



## 2011 Exploration Program Continues to Discover and Define New Gold Zones at Inter-Citic Minerals' Dachang Gold Project

### *Discoveries Continue as Permitting Moves Forward*

Inter-Citic Minerals Inc. (TSX: ICI; OTCQX: ICMTF) has wrapped up another successful exploration season in 2011. Building on its already significant NI 43-101 gold resource, drill results from last year continue to reveal the extent of the widespread gold mineralization across the enormous Dachang gold property.

Inter-Citic has operated successfully in China for more than a decade where it enjoys a high profile and support as an advanced and important gold exploration asset moving towards permitting and production. It has repeatedly demonstrated it has the relationships and experience to allow them to expand and develop one of China's largest new open pit gold resources. To date, Inter-Citic has built an impressive list of achievements:

- A NI 43-101 compliant estimated mineral resource currently at 1.88 million ounces contained gold (17.2 million tonnes grading 3.41 g/t Au) Measured and Indicated, plus an additional Inferred mineral resource of 1.93 million ounces contained gold (21.3 million tonnes grading 2.83 g/t Au).

- Ongoing news of new mineralized zones discovered and expanded during last year's \$6.3 million exploration program of drilling, at the same time advancing the project towards near-term permitting.

- At surface, open-pittable gold mineralization.

- A 279-square kilometer property hosting more than 50 major gold anomalies, most of which have not yet been fully explored.

- A published Scoping Study based on an earlier, much smaller NI 43-101 resource estimate that projected an open pit gold mine producing 1.5

million ounces of gold over a 9-year mine life, without accounting for the additional almost million NI 43-101 compliant resource ounces added since it was published.

- A 40% IRR in the 2009 Scoping Study using only a \$750/oz gold price and a smaller resource.

- A key strategic investment made at a premium to market by Zijin Mining Group Co., Ltd., China's largest gold producer and operator of China's largest open pit gold mine.

### **Exploration Continues to Yield Results at Dachang Gold Project**

It is hard to imagine how large Inter-Citic's Dachang Gold Project actually is. Inter-Citic's license area at Dachang is five times the size of the

island of Manhattan. Over this 279 square kilometer property in western China, Inter-Citic has discovered a corridor of at-surface gold mineralized faults that stretch from one end of the property to the other in a band roughly 16 kilometers long and four kilometers wide.

With over 160,000 meters of drilling complete in over 1,250 holes, plus almost 100,000 meters of trenching, Inter-Citic has encountered at-surface gold mineralization with remarkable consistency at Dachang. This has allowed them to steadily increase their NI 43-101 gold resource estimate year after year. Exploration to date has discovered extensive and economically open-pittable at-surface gold mineralization.

2011's trenching program has again yielded several new areas of



James Moore  
Inter-Citic President

"The economic payback of the Dachang Gold Project is its most compelling feature."



at-surface gold mineralization on the property with very strong assay results well away from the existing resource areas. Because of the shallow soil cover, trenching has been one of the most valuable and cost-effective tools at Dachang for making new discoveries in this at-surface system of gold-bearing fault structures.

The Dachang Gold Project – encompassing more than 50 major gold-in-soil anomalies and multiple mineralized fault systems across the large property – is located on a plateau in western China’s Qinghai Province. Qinghai Province is extremely mining friendly and has been enthusiastically supportive of Inter-Citic’s efforts there to bring a new gold mine into production there. Local support has been so strong that the Governor of the Province of Qinghai came to Toronto to ring the opening bell at the Toronto Stock Exchange on behalf of Inter-Citic.

“The more we explore, the more we realize how large this gold bearing fault system is at Dachang,” said James Moore, President and CEO of Inter-Citic. “An independent inventory of undeveloped open pit gold resources in China places Inter-Citic’s Dachang Gold Project as the second largest in the country, and the only one owned by a North American company. With only a small portion of the property fully explored, Dachang already has the capacity to become a significant gold producer and a project that can quickly be put into production. We have seen major support for the company and project in China, which fully understands its enormous potential.”

In 2009 the Company published an independent Scoping Study that illustrated that Dachang has the potential of becoming a very profitable mine for Inter-Citic. At that time it projected a total capital cost of only \$104 million to build the mine and facility, with operating costs of \$404 an ounce of gold. Modelled at a modest \$750/oz gold price, the 2009 mine plan was based on only 1.5 million ounces. The current estimated resource in all categories now stands at approximately 1.9 million ounces gold Measured and Indicated, plus a further 1.9 million ounces Inferred.

### **Strong, Diversified Management Team**

Although Inter-Citic Minerals is based in Toronto, its management team has been singularly focused

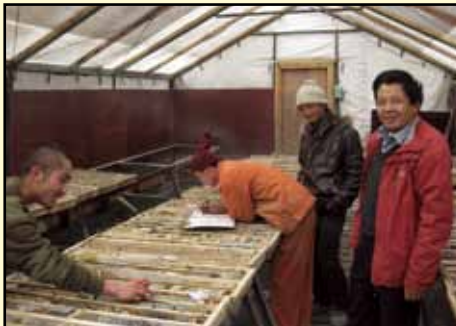
## **— Dachang Gold Project —** *Qinghai Province, China*

Inter-Citic Minerals Inc. is a Canadian gold exploration company advancing its Dachang Gold Project – one of China’s largest undeveloped open-pit gold resources. With positive economics, Dachang already has established a significant NI 43-101 mineral resource of an estimated Measured and Indicated inventory of 1.88 million ounces contained gold (17.2 million tonnes



grading 3.41 g/t Au), plus a further Inferred mineral resource estimate of 1.93 million ounces contained gold (21.3 million tonnes grading 2.83 g/t Au).

Exploration is ongoing at Dachang to further expand gold resources in already identified new areas of gold mineralization, with a \$6.3 million drilling and trenching



program in 2011 aimed at further resource expansion.

With significant Hong Kong ownership, China’s largest gold producer made a strategic investment in Inter-Citic in 2010. A Feasibility Study is now underway as Inter-Citic continues to expand and progress the Dachang Gold Project towards permitting and near-term production.



on the People's Republic of China for more than a decade. During that time, the company developed unique relationships with business and governmental leaders that paid off handsomely with the acquisition of the Dachang Gold Project in 2004 and a 30-year joint venture agreement with local partner QGSI. As if the massive Dachang land position wasn't already enough, that long-term agreement gives Inter-Citic a major advantage over other companies operating in China's Qinghai Province – a formal right of first refusal to acquire subsequent projects.

"This gives Inter-Citic a rich opportunity pipeline for future gold and mineral exploration and development," says Moore. He has worked closely with Hong Kong-based investor groups since 1997 and has witnessed first hand China's growth into the world's largest gold producer and soon to be largest gold consumer. In addition to Zijin Mining Group, major Inter-Citic shareholders include such prominent Chinese business families as the Hos of

Macao's banking world and the Lees of Hong Kong's Henderson Group, as well as a broad base of North American institutional, investment fund and retail investors.

### Investment Considerations

Inter-Citic Minerals' ability to attract a significant premium to market price in its July 2011 financing and an earlier investment from China's largest gold producer are clear validation of the quality and value of the Dachang Gold Project.

"Inter-Citic is clearly appreciated within the China and Hong Kong investment community as a major opportunity to participate in that important gold market," said Mr. Moore. "As Dachang grows and advances towards production we are confident that appreciation will also grow in the West."

Inter-Citic continues to be rated a top pick by the Who's Who of gold analysts and newsletter writers and investment advisors:

- Inter-Citic is "... run by a management team that also has big



*Pictured above: Placer gold from Dachang. The area has centuries of historical placer workings coming off the Dachang property.*

plans to match the project. This team recognizes that development projects often lose the attention of investors as they go past the discovery stage and into the development phase. They're working on ways to keep the exploration potential of this very large project front and center. I think it's got its best days ahead of it. It's a strong buy." ...Brien Lundin, The Gold Report.

- "...a strong management and technical team...well financed to continue an aggressive program leading toward a production decision"... Lawrence Roulston, editor, Resource Opportunities.

- "...a significant amount of exploration upside remains laterally and at depth"...Haytham Hodaly, analyst, Salman Partners.

- "...this is an excellent opportunity to invest in a potentially high-return, low-cost gold project in China"... Catherine Gignac, analyst, NCP Northland Capital Partners.

As Inter-Citic continues towards permitting and further resource expansion, and with the continued increase in world demand for gold, the Dachang Gold Project is already being considered by many in the industry as a potentially major project with a solid base for additional future growth.

### Inter-Citic Minerals Is Making Significant Discoveries on a Major New Gold Belt in Western China's Qinghai Province



Inter-Citic Minerals' Dachang Gold Project is one of China's largest undeveloped gold resources. Located in mineral-rich Qinghai Province, Dachang is an economically viable open-pit mine with ongoing exploration potential.

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## Quick **FACTS**

### *Inter-Citic Minerals Highlights:*

- Dachang Gold Project is one of China's largest undeveloped open-pit gold resources.
- An NI 43-101 compliant gold resource of 1.88 million oz M+I of 17.2 MT @ 3.41 gpt Au, plus a further 1.93 million ounces Inferred of 21.3 MT @ 2.83 gpt Au.
- A \$6.3 million drilling and trenching exploration program is underway in 2011 in new areas of the property known to contain gold mineralization.
- Investors include China's largest gold producer and major Hong Kong stakeholders.
- Exploration continues while moving towards permitting and production.

### **INTER-CITIC MINERALS INC.**

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Shares Outstanding: 117.5 million:

52 Week Trading Range:

Canada: Hi: C\$2.21 • Low: C\$0.71

U.S.: Hi: \$2.253 • Low: \$0.6757

Inter-Citic Minerals Inc. aggressively continues to explore its Dachang Gold Project, a 279 square-kilometer property in Western China. Located near Eldorado's Tanjiaoshan gold mine, Dachang is a recently discovered, sediment-hosted gold deposit contained within a very large and under-explored district. Exploration has identified extensive at-surface gold mineralization that is open both on strike and at depth. An independent Scoping Study published in smaller 2009 based on a much smaller gold resource estimate projected an IRR for the Dachang Gold Project in excess of 40% at a conservative \$750/oz world gold price. Since that time, Inter-Citic has added a further almost one million oz Au to its resource inventory. That Scoping Study also estimated a total capital cost of \$104 million and cash production costs of \$404 per ounce of gold.

In early 2010 Zijin Mining Group, China's largest gold producer and operator of China's largest open-pit gold mine, acquired a 19% interest in Inter-Citic. Inter-Citic's other key shareholders are from prominent Hong Kong families that have successfully been doing business in China for generations, including the Ho family of Macao's banking world, and the Lee family of Hong Kong's Henderson Group.

The 2011 update to Dachang's NI 43-101 Resource Estimate includes contained gold consisting of 1.88 million oz Au Measured & Indicated at 3.41 gpt Au, plus an additional 1.93 million ounces Inferred at 2.83 gpt Au. In 2011, Inter-Citic has continued drilling and trenching exploration targets at Dachang outside of the existing resource areas to expand the current resource and add additional mine life and annual production to the conceptual Scoping Study model.



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