

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED SECOND QUARTER
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Canadian Dollars)

May 31, 2009 and 2008

INTER-CITIC MINERALS INC.

Suite 501, 60 Columbia Way
Markham, Ontario
CANADA L3R 0C9

July 14, 2009

To the shareholders of Inter-Citic Minerals Inc.:

The accompanying unaudited interim consolidated financial statements of Inter-Citic Minerals Inc. (the "Company") have been prepared by and are the responsibility of the management of the Company.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Sincerely,

"James J. Moore"

James J. Moore
President & CEO

"Lou Pasubio"

Lou Pasubio, C.A.
Vice-President, Finance & CFO

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
(All figures in Canadian dollars)

	May 31, 2009	November 30, 2008
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 6,787,369	\$ 9,500,805
Amounts receivable	102,813	297,093
Prepaid expenses and other	36,997	107,688
	6,927,179	9,905,586
Restricted cash (Note 4)	2,142,087	5,461,215
Resource properties (Notes 5, 10)	36,375,443	34,853,752
Property, plant and equipment (Note 6)	2,545,903	2,852,320
	\$ 47,990,612	\$ 53,072,873
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,203,444	\$ 5,063,833
	1,203,444	5,063,833
Future income taxes	5,161,000	4,936,000
	6,364,444	9,999,833
SHAREHOLDERS' EQUITY		
Share capital (Note 9 (b))	74,250,260	74,117,237
Share purchase warrants (Note 9 (c))	-	230,400
Contributed surplus	5,999,528	5,769,128
Deficit	(38,623,620)	(37,043,725)
	41,626,168	43,073,040
	\$ 47,990,612	\$ 53,072,873

NATURE OF OPERATIONS AND BASIS OF PRESENTATION (Note 1)

COMMITMENTS (Notes 5, 8)

Approved by the Board of Directors:

"Mark R. Frederick" "James J. Moore"

Mark R. Frederick **James J. Moore**
Director *Director*

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(All figures in Canadian dollars)

	Common Shares		Share purchase Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
	Number	Amount				
Balance as at November 30, 2007 before investment in own shares	67,579,912	\$ 49,570,802	\$ 2,122,589	\$ 4,425,669	\$ (33,274,862)	\$ 22,844,198
Investment in own shares	(116,500)	(133,023)	-	-	-	(133,023)
Balance as at November 30, 2007	67,463,412	49,437,779	2,122,589	4,425,669	(33,274,862)	22,711,175
Issued for cash, net of cash issue costs	8,000,000	14,896,951	-	-	-	14,896,951
Issued for cash pursuant to exercise of share purchase warrants	6,497,927	7,816,727	-	-	-	7,816,727
Issued for cash pursuant to exercise of stock options	535,000	412,800	-	-	-	412,800
Fair value of share-purchase warrants issued	-	(230,400)	230,400	-	-	-
Fair value of stock options exercised	-	271,000	-	(271,000)	-	-
Fair value of share purchase warrants exercised	-	1,512,380	(1,512,380)	-	-	-
Fair value of share purchase warrants expired	-	-	(610,209)	610,209	-	-
Stock-based compensation expense on unexercised vested options	-	-	-	1,004,250	-	1,004,250
Loss for the year ended November 30, 2008	-	-	-	-	(3,768,863)	(3,768,863)
Balance as at November 30, 2008	82,496,339	74,117,237	230,400	5,769,128	(37,043,725)	43,073,040
Fair value of share purchase warrants expired	-	-	(230,400)	230,400	-	-
Disposition of investment in own shares	116,500	133,023	-	-	(52,638)	80,385
Loss for the period ended May 31, 2009	-	-	-	-	(1,527,257)	(1,527,257)
Balance as at May 31, 2009	82,612,839	\$ 74,250,260	\$ -	\$ 5,999,528	\$ (38,623,620)	\$ 41,626,168

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(All figures in Canadian dollars)

	For the three months ended May 31, 2009	For the three months ended May 31, 2008	For the six months ended May 31, 2009	For the six months ended May 31, 2008
Expenses				
Executive compensation	\$ 287,770	\$ 302,765	\$ 420,485	\$ 680,007
Depreciation and amortization	153,208	71,794	291,660	164,900
Office and rent	105,363	143,510	280,738	330,143
Salaries and benefits	103,943	68,791	184,081	106,243
Corporate relations	103,425	196,889	215,773	314,125
Travel and accommodation	31,641	146,675	118,283	232,468
Professional fees	18,824	102,683	37,625	251,355
Stock-based compensation (Note 9 (d))	-	-	-	111,000
Foreign exchange	(4,233)	20,724	85,979	93,777
	799,941	1,053,831	1,634,624	2,284,018
Other expenses (income)				
Interest	(39,651)	(137,163)	(107,367)	(222,370)
	(39,651)	(137,163)	(107,367)	(222,370)
Net Loss and Comprehensive Loss for the period	760,290	916,668	1,527,257	2,061,648
Deficit, beginning of period	37,810,692	34,419,842	37,043,725	33,274,862
Disposition of investment in own shares	52,638	-	52,638	-
Deficit, end of period	\$ 38,623,620	\$ 35,336,510	\$ 38,623,620	\$ 35,336,510
Net loss per share - basic and diluted	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.03
Weighted average common shares outstanding	82,501,404	81,473,736	82,498,899	75,994,726

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INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All figures in Canadian dollars)

	For the three months ended May 31, 2009	For the three months ended May 31, 2008	For the six months ended May 31, 2009	For the six months ended May 31, 2008
Cash provided by (used in):				
Operating activities				
Net loss for the period	\$ (760,290)	\$ (916,668)	\$ (1,527,257)	\$ (2,061,648)
Adjustments for:				
Depreciation and amortization	153,208	71,794	291,660	164,900
Stock-based compensation (Note 9 (d))	-	-	-	111,000
	(607,082)	(844,874)	(1,235,597)	(1,785,748)
Amounts receivable	204,387	(100,352)	194,280	(242,846)
Prepaid expenses and other	28,320	189	70,691	17,835
Accounts payable and accrued liabilities	94,806	(98,889)	(16,876)	167,196
Changes in non-cash working capital balances	327,513	(199,052)	248,095	(57,815)
	(279,569)	(1,043,926)	(987,502)	(1,843,563)
Financing activities				
Issuance of shares and warrants (Note 9)	133,023	5,886,949	133,023	23,126,478
	133,023	5,886,949	133,023	23,126,478
Investing activities				
Restricted cash (Note 4)	25,957	11,341	3,319,128	1,424,209
Resource properties (Notes 5, 10)	(503,670)	(604,129)	(1,281,934)	(956,007)
Property, plant and equipment (Note 6)	-	(468,188)	-	(471,667)
Change in accounts payable and accrued liabilities	(29,474)	384,182	(3,843,513)	(1,362,786)
	(507,187)	(676,794)	(1,806,319)	(1,366,251)
Increase in cash and cash equivalents for the period	(653,733)	4,166,229	(2,660,798)	19,916,664
Cash and cash equivalents, beginning of period	7,493,740	19,079,676	9,500,805	3,329,241
Cash and cash equivalents, end of period (Note 3)	\$ 6,840,007	\$ 23,245,905	\$ 6,840,007	\$ 23,245,905
Supplemental Information:				
Income taxes paid during the period	\$ -	\$ -	\$ -	\$ -
Interest paid during the period	\$ -	\$ -	\$ -	\$ -
Stock-based compensation exercised	\$ -	\$ 175,500	\$ -	\$ 271,000
Share-purchase warrants exercised	\$ -	\$ 1,066,230	\$ -	\$ 1,512,380
Issuance of share-purchase warrants to brokers	\$ -	\$ -	\$ -	\$ 230,400

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

1. Nature of Operations and Basis of Presentation

Inter-Citic Minerals Inc. (the "Company") is a development stage company engaged in the acquisition, exploration and development of exploration-stage mineral properties. The Company has entered into earn-in agreements to acquire exploration properties, the Dachang Gold Project in the Province of Qinghai, and the Zalantun Gold Project in the Inner Mongolia Autonomous Region, in the People's Republic of China ("China").

To date, the Company has not found any proven reserves or engaged in any production on any of its properties, and there is no guarantee that this will occur in the future. Mineral resource exploration and development is extremely risky and speculative by nature, as there is no guarantee that mineral deposits will be found, and even if they are, that they can be mined economically. In the event that exploration on the properties, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to obtain appropriate financing to put these properties into production, and profitability of future production, especially with respect to the Dachang Gold Project, are not successful, assets may not be realized or liabilities discharged at their carrying amounts, and these differences could be material.

The accompanying unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). Preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements except as noted below. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended November 30, 2008. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

2. Changes in Accounting Policies

Section 1400, General Standards of Financial Statement Presentation

On December 1, 2008, the Company adopted Section 1400, General Standards of Financial Statement Presentation, which was amended so as to include the criteria for determining and presenting the Company's ability to continue as a going concern. This Standard did not affect the Company's consolidated financial position or results of operations.

Section 3064, Goodwill and Intangible Assets

On December 1, 2008, the Company adopted Section 3064, Goodwill and Intangible Assets, which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the Canadian Institute of Chartered Accountants ("CICA") withdrew Emerging Issues Committee Issue ("EIC") 27, Revenues and Expenses During the Pre-Operating Period. As a result of the withdrawal of EIC 27, the Company will no longer be able to defer preproduction and start-up costs at new mine operations. This Standard did not affect the Company's provided disclosures, consolidated financial position or results of operations.

EIC 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On December 1, 2008 the Company adopted CICA accounting standard EIC 173, "Credit risk and the fair value of financial assets and financial liabilities". Section 3855 requires certain financial assets and financial liabilities to be measured at fair value. EIC 173 states that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair values. As a result, the Company reviewed the financial assets and financial liabilities as of December 1, 2008 taking into account both the Company's credit risk and counterparty credit risk. This Standard did not affect the Company's provided disclosures, consolidated financial position or results of operations for the current or prior periods.

EIC 174, Mining Exploration Costs

On March 27, 2009 the EIC of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. There was no impact on the Company's financial statements or accounting policies as a result of applying this abstract.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

3. Summary of Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its material subsidiaries as follows:

- (a) Inter-Citic Holdings Ltd. (100% owned), a company incorporated in the Cayman Islands
- (b) Techmat Inc. (100% owned), a company incorporated in the Republic of Mauritius
- (c) Bay Roberts Resources Ltd. (98% owned), a company incorporated in British Columbia, Canada

All material inter-company balances have been eliminated.

Financial Instruments – Recognition and Measurement

The Company classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables or other financial liabilities. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the consolidated statement of operations, comprehensive loss and deficit.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, restricted cash and accounts payable and accrued liabilities, as follows:

Cash	Held-for-trading
Cash equivalents	Held-to-maturity
Amounts receivable	Loans and receivables
Restricted cash	Held-for-trading
Accounts payable and accrued liabilities	Other financial liabilities

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and the fair value of these financial instruments, unless otherwise noted, approximate their carrying values due to their short-term nature.

Comprehensive Income or Loss

Comprehensive income or loss is the change in shareholders' equity during a period from transactions and events from sources other than the Company's shareholders. The Company reports a consolidated statement of comprehensive income or loss and accumulated other comprehensive income or loss is added to the shareholders' equity section of the consolidated balance sheet when components to be recognized in comprehensive income or loss exist. There were no components to be recognized in comprehensive income or loss during the second quarter of 2009 or 2008. As the Company has no items of comprehensive income or loss, net loss for both periods is equivalent to comprehensive loss.

Foreign Currency Translation

The accounts of the foreign operations have been translated using the temporal method for foreign integrated operations. All of the Company's balances and transactions are translated into the Company's measurement currency, the Canadian dollar, as follows: monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet dates; non-monetary assets and liabilities are translated at rates prevailing at the respective transaction dates. Revenues and expenses are translated at average rates prevailing during the year, except for depreciation and amortization related to assets, which are translated at historical exchange rates. Translation gains and losses are reflected in the consolidated statements of operations, comprehensive loss and deficit.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks and highly liquid short-term interest bearing investments with maturities of 90 days or less from the date of acquisition. Cash and cash equivalents comprise the following balance sheet amounts:

	May 31, 2009	November 30, 2008
Cash on hand and balances with banks	\$ 687,369	\$ 775,805
Short-term interest bearing investments	6,100,000	8,725,000
	<u>\$ 6,787,369</u>	<u>\$ 9,500,805</u>

Interest from cash and cash equivalents is recorded on an accrual basis.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

Resource Properties

The Company considers its exploration costs to have the characteristics of property, plant and equipment. Costs associated with acquisition, direct exploration and development of resource properties are capitalized pending commencement of production, at which time they will be amortized over the estimated production life. The Company assesses its capitalized resource property costs on a regular basis. If capitalized expenditures on individual resource properties exceed the estimated net recoverable amount, the properties are written down to the estimated fair value. Costs relating to properties abandoned are written off when the decision to abandon is made.

The Company is in the process of exploring its property interests. Amounts reflected in the financial statements reflect cost to date and may not represent future value to the Company. No mineral reserves have been determined to exist on these properties. Therefore, the recoverability of the amounts reflected is dependent on future successful exploration and development of the properties.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less depreciation and amortization calculated as follows:

Leasehold improvements	Three years, straight-line
Buildings	5% declining balance
Office equipment	10%-33% declining balance
Exploration equipment	20%-30% declining balance

An impairment charge is recognized for long-lived assets when an event or change in circumstances causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the asset and its carrying value.

Income Taxes

Income taxes are calculated using the asset and liability method. Future income taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax bases. The benefit of future income tax assets is only recognized where their realization is judged to be more likely than not. Future income tax assets and liabilities are measured using tax rates and laws expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. A valuation allowance is provided against future income tax assets to the extent it is considered not likely that the future income tax assets will be realized.

Stock-based Compensation Plan

The Company has one stock-based compensation plan, which is described in **Note 9 (d)**. The Company accounts for stock-based compensation in accordance with CICA Handbook 3870 (Stock-based Compensation and Other Stock-based Payments) and recognizes stock-based compensation based on the fair value method of accounting. Under this method, the fair value of stock-based compensation is determined based on the Black-Scholes valuation model and is recognized based on vesting of options granted under the stock option plan. Amounts recognized are expensed and credited to contributed surplus. Consideration received on exercise of stock options is credited to share capital.

Per Share Amounts

Net loss per share has been computed by dividing net loss applicable to common shareholders by the weighted average number of common shares outstanding during the respective periods. The Company follows the treasury stock method in the calculation of diluted net loss per share. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. Since the Company has losses, the exercise of outstanding stock options and warrants has not been included in this calculation as it would be anti-dilutive.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income during the reporting period. Actual results could differ from those estimates.

4. Restricted Cash

Restricted cash relates to advances held in China, primarily in Canadian dollars, and committed to continuing exploration of the Dachang Gold Project (**Note 5**).

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

5. Resource Properties

The Dachang Gold Project

On November 14, 2003, the Company entered into an earn-in agreement with the Qinghai Geological Survey Institute regarding the Dachang Gold Project in the Province of Qinghai, China. Under the terms of this agreement, the Company can earn an 83% interest in the project by contributing the equivalent of approximately \$13,516,400 (renminbi 90,000,000) for exploration (all of which was advanced as at November 30, 2008), completion of metallurgical and pre-feasibility reports, and making a cash payment of the equivalent of approximately \$1,602,000 (renminbi 10,000,000) upon the issuance of a mining licence required to bring the project into production.

The Company also has the option to acquire an additional 7% interest in the project, based on the valuation of any potential mining project contained in the pre-feasibility report, for a total interest of 90%. The Qinghai Geological Survey Institute will retain a carried interest in the project. As part of the agreement, the Company also has a right of first refusal on any mineral exploration project for which the Qinghai Geological Survey Institute seeks foreign investment.

6. Property, Plant and Equipment

	May 31, 2009			November 30, 2008		
	Cost	Accumulated Depreciation and Amortization	Net Book Value	Cost	Accumulated Depreciation and Amortization	Net Book Value
Leasehold improvements	\$ 43,790	\$ (38,492)	\$ 5,298	\$ 43,790	\$ (36,262)	\$ 7,528
Office equipment	87,845	(66,589)	21,256	87,845	(63,091)	24,754
Exploration equipment	4,012,107	(1,492,758)	2,519,349	4,012,107	(1,192,069)	2,820,038
Total	\$ 4,143,742	\$ (1,597,839)	\$ 2,545,903	\$ 4,143,742	\$ (1,291,422)	\$ 2,852,320

7. Related Party Transactions

The Company paid or accrued management and other compensation to six directors of \$190,641 during the quarter (2008 - \$255,692 to four directors). This compensation is in the normal course of operations and is measured at the exchange amount, which is the the amount of consideration established and agreed to by the parties.

8. Lease Commitment

The Company has entered into a lease for office space to the year 2014 with minimum lease payments as follows:

balance of 2009	\$ 43,019
2010	\$ 86,038
2011	\$ 88,419
2012	\$ 89,214
2013	\$ 89,214
2014	\$ 22,303

9. Share Capital, Share Purchase Warrants, Stock-based Compensation Plan and Contributed Surplus

(a) Authorized

Unlimited number of common shares, without par value.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

(b) Issued and Outstanding

See Consolidated Statements of Shareholders' Equity.

Private Placement (February, 2008)

In February 2008, the Company completed a private placement financing for gross proceeds of \$16,000,000, consisting of 8,000,000 common shares of the Company at a price of \$2.00 per common share.

The Company paid a cash commission of \$960,000 and issued 480,000 share purchase warrants to brokers (the "Brokers' Warrants") in connection with this financing. Each Broker's Warrant entitled the holder to acquire one common share of the Company at a price of \$2.00 for a period of one year from the date of issue. The Company evaluated the fair value of share purchase warrants using the Black-Scholes model using the following valuation assumptions: expected life - 12 months; expected volatility - 67.16%; risk-free interest rate - 3.75%; and dividend rate - 0%.

Consideration received has been allocated to common shares after fees and commissions of \$1,103,049 and the estimated fair value of Brokers' Warrants of \$230,400.

(c) Share Purchase Warrants

The following is a summary of the Company's outstanding share purchase warrants:

	Number	Value	Weighted average Exercise Price
Balance, November 30, 2007	9,302,337	2,122,589	(i)
Issued	480,000	230,400	2.00
Exercised	(6,497,927)	(1,512,380)	1.20
Expired	(2,804,410)	(610,209)	2.25
Balance, November 30, 2008	480,000	230,400	\$ 2.00
Expired	(480,000)	(230,400)	2.00
Balance, May 31, 2009	-	-	

(i) These share purchase warrants include 2,793,900 share purchase warrants that entitled the holder to acquire one common share of the Company at a price of \$1.95 for a period of one year from the date of issue and, thereafter, at a price of \$2.25 until 18 months from the date of issue. The weighted average exercise price of share purchase warrants, excluding these 2,793,900 share purchase warrants was \$1.20.

(d) Stock-based Compensation Plan

The Company has one stock-based compensation plan as at May 31, 2009, a common share purchase option plan for directors, officers, employees and consultants of the Company (the "Plan"). Options under the Plan are typically granted in such numbers as to reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company, typically vest immediately and have a two to five-year term. Except in specified circumstances, options are not assignable and terminate following the optionee ceasing to be employed by or associated with the Company.

On August 3, 2006, the Company's common shares were listed on the Toronto Stock Exchange (prior to August 3, 2006, the Company's common shares were listed on the TSX Venture Exchange) and are traded in Canadian dollars. The following is a summary of the Company's outstanding stock options:

	May 31, 2009		November 30, 2008	
	Number	Weighted average Exercise Price	Number	Weighted average Exercise Price
Options outstanding - beginning of year	4,120,000	\$ 1.27	4,130,000	\$ 1.02
Options granted	-	-	1,075,000	1.78
Options exercised	-	-	(535,000)	0.77
Options expired	(1,275,000)	1.12	(300,000)	0.81
Options terminated	-	-	(250,000)	1.00
Options outstanding - end of period	2,845,000	\$ 1.33	4,120,000	\$ 1.27
Exercisable options, end of period	2,845,000	\$ 1.33	4,120,000	\$ 1.27

INTER-CITIC MINERALS INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

The following table summarizes information about the stock options outstanding and exercisable at May 31, 2009:

Price range per option	Number outstanding May 31, 2009	Weighted average remaining contractual life	Weighted average exercise price
From \$0.61 to \$0.80	150,000	0.38	0.80
From \$0.81 to \$1.00	1,120,000	1.62	0.94
From \$1.01 to \$1.20	50,000	1.34	1.14
From \$1.21 to \$1.40	50,000	0.10	1.30
From \$1.41 to \$1.60	400,000	2.87	1.45
From \$1.61 to \$1.80	975,000	3.13	1.76
Higher than \$1.80	100,000	3.69	1.95
Overall	<u>2,845,000</u>	<u>2.34</u>	<u>\$ 1.33</u>

Prior to listing its shares on the Toronto Stock Exchange, the Company occasionally issued options with an exercise price that was below the market price of the stock on the grant date, as was permitted by the TSX Venture Exchange. In addition, the Company may issue options with an exercise price that is higher than the market price of the stock on the grant date. The following is a summary of weighted average exercise prices and weighted average fair values for options issued whose exercise price equals, exceeds or is less than the market price of the stock on the grant date.

	Exercise Price Exceeds Market Value	Exercise Price Equals Market Value	Exercise Price is below Market Value	Total
November 30, 2008				
Number issued	100,000	975,000	-	1,075,000
Weighted average exercise price	\$ 1.95	\$ 1.76	\$ -	\$ 1.78
Weighted average fair value	\$ 1.11	\$ 0.92	\$ -	\$ 0.93

During the year ended November 30, 2008 the Company recognized \$1,004,250 (May 31, 2009 - nil) as stock-based compensation expense and included this amount in contributed surplus.

The fair value of options issued was estimated on the date of grant using the Black-Scholes option pricing model based on the following weighted-average valuation assumptions:

	November 30, 2008
Expected life:	4.2 years
Expected volatility:	66.11%
Risk-free interest rate:	3.48%
Dividend rate:	0%

10. Segmented Information

The Company's activities are in one reportable operating segment, being acquisition of exploration-stage resource properties and exploration and development of those properties.

(a) Resource Properties and Property, Plant and Equipment by Geographic Region

	May 31, 2009	November 30, 2008
China	\$ 38,894,792	\$ 37,673,790
Canada	26,554	32,282
	<u>\$ 38,921,346</u>	<u>\$ 37,706,072</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

(b) Acquisition Costs and Exploration Costs by Resource Property

	For the six months ended May 31, 2009			
	Balance as at November 30, 2008	Additions during the period	Expensed during the period	Balance as at May 31, 2009
Dachang Gold Project				
Acquisition costs:	\$ 282,729	\$ -	\$ -	\$ 282,729
Exploration costs:				
Drilling	13,993,500	428,573	-	14,422,073
Consulting	3,850,223	567,642	-	4,417,865
Camp	2,789,264	21,622	-	2,810,886
Assays and metallurgy	2,530,807	71,908	-	2,602,715
Trenching	1,710,580	722	-	1,711,302
Travel and accommodation	1,191,334	75,643	-	1,266,977
Administrative and other	1,175,741	63,003	-	1,238,744
Depreciation	738,041	14,757	-	752,798
Mapping	399,329	35,074	-	434,403
Geophysical	420,877	-	-	420,877
Geochemical	338,506	-	-	338,506
Professional fees	298,821	17,747	-	316,568
Stock-based compensation (Note 9 (d))	198,000	-	-	198,000
	29,635,023	1,296,691	-	30,931,714
Future income tax liability	4,936,000	225,000	-	5,161,000
All resource properties	\$ 34,853,752	\$ 1,521,691	\$ -	\$ 36,375,443
	For the year ended November 30, 2008			
	Balance as at November 30, 2007	Additions during the year	Expensed during the year	Balance as at November 30, 2008
Acquisition costs:	\$ 282,729	\$ -	\$ -	\$ 282,729
Exploration costs:				
Drilling	7,157,785	6,835,715	-	13,993,500
Consulting	2,494,952	1,355,271	-	3,850,223
Camp	1,730,305	1,058,959	-	2,789,264
Assays and metallurgy	1,314,236	1,216,571	-	2,530,807
Trenching	1,180,204	530,376	-	1,710,580
Travel and accommodation	817,374	373,960	-	1,191,334
Administrative and other	599,702	576,039	-	1,175,741
Depreciation	461,136	276,905	-	738,041
Geophysical	253,986	166,891	-	420,877
Mapping	226,469	172,860	-	399,329
Geochemical	338,506	-	-	338,506
Professional fees	228,455	70,366	-	298,821
Stock-based compensation (Note 9 (d))	-	198,000	-	198,000
	16,803,110	12,831,913	-	29,635,023
Future income tax liability	3,040,000	1,896,000	-	4,936,000
All resource properties	\$ 20,125,839	\$ 14,727,913	\$ -	\$ 34,853,752

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED MAY 31, 2009

11. Subsequent Event

Subsequent to the end of the quarter the Company announced the issuance of 2,460,000 stock options to directors and employees. These options will vest immediately, have a contractual life of five years and are at a weighted average exercise price of \$0.50, which equals market value at the grant date.

The fair value of options issued is \$811,800 and was estimated on the date of grant using the Black-Scholes option pricing model based on the following weighted-average valuation assumptions: expected life - 5 years, expected volatility - 82.83%, risk-free interest rate - 2.42%, dividend rate - 0%.