 ^[2]	157,803
Mark R. Frederick	Nil	Nil	94,500	Nil	Nil	Nil	94,500
Adrian Pedro H.K. Ho	Nil	Nil	123,000	Nil	Nil	Nil	123,000
Carlos K.H. Ho	Nil	Nil	126,000	Nil	Nil	Nil	126,000
Peter Joynt ^[1]	10,050	Nil	126,000	Nil	Nil	Nil	136,050
Lan Fusheng	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Malcolm Swallow	3,510	Nil	115,000	Nil	Nil	187,961 ^[2]	306,471
Zhang Hongyi	Nil	Nil	31,500	Nil	Nil	Nil	31,500

[1] Entire fee was earned as a Director's fee.

[2] Fee was earned as a consulting fee related to the Dachang project of the Corporation.

The Corporation paid \$569,598.85 in legal fees to Miller Thomson LLP, a law firm of which Mark R. Frederick, a Director, is a partner, for legal services rendered in the Corporation's last financial year in respect of the private placement with Zijin and other general corporate matters. The legal fees charged were based on commercially acceptable hourly rates and time charges based on the work performed. At December 31, 2010 there was a net payable of nil (\$0).

Directors are entitled to reimbursement for out-of-pocket expenses incurred in connection with attending meetings of the Board of the Corporation, and any committee thereof, and are eligible for participation in the Corporation's Stock Option Plan. An aggregate of 1,200,000 stock options were granted to Directors during the fiscal year ended November 30, 2010 (not including those granted to the CEO). Certain particulars of these options are set out below.

DIRECTORS' SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table provides details regarding the outstanding share-based awards and option-based granted to Directors (not including James J. Moore) as of November 30, 2010:

Name	Option-based Awards				Share-based Awards	
	Number of securities (common shares) underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money option ^[1] (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Donald W. Brown	100,000	0.50	Jul. 8/14	129,000	Nil	Nil
	100,000	0.97	Feb. 18/15	82,000		
Michael Doggett	100,000	1.95	Feb. 6/13	Nil	Nil	Nil
	200,000	0.97	Feb. 18/15	164,000		
Carlos K.H. Ho	50,000	0.50	Jul. 8/14	64,500	Nil	Nil
	200,000	0.97	Feb. 18/15	164,000		
Peter Joynt	150,000	1.76	Jun. 20/13	4,500	Nil	Nil
	50,000	0.50	Jul. 8/14	64,500		
	200,000	0.97	Feb. 18/15	164,000		
Malcolm Swallow	160,000	0.89	Oct. 22/12	144,000	Nil	Nil
	150,000	1.76	Jun. 20/13	4,500		
	50,000	0.50	Jul. 8/14	64,500		
	100,000	1.78	Nov.19/15	1,000		
Mark Frederick	250,000	0.50	Jul. 8/14	322,500	Nil	Nil
	150,000	0.97	Feb. 18/15	123,000		
Adrian Pedro H.K. Ho	50,000	0.50	Jul. 8/14	64,500	Nil	Nil
	150,000	0.95	Dec. 8/14	126,000		
	50,000	0.97	Feb. 18/15	41,000		
Zhang Hongyi	100,000	0.50	Jul. 8/14	129,000	Nil	Nil
	50,000	0.97	Feb. 18/15	41,000		

[1] Stock price at close of November 30, 2010 was \$1.79.

DIRECTORS' INCENTIVES – VALUE VESTED OR EARNED DURING THE YEAR

The following provides details on the value of awards vested or earned during the year ended November 30, 2010 under the Stock Option Plan (not including James J. Moore):

Name (a)	Option-based awards – Value* vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Donald W. Brown	Nil	Nil	Nil
Michael Doggett	Nil	Nil	Nil
Carlos K.H. Ho	Nil	Nil	Nil
Peter Joynt	Nil	Nil	Nil
Malcolm Swallow	Nil	Nil	Nil
Mark Frederick	Nil	Nil	Nil
Adrian Pedro H.K. Ho	Nil	Nil	Nil
Zhang Hongyi	Nil	Nil	Nil

* These options vested on grant.

STOCK OPTION PLAN

The Corporation has a Stock Option Plan for Directors, officers, employees and consultants of the Corporation. Stock options (“**Options**”), which are typically granted in such numbers as to reflect the level of responsibility of the particular optionee (“**Optionee**”) and his or her contribution to the business and activities of the Corporation, typically vest immediately and have a five-year term. Except in specified circumstances, Options are not assignable and terminate upon the Optionee ceasing to be employed by or associated with the Corporation.

The Corporation’s Stock Option Plan is intended to provide all Optionees with compensation opportunities that encourage Share ownership. If and when additional Options are granted, Options already granted are taken into consideration.

Key Elements of the Corporation’s Stock Option Plan

The Corporation’s Stock Option Plan provides that Options may be granted in respect of authorized and unissued Shares provided that the aggregate of (i) the number of Shares which may be issued pursuant to the exercise of Options outstanding at any particular time; and (ii) the number of Shares previously issued pursuant to the exercise of Options granted within one year prior to such time, shall not exceed 10% of the aggregate number of Shares outstanding at such time. Employees, Directors, officers and contractors of the Corporation are eligible participants under the Stock Option Plan. There are 8,904,826 Options outstanding which represents 8.37% of the issued and outstanding Shares and 1,735,575 Options available for issuance, which represents 1.63% of the issued and outstanding Shares, the aggregate thereof equalling 10% of the issued and outstanding Shares. The number of securities issuable to insiders, at any time, under all security based compensation arrangements may not exceed 10% of the issued and outstanding securities of the Corporation. Also, the number of securities issued to insiders within any one-year period under all security based compensation arrangements may not exceed 10% of issued and outstanding securities (the limits with regard to insiders, collectively, the “**Insider Participation Limits**”).

The number of Shares issuable under all security based compensation plans to any one individual, other than a contractor, should not exceed 5% (5,320,201 Shares), grants to contractors shall not exceed 2% (2,128,080 Shares) of the issued and outstanding Shares.

The exercise price of Options granted under the Stock Option Plan shall not be less than the market price of the Corporation's Shares, which is determined to be the closing price at which the Shares traded on the Toronto Stock Exchange ("TSX") on the day before the date on which the Option is granted or if no Shares were traded for 10 (ten) consecutive days immediately prior, to the grant date then, the market price is determined in the sole discretion of the Directors.

Options granted under the Stock Option Plan shall have a term not greater than ten years, and become exercisable at such time or times after the Option is granted as may be determined by the Directors at the time of the grant.

Should an employee, officer or contractor cease to be same other than for termination by cause or by death, then any outstanding Options to such individual expires on the earlier of one hundred eighty days (180) days or the Option expiry date, subject to the following provisions. Should a Director cease to be a Director for any reason other than for termination for cause or by death, then any outstanding Options to such Director expire on the earlier of ninety (90) days or the Option expiry date. In the event that an Optionee's relationship is terminated by reason of disability or retirement or death, the Option shall remain outstanding for one year. In the event that an Optionee is terminated due to regulatory requirements or for cause, any outstanding Options shall terminate upon such termination. Any unvested Options held upon termination shall expire at the discretion of the Directors, but typically will expire on the date of termination.

The Directors may amend, suspend or terminate the Stock Option Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of Shareholders or any governmental or regulatory body. These rights include that the Directors may make the following amendments: i) a change to the vesting provisions of any Option or the Stock Option Plan; ii) a change to the termination provisions of the Stock Option Plan or any Option, so long as that change does not entail an extension beyond ten (10) years from the date of the grant (for certainty, the term of Options held by insiders may not be extended without Shareholder approval, but in no case may such term be extended to beyond ten (10) years); iii) the addition or modification of a cashless exercise feature, payable in cash or securities, which provides for a full deduction in the number or underlying securities from the Stock Option Plan reserve; iv) to add a deferred or restricted share unit or any other provision which results in Optionees receiving securities while no cash consideration is received by the Corporation; v) to change the persons who are eligible for the grant of Options; vi) to vary the authority of the Board in respect of the grant of Options; vii) to change the procedure for the tendering of a notice of exercise of Options and the exercise of Options; viii) to vary the acceleration of vesting and the exercise of Options in the event of a takeover bid; ix) to increase the Option Price of an Option; x) to purchase the outstanding Options by the Corporation in the event of a take-over bid; xi) amendments necessary to comply with the provisions of applicable law; or xii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law. Amendments may not, without the consent of the Optionee, adversely affect or impair any Option previously granted to any Optionee under the Stock Option Plan.

Options are only assignable due to death of the Optionee or to:

- (a) a trustee, custodian, or administrator acting on behalf, or for the benefit, of an Optionee (other than a contractor),
- (b) a corporation controlled by an Optionee (other than a contractor),

- (c) a registered retirement savings plan or registered retirement income fund established for the benefit of an Optionee (other than a contractor),
- (d) a spouse of an Optionee (other than a contractor),
- (e) a trustee, custodian, or administrator acting on behalf, or for the benefit, of the spouse of an Optionee (other than a contractor),
- (f) a corporation controlled by the spouse of an Optionee (other than a contractor), or
- (g) a registered retirement savings plan or registered retirement income fund established for the benefit of the spouse of an Optionee (other than a contractor).

Shareholder approval will be required for any amendments to the Stock Option Plan, which result in a change to the maximum percentage (in this case ten (10) percent) that governs the number of Common Shares issuable under the Stock Option Plan. Further, Shareholder approval is required to increase or remove limits on grants to insiders and the number of Shares that may be reserved for issuance to insiders. Finally, the term of any Option benefiting an insider may not be extended without Shareholder approval. However, the exercise price per Option granted to any Optionee may not be reduced in any event, even with Shareholder approval.

Equity Compensation Plan Information

The following table provides details of the compensation plan under which equity securities of the Corporation are authorized for issuance as of the year ended November 30, 2010.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Option Warrants and Rights (b)	Number of Securities Remaining for Future Issuance under Equity Compensation Plans (Excluding securities reflected in column (a)) (c)
Stock Option Plan ^[1]	11,238,000	\$1.12	2,673,883

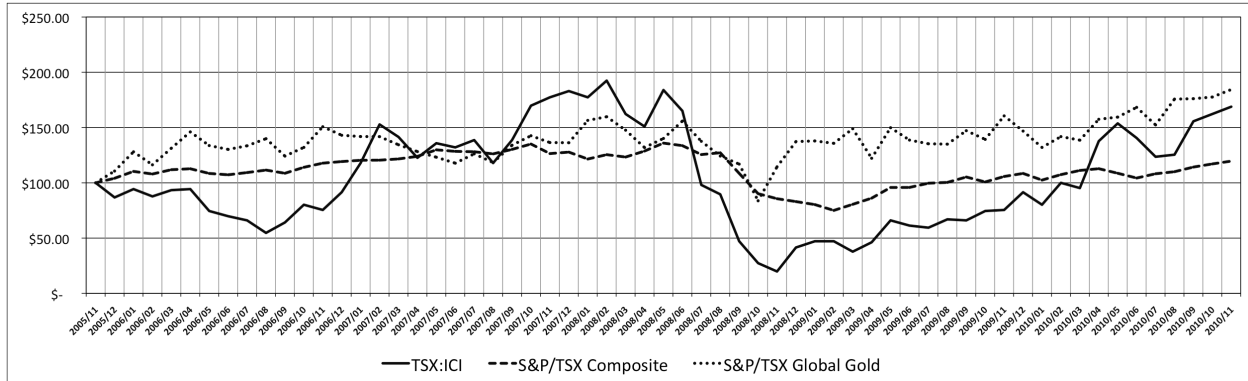
[1] The Corporation has no equity compensation plan other than its Stock Option Plan. Such Stock Option Plan has previously been approved by Shareholders on May 20, 2010.

MANAGEMENT CONTRACTS

The management functions of the Corporation are not performed by parties other than the Directors and executive officers of the Corporation, and the Corporation is not a party to a management contract with anyone other than Directors or executive officers of the Corporation.

PERFORMANCE GRAPH

The following chart compares the total cumulative investment return for \$100 invested in Shares with the total cumulative shareholder return of \$100 invested in the S&P/TSX Composite Index and the total cumulative return of \$100 invested in the TSX Global Gold Index for the five years ended November 30, 2010 (the fiscal year-end of the Corporation):



The Committee is of the view that a general comparison can be drawn between the trends shown by the performance graph and the economic recovery of the past two years and the Corporation's compensation to executive officers. There is a trend of a slight rise in NEO pay over the last five years which corresponds to the Corporation's expansion and advancement of its mineral exploration project towards feasibility and development, the increase in share price and the related increase of NEO's responsibilities.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at April 28, 2011, none of the executive officers, Directors, employees and former executive officers, Directors and employees of the Corporation or any of its subsidiaries have been indebted to: (a) the Corporation or any of its subsidiaries; or (b) any other entity whereby the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, proposed Director, or any associate or affiliate of any informed person or proposed Director has had any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

REPORT ON CORPORATE GOVERNANCE

The Canadian Securities Administrators have adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”), both of which came into force as of June 30, 2005 and effectively replaced the corporate governance guidelines and disclosure policies of the TSX. NI 58-101 requires issuers such as the Corporation to disclose the corporate governance practices that they have adopted, while NP 58-201 provides guidance on corporate governance practices. In this regard, a brief description of the Corporation’s system of corporate governance, with reference to the items set out in NI 58-101 and NP 58-101 is set forth below.

The Board and Management recognize that effective corporate governance is important to the direction and operation of the Corporation in a manner, which ultimately enhances Shareholder value. As a result, the Corporation has developed and implemented, and continues to develop, implement and refine formal policies and procedures which reflect its ongoing commitment to good corporate governance. The Corporation believes that the corporate governance practices and procedures described below are appropriate for a company such as the Corporation.

Board of Directors

The Board is currently composed of ten Directors. Six of the Directors are independent and four are not independent. The Board is responsible for determining whether or not each Director is an independent Director. To do this, the Board analyzes all the relationships of the Directors with the Corporation and its subsidiaries. Based on the definition of independence in NI 58-101 and the Board’s analysis of the relationships between the Corporation and the Directors, the Corporation has determined that Messrs. Brown, Adrian Ho, Carlos Ho, Joynt, Zhang and Doggett¹ are all independent Directors. Mr. Moore is not an independent Director since he is employed as the President and Chief Executive Officer of the Corporation. Mark Frederick, the Chair of the Board, is not an independent Director as he is a partner in the law firm of Miller Thomson LLP, which provides legal services to the Corporation. Mr. Lan has a material relationship with Zijin, that has a material relationship with the Corporation and therefore, Mr. Lan is not independent. Mr. Swallow receives consulting fees from the Corporation and is therefore not independent. Independence of the Board from Management is achieved with six of the ten current and nominated Directors being outside and independent Directors.

The independent Directors do not hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. While such meetings have not been regularly scheduled, the independent Directors may hold such meetings at such times as they determine is appropriate, or may meet before, during or after regularly scheduled Board meetings without non-independent Directors present. The independent Directors held no such meeting in fiscal 2010. While, the Board does not have an independent lead Director, the Board and its Committees facilitate open and candid discussion among its independent Directors by making it clear that the independent Directors can meet by themselves whenever they wish to do so and by providing an opportunity for the independent Directors to meet without any members of management present. The independent Directors are in regular communication with the CEO outside of formal Board and Committee meetings and processes. In addition, the independent members of the Board are authorized to retain independent financial, legal and other experts as required whenever, in their opinion, matters come before the Board or its Committees which require an independent analysis by the independent members of the Board. Ad-hoc in-camera meetings are held on an as needed basis and the appropriate procedures for holding such in-camera meetings will be put in place, as necessary. In any situation where a potential conflict may arise, Directors

¹ As of 2011.

must disclose such conflict and absent him or herself from consideration of the particular transaction or agreement and voting as a result.

The Board meets on a regular basis with the Chief Executive Officer and without other management present. The Board adopted a written mandate on May 18, 2006. The Board's mandate provides that each Director should be in a position to effectively review and constructively challenge the performance and recommendations of management, evaluate the performance of the Corporation and exercise independent judgment. The text of the Board's mandate is attached as Schedule A hereto and is also available on the Corporation's website: www.inter-citic.com.

Meetings Held and Attendance of Directors at Meetings

Director	Board of Directors (7 Meetings)	Audit Committee (4 Meetings)	Governance and Nominating Committee (1 Meeting)	Compensation Committee (1 Meeting)
Donald W. Brown	8	4	1	1
Michael Doggett	8	N/A	N/A	N/A
Mark R. Frederick	8	N/A	1	1
Adrian Pedro K.H. Ho	7	N/A	1	N/A
Carols K. H. Ho	8	4	N/A	1
Lan Fusheng*	N/A	N/A	N/A	N/A
James J. Moore	8	N/A	N/A	N/A
Peter Joynt	8	4	N/A	N/A
Malcolm Swallow	8	N/A	N/A	N/A
Zhang Hongyi	8	N/A	N/A	N/A
Total Attendance Rate	98.6%	100%	100%	100%

* Mr. Lan Fusheng was appointed to the Board on November 19, 2010

Some of the business of the Board is conducted through written unanimous resolutions of the Board.

Position Descriptions

The Board has developed a written position description for the Chair. The Board has also developed a written position description for the CEO. The text of the written position descriptions for the Chair and CEO available on the Corporation's website: www.inter-citic.com.

Directorships

The following Directors currently serve as directors on the boards of the reporting issuers listed below:

Name	Reporting Issuers of which Director currently sits on Board
Michael Doggett	Murgor Resources Inc.; Minco Gold Corporation; Riverside Resources Inc.; Pacific Link Mining Corp.; VLM Ventures

Orientation and Continuing Education

The Corporation has not historically provided an orientation or education program for new and continuing Directors, but instead provides necessary education (through management and outside professional advisers) on specific issues as they arise. Each new Director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new Director.

Ethical Business Conduct

In 2006 the Board adopted a written code of business conduct and ethics (the "Code") for the members of the Board, the officers and the employees. In adopting the Code, the Board and the Corporation has reaffirmed its commitment to conduct its business in compliance with applicable laws and regulations and in accordance with the highest ethical principles. This commitment helps to ensure the Corporation's reputation for honesty, quality and integrity. The Corporation requires that all employees respect and obey all applicable laws. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

Directors and officers are expected to act in a manner that avoids even the appearance of conflict between their personal interests and those of the Corporation. The Directors and officers owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises. The Corporation's policy is to compete aggressively and successfully in today's competitive business climate in compliance with all applicable laws in all the markets in which it operates. The Board reviews compliance with the Code on a semi-annual basis.

The Board communicates with its members and management when blackout periods apply and encourages the timely reporting of all stock and option transactions. Management monitors the exercise of all options and transactions regarding the underlying shares through its own internal processes and through SEDI and reports to the Board as required.

Directors exercise independent judgement in considering transactions and agreements in respect of which a Director or executive officer has a material interest through their power to make independent inquiries, retain experts or counsel as required or deemed advisable, and by making any decisions regarding such transactions and agreements in the absence of the interested party.

A person or company may obtain a copy of the Code by writing to the Secretary of the Corporation at 60 Columbia Way, Suite 501, Markham, Ontario, L3R 0C9, or it is available on the Corporation's website at: www.inter-citic.com.

Nomination of Directors

The Board considers the appropriate size of the Board each year when it considers the number of Directors to recommend to Shareholders for election at the annual meeting, taking into account the number of members required to carry out its duties effectively and to maintain a diversity of views and experience.

The governance and nominating committee (“**Governance and Nominating Committee**”) determines the identity of new nominees and makes recommendations to the Board. New candidates for Board nomination are identified through referrals, business relationships with Directors and company executives, and direct contact with leaders within the industry. New nominees must have a track record in business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

Compensation

The Corporation has adopted a policy to compensate its executives in a manner in keeping with companies of similar size and stature sufficient to attract and retain well-qualified and experienced individuals but not to pay excessively. The Board has determined that the Directors and Named Executive Officers should be compensated in a form and amount having regard to such matters as time commitment, responsibility and trends in director and executive compensation. The Board administers the Corporation’s executive compensation policy with advice from the Compensation Committee. The Corporation’s compensation policy is based on cash compensation and incentive stock options.

For further information regarding the compensation paid to Directors and Named Executive Officers, please read the disclosure under the heading “Statement of Executive Compensation” and “Report on Executive Compensation”.

Board Committees

The committees of the Board include the audit committee (the “**Audit Committee**”), the Governance and Nominating Committee and the Compensation Committee.

The Board and the Audit Committee adopted the Audit Committee charter (the “**Audit Committee Charter**”) in March 16, 2005. As part of the annual audit process, including the preparation of the management discussion and analysis of financial conditions and results of operations contained in the annual report to Shareholders, the Audit Committee receives recommendations from management and the auditor appointed by the Shareholders. The Committee examines the recommendations and advises the Board concerning activities that should be taken. The current members of the Audit Committee are Donald Brown, Carlos Ho, and Peter Joynt, who are independent Directors. Further disclosure regarding the Audit Committee is set out below under the section entitled “*Audit Committee*”.

The Governance and Nominating Committee is responsible for the review and recommendation of corporate governance practices generally, and with specific reference to NI 58-101. It is also responsible for the identification and evaluation of prospective members of the Board. The Board does not have Governance and Nominating Committee composed entirely of independent Directors. The members of the Governance and Nominating Committee are Mark Frederick, Adrian Ho and Donald Brown. Adrian Ho and Donald Brown are independent Directors. Any member of the Board may submit potential candidates to be a nominee for the position of Director to the Governance and Nominating Committee. Since recommendations of the Governance and Nominating Committee are made by majority vote of the members of the Committee with a majority of the Committee members being independent Directors, and since the minutes and recommendations of the Governance and Nominating Committee are circulated and reviewed by the full Board, this ensures an objective nomination process.

The Compensation Committee is responsible for recommending to the Board the compensation of the Directors and executive officers of the Corporation. The members of the Compensation Committee are Mark Frederick, Carlos Ho and Donald Brown. Carlos Ho and Donald Brown are independent Directors. Since recommendations of the Compensation Committee are made by majority vote of the members of the Compensation Committee with a majority of the Committee members being independent Directors, and since the minutes and recommendations of the Compensation Committee are circulated and reviewed by the full Board, this ensures an objective process for determining the compensation of the Directors and executive officers of the Corporation.

Assessments

The Chairman of the Board is responsible for the effective operation of the Board and its committees. Issues regarding quality of information and Board performance have been reviewed at Board meetings. In addition, the Chairman has made himself available at all times for discussions with individual Board members regarding Board performance. In carrying out his responsibilities, the Chairman also reviews the contributions of its individual Directors and considers whether the composition of the Board promotes effectiveness and efficiency in its decision-making. On an annual basis, the Governance and Nominating Committee informally reviews and assesses the effectiveness of each of the Board, its Committees, and each individual Director relative to:

- (a) in the case of the Board and each committee of the Board, their roles and responsibilities and the Board or committee's mandate as applicable; and
- (b) in the case of individual Directors, the applicable position description, as well as the competencies and skills that each Director has and is expected to bring to the Board. The Governance and Nominating Committee has determined that, given the size of the Corporation, continuing informal assessment is most appropriate at this time.

AUDIT COMMITTEE

Overview

The Audit Committee of the Corporation's Board is principally responsible for:

- recommending to the Corporation's Board the external auditor to be nominated for election by the Shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor;
- reviewing the Corporation's annual and interim financial statements, management discussion and analysis before they are reviewed and approved by the Board and publicly disseminated by the Corporation; and
- reviewing the Corporation's financial reporting procedures to ensure adequate procedures are in place for the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee's Charter

As mentioned earlier, the Corporation's Board has adopted the Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is available by writing to the Secretary of the Corporation at 60 Columbia Way, Suite 501, Markham, Ontario, L3R 0C9, or is available on the Corporation's website at: www.inter-citic.com.

Composition of the Audit Committee

The Audit Committee consists of three Directors. The following table sets out their names and whether they are "independent" and "financially literate".

Name of Member	Independent ^[1]	Financially Literate ^[2]
Donald W. Brown	Yes	Yes
Carlos K. H. Ho	Yes	Yes
Peter Joynt	Yes	Yes

[1] To be considered to be independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Corporation. A material relationship is a relationship, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

[2] To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Donald W. Brown was a Partner at KPMG from 1977 to 1998. He served as the managing partner of four locations and lead partner in Entrepreneurial Services practices from 1986 to 1991. Upon leaving public accounting in 1998, he became the Managing Director of Catalyst Strategies Inc., a private investment and consulting company, and serves as Chief Financial Officer for a privately-owned group of investment and real estate companies. Mr. Brown holds a Bachelor of Commerce degree from the University of Toronto (1969) and qualified as a Chartered Accountant in 1972 and a Certified Financial Planner in 1998. In 2008 Mr. Brown completed the academic requirements for the Small and Medium-Sized Enterprises Board Effectiveness Program presented by the Institute of Corporate Directors and the Joseph L. Rotman School of Management of the University of Toronto.

Carlos K. H. Ho has a B.S. in Business Administration from Boston University (1998). He is Assistant to the Managing Director of Henderson (China) Investment Limited, which is a member of the Hong Kong based Henderson Land Group. Henderson Land Group also includes five entities that are listed on the Main Board of The Stock Exchange of Hong Kong Limited, namely, Henderson Land Development Company Limited, Henderson Investment Limited, The Hong Kong and China Gas Company Limited, Miramar Hotel and Investment Company, Limited and Hong Kong Ferry (Holdings) Company Limited. Henderson Land Development Company Limited and The Hong Kong and China Gas Company Limited are also constituent stocks in the Hang Seng Index. Mr. Ho is also Director and Compliance Officer of Kuentai Securities Co. Ltd., a member of the Hong Kong Stock Exchange, where he is responsible for the operations of the company. Mr. Ho has extensive experience in the fund management sector in both the US and Hong Kong.

Peter Joynt has a Bachelor of Commerce degree from the University of Toronto (1969) and became a Chartered Accountant in 1972. From 1969 to 1977 he was a manager in audit, consulting and valuation practices at Clarkson Gordon. From 1977 to 1989 he successfully ran four businesses in the manufacturing and distribution sectors. He was then involved in the merchant banking industry managing a diverse subordinated debt and equity portfolio invested across Canada in companies that were mostly financially stressed. He is currently the President of Balsam Capital Inc., a consulting company that conducts assignments on behalf of a mid-sized merchant bank. Mr. Joynt has been a Director of Inter-Citic Minerals Inc. since 2008.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor, which was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B "Powers and Responsibilities – Performance & Completion by Auditor of its Work" of the Audit Committee Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by PricewaterhouseCoopers LLP, its external auditor, during the last two financial years:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
November 30, 2010	\$95,825	Nil	\$1,955	\$10,000
November 30, 2009	\$81,925	Nil	\$11,466	Nil

- [1] The aggregate fees billed for audit services.
- [2] The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit Fees" column.
- [3] The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- [4] The aggregate fees billed for professional services other than those listed in the other three columns.

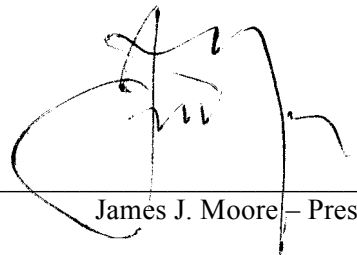
ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Shareholders wishing to obtain copies of the Corporation's financial statements and MD&A, may make such a request in writing to the Corporation at 60 Columbia Way, Suite 501, Markham, Ontario L3R 0C9. Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.

APPROVAL

The contents and sending of this Management Information Circular have been approved by the Directors of the Corporation.

Dated at Toronto, Ontario this 28th day of April, 2011.



James J. Moore – President

SCHEDULE A

Mandate of the Board of Directors

The purpose of this document is to summarize the governance and management roles and responsibilities of the board of Directors of the Corporation (the “**Board**”).

1. ACCOUNTABILITY

The Board is responsible to shareholders.

2. ROLE

The role of the Board is to focus on governance and stewardship. Its role is to review corporate direction (strategy), assign responsibility to management for achievement of that direction, establish executive limitations, and monitor performance against those objectives. In fulfilling this role, the Board will regularly review management’s strategic plans so that they continue to be responsive to the changing business environment in which the Corporation operates.

Directors shall exercise their business judgment in a manner consistent with their fiduciary duties. In particular, Directors are required to act honestly and in good faith, with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3. RESPONSIBILITIES

The Board discharges its responsibility for supervising the management of the business and affairs of the Corporation by delegating the day-to-day management of the Corporation to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Corporation and its operations.

The Board discharges its responsibilities directly and through delegation to its Committees.

The Board’s responsibilities shall include:

- (a) Define Shareholder Expectations for Corporate Performance Through Effective Communication with Shareholders
 - Satisfy itself that there is effective communication between the Board and the Corporation’s shareholders, other stakeholders, and the public.
 - Determine, from time to time, the appropriate criteria against which to evaluate performance, and set corporate strategic goals and objectives within this context.
- (b) Establish Strategic Goals, Performance Objectives and Operational Policies

The Board will review and approve broad strategic corporate objectives and establish corporate values against which corporate performance will be measured. In this regard, the Board will:

- Approve long-term strategies.

- Review and approve management's strategic and operational plans so that they are consistent with long-term goals.
- Approve strategic and operational policies within which management will operate.
- Set targets against which to measure corporate and executive performance.
- Satisfy itself that a portion of executive compensation is linked appropriately to corporate performance.
- Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management.
- Adopting a strategic planning process pursuant to which management develops and proposes, and the Board reviews and approves, significant corporate strategies and objectives, taking into account the opportunities and risks of the business.
- Reviewing and approving all major acquisitions, dispositions and investments and all significant financings and other significant matters outside the ordinary course of the Corporation's business.

(c) Delegate Management Authority to the Officers

- Delegate to the Chairman and President the authority to manage and supervise the business of the Corporation, decisions regarding the Corporation's ordinary course of business and operations that are not specifically reserved to the Board.
- Through the actions of the Board and its individual Directors and through Board's interaction with and expectations of senior officer, promoting a culture of integrity throughout the Corporation consistent with the Corporation's Code of Business Conduct and Ethics, taking appropriate steps to, to the extent feasible, satisfy itself as to the integrity of the CE and other executive officers of the Corporation, and that the CEO and other executive officers create a culture of integrity throughout the Corporation.
- Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.
- Ensuring that the Board receives from senior officers the information and input required to enable the Board to effectively perform its duties.

(d) Monitor Corporate Performance

- Understand, assess and monitor the principal risks of all aspects of the business in which the Corporation is engaged.
- Monitor corporate performance against both short-term and long-term strategic plans and annual performance targets, and monitor compliance with Board policies and the effectiveness of risk management practices.

(e) Financial and Risk Matters

- Overseeing the reliability and integrity of accounting principles and practices followed by management, of the financial statements and other publicly reported financial information, and of the disclosure principles and practices followed by management.
- Overseeing the integrity of the Corporation's internal controls and management information systems by adopting appropriate internal and external audit and control systems.
- Reviewing and discussing with management the processes utilized by management with respect to risk assessment and risk management, including for the identification by management of the principal risk of the business of the Corporation, including financial risks, and the implementation by management of appropriate systems to deal with such risks.

(f) Develop Board Processes

- Develop procedures relating to the conduct of the Board's business and the fulfillment of the Board's responsibilities.