INTER-CITIC MINERALS INC.

(A DEVELOPMENT STAGE COMPANY)

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

February 29, 2012 and February 28, 2011

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian dollars)

	February 29, 2012	November 30, 2011	December 1, 2010
ASSETS			
Current			
Cash and cash equivalents **(Note 3)**	$ 334,854	$ 732,412	$ 5,820,247
Short-term investments	9,050,000	10,500,000	-
Amounts receivable	221,695	397,481	336,964
Other current assets	50,215	29,691	511,762
	9,656,764	**11,659,584**	**6,668,973**
Non-current			
Restricted cash **(Note 3)**	2,388,410	7,781,905	5,828,398
Resource properties (**Note 6**)	63,348,009	62,473,971	49,756,599
Property, plant and equipment **(Note 7)**	1,775,982	1,848,156	2,300,085
TOTAL ASSETS	**$ 77,169,165**	**$ 83,763,616**	**$ 64,554,055**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	$ 2,436,929	$ 8,176,420	$ 4,843,926
	2,436,929	**8,176,420**	**4,843,926**
EQUITY			
Share capital **(Note 9)**	115,042,838	115,042,838	96,781,039
Share purchase warrants **(Note 10)**	2,442,989	3,357,471	651,842
Contributed surplus	11,909,016	10,994,534	9,424,016
Deficit	(54,662,607)	(53,807,647)	(47,146,768)
	74,732,236	**75,587,196**	**59,710,129**
TOTAL LIABILITIES AND EQUITY	**$ 77,169,165**	**$ 83,763,616**	**$ 64,554,055**

COMMITMENTS (Note 6 and 12)

The accompanying notes are an integral part of these consolidated interim financial statements.

Approved by the Board of Directors:

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

Mark R. Frederick
Director

James J. Moore
Director

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(Expressed in Canadian dollars)

	Common Shares										
	Number		Amount		Share Purchase Warrants		Contributed Surplus		Deficit		Total Equity
Balance as at December 1, 2010	**105,788,839**	**$**	**96,781,039**	**$**	**651,842**	**$**	**9,424,016**	**$**	**(47,146,768)**	**$**	**59,710,129**
Issued for cash pursuant to exercise of stock options	110,000		104,500		-		-		-		104,500
Fair value of stock options exercised	-		64,900		-		(64,900)		-		-
Loss and comprehensive loss for the period	-		-		-		-		(1,189,669)		(1,189,669)
Balance as at February 28, 2011	**105,898,839**	**$**	**96,950,439**	**$**	**651,842**	**$**	**9,359,116**	**$**	**(48,336,437)**	**$**	**58,624,960**
Issued for cash, net of cash issue costs	11,052,632		19,657,703		-		-		-		19,657,703
Fair value of share purchase warrants issued	-		(2,442,989)		2,442,989		-		-		-
Fair value of share puchase warrants extended	-		-		262,640		-		(262,640)		-
Issued for cash pursuant to exercise of stock options	622,174		549,263		-		-		-		549,263
Fair value of stock options exercised	-		328,422		-		(328,422)		-		-
Stock-based compensation on unexercised stock options	-		-		-		1,963,840		-		1,963,840
Loss and comprehensive loss for the period	-		-		-		-		(5,208,570)		(5,208,570)
Balance as at November 30, 2011	**117,573,645**	**$**	**115,042,838**	**$**	**3,357,471**	**$**	**10,994,534**	**$**	**(53,807,647)**	**$**	**75,587,196**
Fair value of share purchase warrants expired	-		-		(914,482)		914,482		-		-
Loss and comprehensive loss for the period	-		-		-		-		(854,960)		(854,960)
Balance as at February 29, 2012	**117,573,645**	**$**	**115,042,838**	**$**	**2,442,989**	**$**	**11,909,016**	**$**	**(54,662,607)**	**$**	**74,732,236**

The accompanying notes are an integral part of these consolidated interim financial statements.

INTER-CITIC MINERALS INC.
(A DEVELOPMENT STAGE COMPANY)
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in Canadian dollars)

	For the three months ended February 29, 2012	For the three months ended February 28, 2011
Expenses		
Salaries and benefits	311,195	377,819
Office and rent	183,438	184,703
Corporate relations	165,099	488,998
Travel and accommodation	144,003	64,798
Depreciation	98,907	123,687
Professional fees	79,102	79,837
Foreign currency exchange	(77,006)	(114,893)
	904,738	**1,204,949**
Interest income	(49,778)	(15,280)
Loss and Comprehensive Loss for the period	**$ 854,960**	**$ 1,189,669**
Loss per share - basic and diluted	**$ 0.01**	**$ 0.01**
Weighted average number of common shares outstanding	**117,573,645**	**105,845,061**

The accompanying notes are an integral part of these consolidated interim financial statements.

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

	For the three months ended February 29, 2012	For the three months ended February 28, 2011
Cash provided by (used in):		
Operating activities		
Loss for the period	$ (854,960)	$ (1,189,669)
Adjustments for:		
Depreciation	98,907	123,687
	(756,053)	**(1,065,982)**
Amounts receivable	175,786	153,279
Other current assets	(20,524)	446,539
Accounts payable and accrued liabilities	(65,579)	99,449
Changes in non-cash working capital balances	**89,683**	**699,267**
Total cash and cash equivalents used in operating activities	**(666,370)**	**(366,715)**
Financing activities		
Issuance of shares	-	104,500
Total cash and cash equivalents provided by financing activities	**-**	**104,500**
Investing activities		
Restricted cash	5,393,495	111,356
Short-term investments	1,450,000	-
Resource properties	(870,521)	(475,590)
Property, plant and equipment	(30,250)	(673)
Change in accounts payable and accrued liabilities	(5,673,912)	(680,239)
Total cash and cash equivalents used in investing activities	**268,812**	**(1,045,146)**
Decrease in cash and cash equivalents for the period	**(397,558)**	**(1,307,361)**
Cash and cash equivalents, beginning of period	732,412	5,820,247
Cash and cash equivalents, end of period	**$ 334,854**	**$ 4,512,886**

The accompanying notes are an integral part of these consolidated interim financial statements.

1. Nature of operations

Inter-Citic Minerals Inc. and its subsidiaries (together the Company or Inter-Citic) is a development stage company engaged in the acquisition, exploration and development of exploration stage mineral properties. The Company has entered into an earn-in agreement in respect of an exploration property, the Dachang Gold Project, in the Province of Qinghai, People's Republic of China (China). Inter-Citic is incorporated and domiciled in Canada. The Company's corporate and head office is located at 60 Columbia Way, Suite 501, Markham, Ontario, L3R 0C9.

2. Basis of preparation and adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants (CICA Handbook). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (IFRS), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these unaudited interim consolidated financial statements (Interim Financial Statements). In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

The Interim Financial Statements have been prepared in accordance with IFRS applicable to the presentation of interim financial statements, including IAS 34 and IFRS 1. The Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at December 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 5 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended November 30, 2011.

The policies applied in these Interim Financial Statements are based on IFRS effective for the year ending November 30, 2012 issued and outstanding as of May 13, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending November 30, 2012 could result in restatement of the Interim Financial Statements, including the transition adjustments recognized on the change-over to IFRS.

The Interim Financial Statements should be read in conjunction with the company's Canadian GAAP annual financial statements for the year ended November 30, 2011.

3. Significant accounting policies

The signficant accounting policies used in the preparation of the Interim Financial Statements are described below.

Consolidation

The Interim Financial Statements consolidate the accounts of Inter-Citic Minerals Inc. and its controlled 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

All intercompany transactions and balances are eliminated on consolidation.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the Canadian dollar are recognized in the statement of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with initial maturity terms of less than three months.

	February 29, 2012	November 30, 2011	December 1, 2010
Cash on hand and balances with banks	$ 234,854	$ 532,412	$ 140,247
Interest bearing investments	100,000	200,000	5,680,000
	$ 334,854	$ 732,412	$ 5,820,247

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

Short-term investments

Short-term investments generally represent interest bearing investments, principally in guaranteed investment certificates, with initial maturity terms greater than three months but not more than one year. Interest income is recorded on an accrual basis.

Restricted cash

Restricted cash relates to advances held in China, primarily in Canadian dollars, and is committed to the continuing exploration and development of the Dachang Gold Project (Note 6).

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of cash and cash equivalents, short-term investments, restricted cash and amounts receivable. Loans and receivables are initially recognized at fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(ii) Financial liabilities at amortized cost

Financial liabilities at amortized cost consists of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are initially recognized at fair value. Subsequently, accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

Unless otherwise noted, 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.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains and losses on disposal, determined by comparing the proceeds with the carrying amount of the asset, is recognized in the statement of loss and comprehensive loss.

The major categories of property, plant and equipment are depreciated as follows:

Leasehold improvements	2 to 3 years, straight-line
Office equipment	10 to 33%, declining balance
Exploration equipment	20 to 30%, declining balance

Depreciation in respect of exploration equipment is capitalized to resource properties during the exploration season when the assets are in use. Repair and maintenance costs are either capitalized to resource properties or charged to the statement of loss and comprehensive loss.

Residual values, method of depreciation and useful lives are reviewed annually and adjusted if appropriate.

Resource properties

Exploration and development costs, including direct administration costs, are capitalized as resource properties only if the legal rights to an area of interest are current and these costs can be directly attributed to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Costs incurred before the Company has obtained legal rights to explore an area are expensed.

Resource properties are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and development assets are allocated to cash generating units to which the exploration activity relates.

Once the technical feasibility and commerical viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and development assets are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For purposes of impairment testing, exploration and development assets are allocated to cash generating units to which the exploration activity relates. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Where an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognized immediately.

Stock-based compensation

The Company has one stock-based compensation plan (the Plan), which is further described in Note 11. Fair value of the stock options is measured at the date of grant using the Black-Scholes option pricing model. Stock-based compensation is recognized on a graded vesting method basis, adjusted for expected forfeitures over the vesting period by increasing contributed surplus and is either expensed or capitalized in respect of the resource property. Consideration received on exercise of stock options is credited to share capital.

Income tax

Deferred income tax is calculated using the asset and liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Loss per share

Loss per share has been computed by dividing loss attributable to equity owners of the Company 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 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.

Accounting standards issued but not yet adopted

Standards, amendments and interpretations issued and applicable to the Company but not yet effective are listed below. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

IFRS 9 *Financial Instruments: Classification and Measurement* replaces IAS 39 *Financial Instruments: Recognition and Measurement* and introduces new requirements for the classification and measurement of financial instruments. IFRS 9 also replaces models for measuring equity instruments. IFRS 9 is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

The following standards are effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 10 *Consolidated Financial Statements* replaces IAS 27 *Consolidation and Separate Financial Statements* and SIC 12 *Consolidation - Special Purpose Entities* by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee.

IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures* and focuses on the rights and obligations of the parties involved in the joint arrangement. This standard also eliminates the option of accounting for jointly controlled entities by proportionate consolidation.

IFRS 12 *Disclosure of Interests in Other Entities* provides comprehensive disclosure guidance on interests in subsidiaires, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 *Fair Value Measurements* sets out a single source of guidance for all fair value measurements required under IFRS. This standard defines and provides guidance on determining fair value and requires disclosures about fair value but does not change the requirement regarding which items are measured or disclosed at fair value.

4. Management estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS 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 consolidated financial statements and the reported amount of expenses and other income during the reporting period. Actual results could differ from those estimates. The effect of a change in accounting estimate is recognized prospectively in the period of change.

Resource properties

Management believes that the most critical area of judgement relate to the Company's resource properties. It is the Company's policy to capitalize exploration and development costs with the expectation for recoupment through successful development and exploitation or sale of the property. To date, the Company has not found any proven reserves or engaged in any production activities, 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 property, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to obtain appropriate financing to put the property into production, and profitability of future production are not successful, assets may not be realized or liabilities discharged at their carrying values, and these differences could be material.

Functional currency

An entity's functional currency is the currency of the primary economic environment in which it operates. The primary economic environment can often be identified by considering the cash inflows (sources of revenue) and the cash outflows (costs incurred in generating revenue) of an entity. The Company currently has no source of operating cash inflows while costs are denominated in Canadian dollars as well as other foreign currencies including the US dollar and the Chinese renminbi. As a result, judgement was applied in arriving at the functional currency for these Interim Financial Statements by considering such factors as the currency in which the majority of costs are denominated in, the currency in which financing is raised, the currency in which cash resources are held and the degree of autonomy experienced by foreign operations of the Company. In the future, the determination of the Company's functional currency may be impacted by the successful development of the project, changes to the foreign currency composition of costs and other factors.

(Expressed in Canadian dollars)

Stock-based compensation and share purchase warrants

Management is required to make certain estimates, such as volatility, when determining the fair value of stock options and share purchase warrants. These estimates affect the amount recognized as stock-based compensation as well as the fair value allocated to share purchase warrants.

Income tax and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities require management to make judgements in the interpretation and application of the relevant tax laws. Management did not recognize deferred tax assets as future taxable profits are not expected until the Company reaches technical feasibility and commercial viability, the timing of which is uncertain as the Company is still in the exploration and development stage with respect to the Dachang Gold Project.

5. Transition to IFRS

The effect of the Company's transition to IFRS, described in Note 2, is summarized in this note as follows:

(i) Transition elections
(ii) Reconciliation of equity, loss and comprehensive loss as previously reported under Canadian GAAP to IFRS
(iii) Adjustments to the statement of cash flows

(i) Transition elections

The Company did not apply any transition exceptions or exemptions to full retrospective application of IFRS.

(ii) Reconciliation of equity, loss and comprehensive loss as previously reported under Canadian GAAP to IFRS

Equity	November 30, 2011	February 28, 2011	December 1, 2010
Equity as reported under Canadian GAAP	$ 75,587,196	$ 58,624,960	$ 59,710,129
IFRS adjustments:			
Decrease to Resource properties	11,706,000	10,051,000	9,917,000
Decrease to Deferred tax liability	(11,706,000)	(10,051,000)	(9,917,000)
Equity as reported under IFRS	$ 75,587,196	$ 58,624,960	$ 59,710,129

(a) Under Canadian GAAP, for certain exploration and development related payments, the Company had recognized a deferred tax liability and a corresponding adjustment to resource properties. Under IFRS, a deferred tax liability is not recognized to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit. As a result, an adjustment is required to eliminate the deferred tax liability and the corresponding amount from the carrying value of resource properties.

Loss and comprehensive loss

The transition to IFRS had no impact on loss and comprehensive loss as previously reported under Canadian GAAP.

(iii) Adjustments to the statement of cash flows

The transition to IFRS had no impact on cash flows generated by the Company as previously reported under Canadian GAAP.

(Expressed in Canadian dollars)

6. 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. On November 24, 2009, the Chinese party to the agreement was changed to the No. 5 Geology and Mineral Exploration Institute (No. 5 Institute), a company that shares the same parent company as that of the Qinghai Geological Survey Institute. Under the terms of this agreement, Inter-Citic can earn an 83% interest in the project by contributing 100% of the funds for exploration and development of the project (approximately $28,975,000 or renminbi 190,000,000 to date), completion of metallurgical and pre-feasibility reports, and making a cash payment of the equivalent of approximately $1,581,000 (renminbi 10,000,000) on the issuance of all applicable licenses, permits and approvals 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 a pre-feasibility report, for a total interest of 90%. The No. 5 Geology and Mineral Exploration 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 No. 5 Geology and Mineral Exploration Institute seeks foreign investment.

The Company has incurred exploration and development costs in respect of the Dachang Gold Project as follows:

	Balance as at December 1, 2010	Additions during the year	Balance as at November 30, 2011	Additions during the period	Balance as at February 29, 2012
Acquisition costs:	**$ 282,729**	**$ -**	**$ 282,729**	**$ -**	**$ 282,729**
Exploration and development costs:					
Drilling	22,516,249	5,612,567	28,128,816	12,831	28,141,647
Consulting	7,053,427	2,573,509	9,626,936	476,874	10,103,810
Camp	4,894,552	914,438	5,808,990	7,227	5,816,217
Assays and metallurgy	3,595,555	962,253	4,557,808	148,405	4,706,213
Administrative and other	2,141,678	782,510	2,924,188	123,236	3,047,424
Trenching	2,220,208	398,301	2,618,509	-	2,618,509
Travel and accommodation	1,769,586	364,850	2,134,436	78,472	2,212,908
Geological	1,726,045	20,507	1,746,552	-	1,746,552
Stock-based compensation	1,128,750	541,120	1,669,870	-	1,669,870
Depreciation	1,378,861	251,471	1,630,332	3,517	1,633,849
Mapping	582,420	229,947	812,367	16,850	829,217
Professional fees	466,539	65,899	532,438	6,626	539,064
	49,473,870	**12,717,372**	**62,191,242**	**874,038**	**63,065,280**
	$ 49,756,599	**$ 12,717,372**	**$ 62,473,971**	**$ 874,038**	**$ 63,348,009**

During the three month period ended February 29, 2012, there were no exploration and development related costs incurred and payable to the No. 5 Institute (February 28, 2011 - approximately $29,000). As at February 29, 2012, amounts owing to the No. 5 Institute were approximately $1.1 million (November 30, 2011 - approximately $5.9 million).

(Expressed in Canadian dollars)

7. Property, plant and equipment

	Leasehold improvements	Office equipment	Exploration equipment	Total
At December 1, 2010				
Cost	$ 53,790	$ 104,940	$ 4,537,421	$ 4,696,151
Accumulated depreciation	(44,624)	(76,913)	(2,274,529)	(2,396,066)
Net book value	**$ 9,166**	**$ 28,027**	**$ 2,262,892**	**$ 2,300,085**
Year ended November 30, 2011				
At December 1, 2010	$ 9,166	$ 28,027	$ 2,262,892	$ 2,300,085
Additions	75	4,536	52,498	57,109
Depreciation	(5,040)	(8,727)	(495,271)	(509,038)
At November 30, 2011	**$ 4,201**	**$ 23,836**	**$ 1,820,119**	**$ 1,848,156**
At November 30, 2011				
Cost	$ 53,865	$ 109,476	$ 4,589,919	$ 4,753,260
Accumulated depreciation	(49,664)	(85,640)	(2,769,800)	(2,905,104)
Net book value	**$ 4,201**	**$ 23,836**	**$ 1,820,119**	**$ 1,848,156**
Period ended February 29, 2012				
At December 1, 2011	$ 4,201	$ 23,836	$ 1,820,119	$ 1,848,156
Additions	-	-	30,250	30,250
Depreciation	(1,260)	(1,626)	(99,538)	(102,424)
Closing net book value	**$ 2,941**	**$ 22,210**	**$ 1,750,831**	**$ 1,775,982**
At February 29, 2012				
Cost	$ 53,865	$ 109,476	$ 4,620,169	$ 4,783,510
Accumulated depreciation	(50,924)	(87,266)	(2,869,338)	(3,007,528)
Net book value	**$ 2,941**	**$ 22,210**	**$ 1,750,831**	**$ 1,775,982**

8. Related parties

The Company's transactions with related parties include key management personnel, their close family members and enterprises which are controlled by these individuals. Key management include the directors of Inter-Citic Minerals Inc., the Chief Executive Officer and the Chief Financial Officer. Remuneration awarded to key management consisted of, for the three month period ended:

	February 29, 2012	February 28, 2011
Salaries and short-term employee benefits	$ 146,150	$ 139,188
Consulting arrangements	67,980	57,050
Directors fees	3,750	4,500
	$ 217,880	$ 200,738

Of these amounts $67,980 was capitalized to resource properties in the three month period ended February 29, 2012 (February 28, 2011 - $57,050). Except for share-based payments, compensation to key management is in the normal course of operations and is measured at the amount of consideration established and agreed to by the parties.

(Expressed in Canadian dollars)

9. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares, without par value. As at February 29, 2012 there were 117,573,645 common shares issued and outstanding (February 28, 2011 - 105,898,839).

2011 Private Placement

In 2011, the Company completed a non-brokered private placement for gross proceeds of $21,000,000 consisting of 11,052,632 units of the Company at a price of $1.90 per unit. The first tranche for $12,600,000 (6,631,579 units) was completed on June 27, 2011 and the second tranche for $8,400,000 (4,421,053 units) was completed on July 8, 2011. Each unit consisted of one common share and one-half of one share purchase warrant with no partial share purchase warrant issued. Each whole share purchase warrant entitles the holder to acquire one common share of the Company at a price of $2.00 for a two year period from the date of issue. As part of this financing arrangement, the Company paid finder's fees of $1,260,000 in cash and issued an additional 442,105 in share purchase warrants (Finder's Warrants). Each Finder's Warrant entitles the holder to acquire one additional common share at $2.66 for a two year period from the date of issue.

The fair values of the share purchase warrants, including the Finder's Warrants, were determined using the Black-Scholes option pricing model with the following assumptions:

	June 27, 2011	July 8, 2011
Expected life:	2 years	2 years
Expected volatility:	67.29%	65.52%
Risk-free interest rate:	1.40%	1.51%
Dividend rate:	0%	0%

After cash issuance costs of $82,297 and cash finder's fees, the net proceeds were allocated $17,214,714 to the common shares and $2,442,989 to the share purchase warrants (including the Finder's Warrants), respectively.

10. Share purchase warrants

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

	Number	Value	Weighted average exercise price
Balance, December 1, 2010	**3,333,000**	**$ 651,842**	**$ 1.45**
Issued	5,968,420	2,442,989	2.05
Extension of warrants	-	262,640	-
Balance, November 30, 2011	**9,301,420**	**$ 3,357,471**	**$ 1.83**
Expired	(3,333,000)	(914,482)	
Balance, February 29, 2012	**5,968,420**	**$ 2,442,989**	**$ 2.05**

On October 12, 2011 the Company made an application with the Toronto Stock Exchange to extend the term of 3,333,000 share purchase warrants to January 26, 2012. As a result, a fair value measurement of $262,640 was credited to share purchase warrants with a corresponding increase to deficit. These extended warrants expired without exercise.

As at February 29, 2012 the outstanding share purchase warrants have a weighted average remaining life of 1.34 years.

(Expressed in Canadian dollars)

11. Stock-based compensation plan

The Plan is a common share purchase option plan for directors, officers, employees and consultants of the Company. 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's ceasing to be employed by or associated with the Company.

The following is a summary of the Company's outstanding and exercisable stock options:

	February 29, 2012		November 30, 2011	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning of the period	8,762,826	$ 1.15	7,905,000	$ 0.98
Granted	-	-	1,615,000	1.88
Exercised	-		(732,174)	0.89
Cancelled	-	-	(25,000)	1.76
Balance, end of the period	**8,762,826**	**$ 1.15**	**8,762,826**	**$ 1.15**

The following table summarizes information about stock options outstanding as at February 29, 2012:

	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price
Price range per option			
Less than $0.61	2,195,000	2.36	$ 0.50
From $0.81 to $1.00	2,952,826	2.80	0.96
From $1.21 to $1.40	710,000	3.18	1.31
From $1.41 to $1.60	400,000	0.12	1.45
From $1.61 to $1.80	790,000	1.73	1.76
Higher than $1.80	1,715,000	3.85	1.88
Overall	**8,762,826**	**2.71**	**$ 1.15**

12. Commitments

In 2011, the Company entered into various development related contracts that are expected to be completed in 2012. As at February 29, 2012 approximately $560,000 remains committed in respect of these contracts.

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

2012	$ 99,303
2013	$ 89,214
2014	$ 22,303

(Expressed in Canadian dollars)

13. Income taxes

The Company's provision for recovery of income tax has been calculated as follows:

	February 29, 2012	February 28, 2011
Loss for the three month period ended	$ 854,960	$ 1,189,669
Income tax recovery at Canadian federal and provincial statutory rates	$ 225,709	$ 339,056
Permanent differences	(124,446)	(1,373)
Tax losses for which no deferred tax asset has been recognized	(101,263)	(337,683)
Provision for recovery of income tax	$ -	$ -

Effective January 1, 2012 the Canadian federal corporate income tax rate decreased from 16.5% to 15% and effective July 1, 2012 the Ontario provincial tax rate decreased from 11.5% to 11%. The overall reduction in the tax rate resulted in a decrease in the Company's statutory tax rate from 28.5% to 26.4%.

14. Segmented information

The Company has one operating segment: the acquisition, exploration and development of mineral resource properties in China.

Information by geographical area	February 29, 2012	November 30, 2011	December 1, 2010
China			
Restricted cash	$ 2,388,410	$ 7,781,905	$ 5,828,398
Resource properties	63,348,009	62,473,971	49,756,599
Property, plant and equipment	1,764,391	1,835,685	2,283,530
Non-current assets	**$ 67,500,810**	**$ 72,091,561**	**$ 57,868,527**
Accounts payable and accrued liabilities	**$ 1,504,437**	**$ 6,710,058**	**$ 3,516,403**
Canada			
Restricted cash	$ -	$ -	$ -
Resource properties	-	-	-
Property, plant and equipment	11,591	12,471	16,555
Non-current assets	**$ 11,591**	**$ 12,471**	**$ 16,555**
Accounts payable and accrued liabilities	**$ 932,492**	**$ 1,466,362**	**$ 1,327,523**

15. Capital management

The Company's objective when managing capital, which the Company defines as shareholders' equity, is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued exploration, development and eventual production and maintenance at the Dachang Gold Project and to acquire, explore and develop other precious and base metal deposits.

The Company manages its capital structure and makes adjustments to it, based on the level of funds available to the Company to manage its operations. In order to maintain or adjust the capital structure, the Company expects that it will be able to obtain equity financing, long-term debt, equipment-based financing and/or project-based financing sufficient to maintain and expand its operations. There are no assurances that these initiatives will be successful.

In order to achieve these objectives, the Company invests its unutilized capital in short-term interest bearing investments with credit worthy financial institutions.

16. Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

The Company has sufficient funds to settle current liabilities. However, the Company has no source of operating cash flow to fund its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing or future projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration, and the possible partial or total loss of the Company's interests in resource properties.

Market risk

(a) Interest rate and credit risk

The Company has significant cash and short-term investments with no interest bearing debt. This represents the Company's maximum exposure to credit risk. The Company's current policy is to invest excess cash in short-term investments with Canadian chartered banks and their subsidiaries. The Company periodically monitors the investments it makes and is satisfied with the credit rating of these financial instituions.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company's operations, however, are located in China where certain exploration, development and administrative expenses are incurred in the Chinese renminbi. Fluctuations in the value of the Chinese renminbi may have an adverse affect on the operations and operating costs of the Company.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible":

(a) Cash and cash equivalents and short-term investments bear interest at floating interest rates. Sensitivity by a plus or minus 1% change in rates would affect loss for the three month period ended February 29, 2012 by approximately $25,000 (February 28, 2011 - $12,500).

(b) The Company held the following balances in foreign currency:

	February 29, 2012				November 30, 2011			
	US dollars		Chinese renminbi		US dollars		Chinese renminbi	
Cash and cash equivalents	$	48,387	¥	293,172	$	310,508	¥	259,434
Amounts receivable		-		960,546		-		824,121
Restricted cash		-		285,082		-		148,918
Accounts payable and accrued liabilities		(28,164)		(9,924,730)		(369,283)		(41,549,423)
	$	20,223	¥	(8,385,930)	$	(58,775)	¥	(40,316,950)
Equivalent in Canadian dollars	$	20,154	$	(1,325,816)	$	(60,656)	$	(6,523,283)

Sensitivity by a plus or minus 1% change in foreign currency exchange rates would affect loss for the three month period ended February 29, 2012 by approximately $13,000 (February 28, 2011 - $33,000).