

TERMS OF REFERENCE FOR
THE GOVERNANCE AND NOMINATING COMMITTEE
OF
INTER-CITIC MINERALS INC.

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ADOPTED – MAY 29, 2008

TERMS OF REFERENCE

FOR

THE GOVERNANCE AND NOMINATING COMMITTEE

COMPOSITION

At the first meeting of the Board of Directors of Inter-Citic Minerals Inc. (the “**Company**”) after the election of Directors at the annual meeting of shareholders, the Board shall, for the purpose of assisting it in developing the Company’s approach to governance of the Company and the nomination and compensation of Directors, appoint a Governance and Nominating Committee (“**Governance Committee**”) comprised of not more than three Directors of the Company, a majority of whom shall be independent (as defined under applicable securities laws). Any member may be removed from the Governance Committee or replaced at any time by the Board.

The Chair of the Governance Committee shall be appointed by the Board of Directors at the meeting of the Board referred to above. The Chair shall preside as chair at each Committee meeting, lead Committee discussion on meeting agenda items and report to the Board, on behalf of the Committee, with respect to the proceedings of each Committee meeting. The Governance Committee shall designate a Secretary to the Governance Committee who may be a member of the Governance Committee or an officer or employee of the Company. The Secretary shall keep minutes and records of all meetings of the Governance Committee. In the event that either the Chair or the Secretary is absent from any meeting, the members present shall designate any Director present to act as Chair and shall designate any Director, officer or employee of the Company to act as Secretary.

Meetings of the Governance Committee, including telephone conference meetings, shall be held at such time and place as the Chair of the Governance Committee, or any member of the Governance Committee, may determine and, in any event, at least one time per year. Notice of meetings shall be given to each member not less than 24 hours before the time of the meeting; provided that meetings of the Governance Committee may be held without formal notice if all of the members are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting.

Notice of meeting may be given verbally or delivered personally, given by mail, facsimile or other electronic means of communication and need not be accompanied by an agenda or any other material. The notice shall however specify the purpose or purposes for which the meeting is being held.

Any two members of the Governance Committee shall constitute a quorum.

A resolution in writing, signed by all the members of the Governance Committee entitled to vote on that resolution at a meeting of the Governance Committee, is as valid as if it had been passed at a meeting of the Governance Committee. A copy of any such resolution in writing shall be kept with the minutes of the proceedings of the Governance Committee.

Any matter to be voted upon shall be decided by a majority of the votes cast on the question; and in the case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.

No alteration to the roles and responsibilities of the Governance Committee shall be effective without the approval of the Board of Directors.

ROLE AND RESPONSIBILITIES

The duties of the Governance Committee shall include:

1. to establish a process for identifying, recruiting and appointing new Directors;
2. to identify individuals qualified to become Board members, consistent with criteria approved by the Board, and recommend to the Board nominees for election to the Board;
3. to establish a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of Board members, retirement dates and the strategic direction of the Company as well as the competencies and skills the Board, as a whole, should possess;
4. to ensure there is a succession plan for the position of Chairman of the Board;
5. to approve on an annual basis the ordinary course compensation levels to be paid to the Directors to ensure such compensation properly reflects the responsibilities and risks involved in being a Director;
6. to review and recommend to the Board fundamental changes to the structure or form of director compensation;
7. to review periodically the size of the Board to ensure its continued effectiveness (including, without limitation, facilitating effective decision-making);
8. to review the composition of and the Chairs of the committees of the Board as proposed by the Chairman of the Board;
9. to review periodically the general responsibilities and function of the Board and its committees, and the roles of the Chairman of the Board and the Chief Executive Officer;
10. to assess from time to time, the needs of the Board in terms of the frequency, location and conduct of Board and committee meetings;
11. to review and make recommendations regarding the orientation of new Directors and, if required, ongoing needs to inform Directors regarding the activities of the Company;
12. to develop and recommend to the Board a set of corporate governance principles and guidelines applicable to the Company;
13. to review and approve the annual regulatory disclosure of corporate governance compliance;

14. in advance of any appointment, to consider and if appropriate to approve requests from individual Directors or committees of the Board to engage outside advisors in accordance with the Company’s policy on the use of outside advisors; and
15. to consider, and when appropriate, to grant waivers from the application of the Code on Business Conduct to executive officers and directors. Any material waivers shall be promptly disclosed to shareholders.

The Governance Committee may invite such officers, Directors and employees of the Company as it may see fit from time to time to attend a meeting of the Governance Committee and assist thereat in the discussion and consideration of matters relating to the Governance Committee and may delegate to any member or subcommittee of members any of the duties of the Governance Committee.

In respect of matters within its purview under this mandate and delegation, the Governance Committee shall assist the Board in its oversight of the Company’s compliance with legal and regulatory requirements.

The Governance Committee, after consultation with and having received the concurrence of the Chairman of the Board, shall have the authority to direct and to supervise the investigation into any matter brought to its attention within the scope of its duties and to engage and compensate any outside adviser that it determines to be necessary to permit it to carry out its duties.