Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice-President & General Counsel of International Tower Hill Mines Ltd. at Suite 1920, 1128 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4A2, telephone (604) 683-6332 and are also available electronically at www.sedar.com.*

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any state of the United States of America, its territories or possessions (the "United States"). Accordingly, except as permitted under the Underwriting Agreement as defined herein, these securities may not be offered or sold within the United States, or to, or for the account or benefit, of a "U.S. person" (as defined in Regulation S under the 1933 Act). This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, a U.S. person. See "Plan of Distribution".

SHORT FORM PROSPECTUS

NEW ISSUE November 5, 2010

INTERNATIONAL TOWER - HILL - MINES LTD

INTERNATIONAL TOWER HILL MINES LTD.

$65,000,000
10,400,000 Common Shares

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 10,400,000 common shares (the "**Offered Shares**") of International Tower Hill Mines Ltd. (the "**Company**" or "**ITH**") at a price of $6.25 per Offered Share (the "**Offering Price**") pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of October 4, 2010 between the Company, Canaccord Genuity Corp., BMO Nesbitt Burns Inc., GMP Securities L.P. and Salman Partners Inc. (collectively, the "**Underwriters**"). Unless the context otherwise requires, when used herein, all references to "Offered Shares" includes any such common shares in the capital of the Company (the "**Common Shares**") issued upon exercise of the Over-Allotment Option (as defined below). The Offering Price has been determined by negotiation between the Company and the Underwriters.

The Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "ITH", on the NYSE Amex L.L.C. (the "**NYSE-A**") under the symbol "THM" and on the Deutsche Börse AG Regulated Unofficial Market of the Frankfurt Stock Exchange ("**FSE**") under the symbol "IW9". On November 4, 2010, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $8.54, the closing price of the Common Shares on the NYSE-A was US$8.49 and the closing price of the Common Shares on the FSE was €5.900. The Company has applied to list, on the TSX and NYSE-A, the Offered Shares to be issued upon closing of the Offering and upon exercise of the Over-Allotment Option. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX and NYSE-A.

An investment in the Offered Shares involves a high degree of risk. See "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors".

Price: $6.25 per Offered Share

	Price to the Public	Underwriters' Fee (1)	Net Proceeds to the Company(2)(3)
Per Common Share	$6.25	$0.3125	$5.9375
Total(3)	$65,000,000	$3,250,000	$61,750,000

Notes:

(1) Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters a fee of $3,250,000 (the "**Underwriters' Fee**"), representing 5% of the aggregate gross proceeds of the Offering. See "Plan of Distribution".

(2) After deducting the Underwriters' Fee, but before deducting expenses of the Offering, estimated to be $300,000 and which will be paid from the proceeds of the Offering.

(3) The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part in the sole discretion of the Underwriters at any time until the date which is 30 days following the Closing Date, to purchase up to an additional 1,560,000 Common Shares at a price of $6.25 per Common Share (the "**Over-Allotment Shares**") to cover over-allotments, if any, and for market stabilization purposes. The aggregate number of Over-Allotment Shares to be issued under the Over-Allotment Option will not exceed 1,560,000 Over-Allotment Shares. If the Over-Allotment Option is exercised in full, the total Price to the Public, the Underwriters' Fee and the Net Proceeds to the Company (before deducting expenses of the Offering), will be $74,750,000, $3,737,500 and $71,012,500, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares upon exercise of the Over-Allotment Option. Any purchaser who acquires securities forming part of the over-allocation position of the Underwriters pursuant to the Over-Allotment Option acquires such securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, all references to "Offered Shares" in this Prospectus include the Over-Allotment Shares. See "Plan of Distribution".

The following table sets forth the number of Over-Allotment Shares issuable under the Over-Allotment Option:

Underwriters' Position	Maximum Number of Available Securities	Exercise Period	Exercise Price
Over-Allotment Option	1,560,000 Over-Allotment Shares	at any time up to 30 days from the Closing Date	$6.25 per Over-Allotment Share

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Company by Gowling Lafleur Henderson LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing is expected to take place on or about November 10, 2010 or such other date as may be agreed between the Company and the Underwriters, but in any event not later than 42 days following the date of a final receipt for this Prospectus (the "**Closing Date**").

In connection with the Offering the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **See "Plan of Distribution". The Underwriters may also offer the Offered Shares at a lower price than that stated herein. See "Plan of Distribution".**

It is expected that one or more global certificates evidencing the Offered Shares distributed under this Prospectus in Canada will be issued in registered form to CDS Clearing and Depository Services Inc. ("**CDS**") and will be deposited with CDS on the date of closing of the Offering. No certificates evidencing the Offered Shares will be issued to Canadian resident purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Canadian resident purchasers of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant (a "**CDS Participant**") and from or through whom a beneficial interest in the Offered Shares is purchased. Common Shares issued to purchasers in the United States, that are U.S. Persons, or are purchasing for the account or benefit of U.S. Persons or persons in the United States will be certificated pursuant to the terms and conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" below and will be available at closing of the Offering.

The Company will, concurrently with the Offering, offer up to 4,900,000 Common Shares (the "**Private Placement Common Shares**") at a price of $6.25 per Private Placement Common Share through a non-brokered private placement (the "**Private Placement**") for gross proceeds of up to $30,625,000. All Private Placement Common Shares issued will be subject to resale restrictions in Canada and the United States. This Prospectus does not qualify the distribution of the Private Placement Common Shares issued pursuant to the Private Placement. Subscriptions for Private Placement Common Shares will be accepted, in whole or in part, by the Company concurrently with the completion of the Offering however the Company will not receive the proceeds from the Private Placement unless it successfully closes. Closing of the Private Placement is subject to a number of condition precedents including, among other things, receipt of TSX acceptance and NYSE-A approval. The Underwriters are not rendering any services to the Company with respect to the Private Placement and the completion of the Offering is not conditional upon the successful completion of the Private Placement. Please see "Use of Proceeds".

The head office of the Company is located at Suite 1920, 1188 West Georgia Street, Vancouver, British Columbia, Canada V6E 4A2, and its registered office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5.

Jeffrey Pontius, the Chief Executive Officer of the Corporation resides outside of Canada. Although Mr. Pontius has appointed Gowling Lafleur Henderson LLP as his agent for service of process in British Columbia, Alberta and Ontario, it may not be possible for investors to enforce judgments obtained in Canada against Mr. Pontius.

Investors should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide investors with different information. Neither the Company nor the Underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Company's business, operating results, financial condition and prospectus may have changed since that date.

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The Company's financial statements that are incorporated by reference into this Prospectus have been prepared in accordance with generally accepted accounting principles in Canada ("**Canadian GAAP**"). Unless otherwise indicated, all information in this Prospectus assumes no exercise of the Over-Allotment Option.

Unless the context otherwise requires, references in this Prospectus to the "Company" includes International Tower Hill Mines Ltd. and each of its material subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Information concerning mineral resource estimates also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and specifically in respect of the Livengood project;
- the potential for the expansion of the estimated resources at Livengood;
- the potential for a production decision concerning, and any production at, the Livengood project;
- the completion of a Pre-feasibility Study for the Livengood project;
- the potential for higher grade mineralization to form the basis for a starter pit component in any production scenario at Livengood;
- the potential low strip ratio of the Livengood deposit being amenable for low cost open pit mining that could support a high production rate and economies of scale;
- the potential for cost savings due to the high gravity concentration component of some of the Livengood mineralization;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's ongoing exploration program at Livengood;
- the Company's estimates of the quality and quantity of the resources at its mineral properties;
- the timing and cost of the planned future exploration programs at Livengood, and the timing of the receipt of results therefrom;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of the Offering and the Private Placement;
- the anticipated completion of the Offering and the Private Placement;
- the anticipated receipt of regulatory approval/acceptance of the Offering and the Private Placement;
- the anticipated use of the proceeds from the Offering and the Private Placement;

- the results of the Preliminary Assessment as described under “Business of the Company - Livengood Project”; and

- the ability of the Company to continue to refine the project economics for the Livengood project, including by increasing proposed production and shortening the proposed mine life.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company’s ability to predict or control, including, but not limited to, risks related to the Company’s inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company’s inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this Prospectus. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of gold;

- general business and economic conditions;

- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company’s planned exploration and potential development program at Livengood;

- conditions in the financial markets generally;

- the Company’s ability to secure the necessary consulting, drilling and related services and supplies on favourable terms in connection with not only its ongoing exploration program at Livengood but also in connection with the completion of its pre-feasibility study and in connection with any feasibility study that may be commissioned;

- the Company’s ability to attract and retain key staff, particularly in connection with the carrying out of a feasibility study and the development of any mine at Livengood;

- the accuracy of the Company’s resource estimates (including with respect to size and grade) and the geological, operational and price assumptions on which these are based;

- the timing of the ability to commence and complete the planned work at Livengood;

- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs at Livengood and the Company’s ability to comply with such terms on a safe and cost-effective basis;

- the ongoing relations of the Company with its underlying lessors and the applicable regulatory agencies;

- that the metallurgy and recovery characteristics of samples from certain of the Company’s mineral properties are reflective of the deposit as a whole;

- the continued development of and potential construction of any mine at the Livengood property not requiring consents, approvals, authorizations or permits that are materially different from those identified to date by the Company;

- the ability of the Company to complete the Offering and the Private Placement and to obtain regulatory approval/acceptance thereof;

- the ability of the Company to predict how the net proceeds of the Offering and the Private Placement will be used; and

- the timetables for the completion of a pre-feasibility study at Livengood and for any feasibility study that may be commissioned.

In addition, in carrying out the Preliminary Assessment with respect to the Livengood project, as described under "Business of the Company – Livengood Project" a number of assumptions have been made, which are more particularly described in that section.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

The mineral resource figures referred to in this Prospectus are estimates and no assurances can be given that the indicated levels will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this Prospectus are well established, by their nature, resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Confidence in the estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances set out in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Inferred mineral resources are excluded from estimates forming the basis of a feasibility study.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling Lafleur Henderson LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), the regulations thereunder (the "**Regulations**"), the Common Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act and the Regulations for a trust governed by a registered retirement savings plan, a registered disability savings plan, a registered retirement income fund, a deferred profit sharing plan, a tax-free savings account ("**TFSA**") and a registered education savings plan under the Tax Act.

Notwithstanding that the Common Shares may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax on the Common Shares held in the TFSA if such Common Shares are a "prohibited investment" for that TFSA within the meaning of the Tax Act. The Common Shares will generally be a "prohibited investment" if the holder of the TFSA does not deal at arm's length with the Company for the purposes of the Tax Act or the holder of the TFSA has a "significant interest" (within the meaning of the Tax Act) in the Company or a corporation, partnership or trust that does not deal at arm's length with the Company for the purposes of the Tax Act. **Purchasers who intend to hold the Common Shares in a TFSA are urged to consult their own tax advisors.**

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in the provinces of British Columbia, Alberta and Ontario (collectively, the "Commissions"). *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice President & General Counsel of the Company at Suite 1920, 1188 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4A2, telephone (604) 683-6332 and are also available electronically at www.sedar.com.*

The following documents of the Company, filed by the Company with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

(a) the amended annual information form of the Company dated November 2, 2010 for the financial year ended May 31, 2010 (the "**Annual Information Form**");

(b) the audited comparative consolidated financial statements of the Company as at and for the financial year ended May 31, 2010, together with the notes thereto and the auditors' report thereon;

(c) management's discussion and analysis of the Company dated August 23, 2010 for the financial year ended May 31, 2010;

(d) the unaudited interim comparative consolidated financial statements of the Company for the quarter ended August 31, 2010, together with the notes thereto;

(e) management's discussion and analysis of the Company dated October 8, 2010 for the quarter ended August 31, 2010;

(f) the management information circular of the Company dated October 12, 2010 prepared for the purposes of the annual general meeting of the shareholders of the Company to be held on November 16, 2010;

(g) the management information circular of the Company dated July 9, 2010 prepared for the purposes of the special meeting of the shareholders of the Company held on August 12, 2010;

(h) the material change report of the Company dated October 26, 2010 announcing the launch of the Company's new website;

(i) the material change report of the Company dated October 13, 2010 announcing results from recent drill holes expanding the Core Zone at depth at the Livengood gold deposit (the "**Livengood Project**") located approximately 115 km northwest of Fairbanks, Alaska in the Tolovana mining district within the Tintina gold belt;

(j) the material change report of the Company dated September 28, 2010 announcing the Offering and the Private Placement;

(k) the material change report of the Company dated September 14, 2010 announcing the project enhancement options for the Company's preliminary economic assessment study of the Livengood Project ;

(l) the material change report of the Company dated September 13, 2010 announcing the results from the latest 17 drill holes and expansion of new Oliver Zone at the Livengood Project;

(m) the material change report of the Company dated August 26, 2010 announcing that the Corvus Gold Inc. ("**Corvus**") spin-out is effective and that the Common Shares and the Corvus common shares will trade on the TSX beginning August 30, 2010;

(n) the material change report of the Company dated August 25, 2010 clarifying the trading of the Common Shares and the common shares of Corvus from August 26-27, 2010;

(o) the material change report of the Company dated August 23, 2010 announcing the receipt of the final order of the Supreme Court of British Columbia approving the arrangement with Corvus;

(p) the material change report of the Company dated August 23, 2010 announcing the addition of Keith Malone and Richard Moses as members of the project development team for the Livengood Project and the addition of Shirley Zhou as manager of corporate communications;

(q) the material change report of the Company dated August 17, 2010 announcing the latest results from 22 drill holes at the Livengood Project;

(r) the material change report of the Company dated August 17, 2010 announcing the receipt of shareholder approval for Corvus spin-out;

(s) the material change report of the Company dated August 17, 2010 announcing the receipt of share ownership top-up notice from AngloGold Ashanti (USA) Exploration Inc. (“**AngloGold**”);

(t) the material change report of the Company dated August 3, 2010 announcing the preliminary economic assessment results for combined milling and heap leach processing at the Livengood Project;

(u) the material change report of the Company dated July 27, 2010 announcing the initial drill results from the summer 2010 drill program at the Livengood Project;

(v) the material change report of the Company dated June 16, 2010 announcing a new resource update for the Livengood Project; and

(w) the material change report of the Company dated June 1, 2010 announcing the results for the final four holes from the 2010 winter drill program and the start of the summer drill program at the Livengood Project.

In addition to any document required to be incorporated by reference in this Prospectus under applicable securities laws, any document of the type referred to above (excluding confidential material change reports) or referenced to in Item 11.1 of Form 44-101F1 – *Short Form Prospectus* of the Canadian Securities Administrators filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement herein or in any subsequently filed document that is also or is deemed to be incorporated by reference herein. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute a part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this Prospectus are references to Canadian dollars. All references to “U.S. dollars”, “USD” or to “US$” are to United States dollars.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

	Year Ended May 31		
	2010	**2009**	**2008**
Rate at end of period	0.9558	0.9123	1.0058
Average rate for period	0.9405	0.8649	0.9860

	Year Ended May 31		
	2010	2009	2008
High for period	1.0039	0.9987	1.0905
Low for period	0.8580	0.7692	0.9298

The noon rate of exchange on November 4, 2010 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was $1.00 equals US$1.0024.

THE COMPANY

The Company was incorporated under the *Company Act* (British Columbia) under the name "Ashnola Mining Co. Ltd." on May 26, 1978. The Company's name was changed to "Tower Hill Mines Ltd." on June 1, 1988, and subsequently changed to "International Tower Hill Mines Ltd." on March 15, 1991. The Company has been transitioned under, and is now governed by, the *Business Corporations* Act (British Columbia) ("**BCBCA**"). On October 11, 2005, the Company filed a transition application under the BCBCA, reflecting the adoption by the shareholders, on October 29, 2004, of a new form of Articles to govern the affairs of the Company in substitution for the original articles adopted under the old *Company Act* (British Columbia) and reflecting the increased flexibility available to companies under the BCBCA. A copy of the Articles is available on SEDAR at www.sedar.com.

On August 26, 2010, the Company completed a spin-out transaction to segregate the Company's assets into two separate and highly focused companies, ITH and Corvus, a British Columbia company incorporated by ITH to complete the spin-out. The spin-out was implemented pursuant to a court approved plan of arrangement under the BCBCA (the "**Plan of Arrangement**") among the Company, the shareholders of the Company and Corvus. Pursuant to the Plan of Arrangement the Company retained all assets relating to the Livengood gold project in Alaska, together with approximately $33 million in working capital. All of the Company's other existing Alaska (Chisna, Terra, LMS and West Pogo projects) and Nevada (North Bullfrog project) assets and approximately $3.3 million in working capital were transferred to Corvus. The Company also entered into joint venture agreements in respect of the four Alaskan projects transferred to Corvus. Pursuant to the Plan of Arrangement shareholders of the Company exchanged their existing common shares of the Company for one Common Share of the Company and the Company distributed Corvus common shares to the shareholders on the basis of one-half of one common share of Corvus for each Common Share of the Company held as a reduction of capital.

The Company has two wholly-owned subsidiaries:

(a) Talon Gold Alaska, Inc., a corporation incorporated in Alaska on June 27, 2006, which holds the Company's interest in the Livengood Project and is 100% owned by the Company; and

(b) Talon Gold (U.S.) LLC, a limited liability company formed in Colorado on June 27, 2006, which carries on all of the Company's mineral exploration operations and is wholly owned by Talon Gold Alaska, Inc.

BUSINESS OF THE COMPANY

General

The Company's principal asset is the Livengood Project in Alaska. The section entitled "Narrative Description of the Business – General" in the Company's Annual Information Form describes the business of the Company with respect to the exploration and development of the Livengood Project in Alaska and is specifically incorporated by reference herein except as otherwise updated herein.

Livengood Project

Information in this Prospectus regarding the Livengood Project is derived from information contained in the Annual Information Form and other documents incorporated by reference herein which is supported by the NI 43-101 compliant technical report entitled "November 2010 Summary Report on the Livengood Project, Tolovana District, Alaska" dated November 1, 2010 by Tim Carew P.Geo., William Pennstrom Jr. M.A., John Bell and Quinton de Klerk (the "**Livengood Report**").

The following is a summary from the Livengood Report, a full copy of which is available under the Company's profile on SEDAR at www.sedar.com. The Livengood Report is specifically incorporated by reference herein.

Summary of Livengood Report

1.1 Introduction

The Livengood project is now in transition from an exploration project to undertaking a Pre-feasibility Study. As part of this shift to prefeasibility assessment, a Preliminary Assessment (“**PA**”) was performed to evaluate preliminary project concepts including possible mineralization processing methods, estimates of capital and operating costs, and preliminary pit design scenarios, with respect to the resource estimate prepared on data to May 31, 2010 and reported in a previous technical report released in June, 2010.

Individual sections of the Livengood Report were prepared by Qualified Persons representing different technical specialties. Mr. Timothy Carew (P.Geo) of Reserva International, LLC of Reno, NV was responsible for the geologic description and compilation of the Livengood Report, and also for the resource evaluation. William Pennstrom (Metallurgical Engineer) of Pennstrom Consulting Inc. of Denver, Colorado was responsible for the metallurgical section of the Livengood Report and for the financial analysis. R. John Bell (Civil Engineer) of MTB Project Management Professionals, Inc. of Denver, Colorado was responsible for the costing review and preparation of the capital cost estimates. Quinton de Klerk (Mining Engineer) of Cube Consulting Pty Ltd. of Perth, Australia was responsible for open pit optimization and production scheduling.

Field investigations at the Livengood property continue, with a total of 7 drilling rigs working at the site during the Summer 2010 Program. The focus of the work has been expanded to include environmental baseline data collection, geotechnical data collection for design, site alternative assessment for project infrastructure location and groundwater hydrogeological testing in support of the Pre-feasibility Study. Drilling activities have been expanded to include district exploration and site condemnation, as well as continuing the resource definition and infill drilling at Money Knob. The geologic database supporting the Livengood Report is the 434 diamond and reverse circulation holes that had been drilled on the property to May 31, 2010, and provided the basis for reporting an in-situ gold resource estimated and presented in the June 2010 technical report.

The Livengood Report is the tenth in a series of technical reports and the ninth in support of resource estimates regularly updated as new drill information has become available. The Livengood Report also describes prefeasibility concepts including possible mineralization processing methods, estimates of capital and operating cost, and preliminary pit design scenarios along with the geological and resource estimation procedures that have been undertaken by the Company. The currently reported resource estimate includes material in the SW Zone and between the Core and Sunshine zones as determined by drilling data through May 31, 2010. It does not include drill results from the Company’s 2010 Summer drill program that is currently in progress.

The Livengood Report updates the June, 2010 technical report with the addition of information related to the results of the PA. The PA is based on the resource estimate completed in June 2010. The new information presented in the Livengood Report is based on interpretations of the geologic data, metallurgical data and in-situ resource model data presented in the June 2010 report to support the development of pre-conceptual configurations of the potential mining project alternatives for mineralization at Money Knob. The project configurations that are the basis of the PA are for a heap leach only mining project and a combined heap leaching and milling project using gravity/flotation pre-concentration with Carbon-in-Leach leaching of the concentrates. Other processing alternatives are being considered and will be the subject of trade-off studies conducted as part of Pre-feasibility Study investigations that began in June 2010.

A group of cost, process recovery and production rate assumptions were created from the existing data as the basis for the PA analysis being reported in the Livengood Report. The assumptions were used with the June 2010 in-situ resource model to generate preliminary open pit mine designs and production schedules using incremental revenue optimization. Two open pit designs were considered: (1) an open pit constrained to the oxidized portion of the deposit, with relatively high drill data density (the heap leach only case) and (2) an unconstrained open pit that was revenue optimized with respect to the cost and gold recovery assumptions defined for the study (heap leach with gravity/flotation mill case).

Operating and capital cost estimates were generated for the two project configurations and were used, in conjunction with mining and processing schedules, to generate preliminary projections of financial performance. The preliminary financial performance was variable across the different alternatives analyzed and presented in more detail in Section 1.9, but in all cases the project showed positive financial performance at a long term gold price of US $950 per gold ounce or higher.

1.2 Description and Location

The Livengood property is located approximately 115 km northwest of Fairbanks, Alaska in the Tolovana mining district within the Tintina Gold Belt. The project area is centered on a local high point named Money Knob. This feature and the adjoining ridge lines have been considered by many to be the lode gold source for the Livengood placer deposits which lie in the adjacent valley to the north where they have been actively mined since 1914 with production of more than 500,000 ounces of gold.

The Company controls 100% of its ~125 square kilometre Livengood land package, which is made up of 115 Alaska State mining claims, fee simple land leased from the Alaska Mental Health Land Trust, and four leases with private holders of state and federal patented and unpatented mining and placer claims.

1.3 History

The property has been prospected and explored by several companies and private individuals since the 1970's. Geochemical surveys by Cambior in 2000 and AngloGold Ashanti (U.S.A.) Exploration Inc. ("AGA") in 2003 and 2004 outlined a 1.6 x 0.8 km area with anomalous gold in soil. Scattered anomalous samples continue along strike for an additional 2 km to the northeast and 1.6 km to the southwest. Eight reverse circulation holes were drilled by AGA in 2003 and a further 4 diamond core holes were drilled in 2004 to evaluate this anomaly. Favourable results from these holes revealed wide intervals of gold mineralization (BAF-7: 138.7m @ 1.07 g/t Au; MK-04-03: 55.3m @ 0.51 g/t Au) along with lesser intervals over a broad area. Over the past 4 years, exploration by the Company through its wholly owned Alaskan subsidiary, Talon Gold Alaska, Inc., has been aimed at assessing this area of mineralization through drilling diamond core and reverse circulation holes.

More recently, technical studies have been performed to generate metallurgical data for process definition, to generate preliminary open pit designs, and to develop pre-conceptual information on the location and capacities of potential tailings, waste and heap leaching facilities. Pre-conceptual project configurations have been generated from these studies which have been used as the basis for the projected operating and capital cost estimation. A PA for a large, open pit mining project was generated for the project concepts to guide the Company as it carries out the current Pre-feasibility Study.

1.4 Geology and Mineralization

Rocks at Livengood are part of the Livengood Terrane, an east–west belt, approximately 240 km long, consisting of tectonically interleaved assemblages of various ages. These assemblages include the Amy Creek Assemblage, which is a sequence of latest Proterozoic and early Paleozoic basalt, mudstone, chert, dolomite, and limestone. In thrust contact above the Amy Creek Assemblage lies an early Cambrian ophiolite sequence of mafic and ultramafic sea floor rocks. Structurally above these rocks lies a sequence of Devonian shale, siltstone, conglomerate, volcanic, and volcaniclastic rocks which are the dominant host to the mineralization currently under exploration at Livengood. The Devonian assemblage is overthrust by more Cambrian ophiolite rocks. All of these rocks are intruded by Cretaceous multiphase monzonite, diorite, and syenite stocks, dikes, and sills. Gold mineralization is believed to be related to this intrusive event.

Gold mineralization occurs in two styles: as multistage fine quartz veins occurring in all lithologies (commonly in or near intrusive dikes and sills), and as diffuse mineralization within volcanic, intrusive, sedimentary, and mafic-ultramafic rocks without a clear quartz vein association. Four principal stages of alteration are currently recognized. These are an early biotite stage followed by albite-black quartz, followed by a sericite-quartz, and finally a carbonate stage. Arsenopyrite apparently has been introduced during all stages, and gold correlates strongly with arsenopyrite, but it is not clear whether gold was introduced during all four stages or preferentially during one or more stages.

Mineralization is interpreted to be intrusion-related, consistent with other gold deposits of the Tintina Gold Belt, and has a similar As-Sb geochemical association. Mineralization is controlled partly by lithologic units, but thrust-fold architecture is apparently key to providing pathways for magma (dikes and sills) and hydrothermal fluid.

Local fault and contact limits to mineralization have been identified, but overall the deposit has not been closed off in any direction. The current resource and area drilled covers the most significant portion of the area with anomalous gold in surface soil samples, but still represents only about 25% of the total anomaly area.

1.5 Exploration, Drilling and Sampling

The Company has conducted drilling campaigns on the Livengood property since 2006. These programs initially identified mineralization in the Core Zone and then identified the Northeast, Sunshine, and Southwest zones through step out drilling and drill testing of areas with anomalous values in surface soil samples.

Nearly all drill holes at Money Knob have been drilled in a northerly direction at an inclination of -50 degrees in order to best intercept the south dipping structures and mineralized zones as close to perpendicular as possible. A few holes have been drilled in other directions to test other features and aspects of mineralization. Most holes have been spaced at 75m along lines 75m apart. A few holes are more closely spaced.

Diamond core holes represent approximately 10% of the total number of holes drilled. Core is recovered using triple tube techniques to ensure good recovery (>95%) and confidence in core orientation. The core is oriented using the ACT system and/or the EZ Mark tool.

Reverse circulation ("**RC**") holes are bored and cased for the upper 0-30m to prevent downhole contamination and to help keep the hole open for ease of drilling at greater depths. Recovery of sample material from RC holes is done via a cyclone and dry or wet splitter according to conditions. Sample chips are collected over the course of each five-foot interval and captured for a primary sample, an equivalent secondary sample ("Met" sample) and a third batch of chips for logging purposes.

Drill hole locations are determined by sub-meter differential GPS surveys at the drill collar. Initial azimuth of drill hole collars is measured using a tripod mounted transit compass in conjunction with a laser alignment device mounted on the hole collar.

Down hole surveys of core and reverse circulation drill holes are completed using a Gyro-Shot survey instrument manufactured by Icefield Tools Corporation. Results of surveys and duplicate tests show normal minor deviation in azimuth and inclination for drill holes.

All RC samples are "logged in" on site, analyzed with a field portable Thermo Fisher Scientific NITON XRF before being sealed in super sacks, and delivered to ALS Chemex in Fairbanks for preparation. All core samples are initially logged at the drill rig for recovery, oriented features, RQD, and basic geologic features. More thorough logging and core mark-up is done at the Livengood camp. Core is sawed in half and bagged according to geologic intervals up to 1.5m and sealed in super sacks for delivery to ALS Chemex in Fairbanks.

Samples are analyzed by standard 50g fire assay for the gold determinations. All core samples and select RC drilling samples are also submitted for multi-element ICP-MS analyses using a 4 acid digestion technique. All RC samples are analyzed on site for trace elements using a Thermo Fisher Scientific NITON portable XRF before shipment to the laboratory.

1.6 Quality Assurance/Quality Control and Data Verification

The QA/QC program implemented by the Company meets or exceeds industry standards. A QA/QC program includes insertion of blanks and standards (1/10 samples) and duplicates (1/20 samples). Blanks help assess the presence of any contamination that might be introduced by analytical equipment and help calibrate the low end of the assay detection limits. Commercial standards are used to assess the accuracy of the analyses. Duplicates help assess the homogeneity of the sample material and the overall sample variance. The Company has undertaken rigorous protocols to assure accurate and precise results. Among other methods, weights are tracked throughout the various steps performed in the laboratory to minimize and track errors.

Core and RC check samples have been collected during each drilling campaign by a Qualified Person. Results from these samples, as well as blanks and standards included, are consistent with the Company's initial results. This includes a similar increase in variance for samples at higher grades, a pattern consistent with nugget effect. No systematic high or low bias has been observed. Additional RC check samples were collected by Mr. Carew in 2010, including blanks and standards. The results for these samples are pending at this time.

Data entry and database validation procedures have been checked and found to conform to industry practices. Procedures are in place to minimize data entry errors. These include pre-numbered, pre-tagged, bar-coded bags, and bar-coded data entry methods which relate all information to sample and drill interval information. Likewise, data validation checks are run on all information used in the geologic modeling and resource estimation process. Database entries for a random sample (10%) of drillholes used for the resource estimate were checked against the original Assay Certificates by Mr. Carew and the error rate was found to be within acceptable limits.

1.7 Mineral Processing and Metallurgical Testing

Metallurgical test work indicates that the Money Knob mineralization would be suitable for the two treatment options considered: oxidized, near surface mineralized material that could be treated by Carbon in Column ("**CIC**") cyanide leaching (for example, heap leaching); and deeper, sulphide zones that will require Carbon in Leach ("**CIL**") cyanide leaching approaches. Both the oxidized and sulphide zones have substantial free gold that can be recovered by gravity concentration, and gold associated with sulphide minerals in the deeper zones can be concentrated by flotation techniques.

Project concepts envision a heap leaching operation to address the near surface oxidized mineralization. This heap leaching operation would be followed by the expansion of the mine to the deeper, sulphide mineralization and construction of a gravity/flotation mill with CIL leaching of concentrates. The scheduling of the mine expansion and mill construction has been examined for different production rates and circumstances.

Test work undertaken to date is designed to determine optimal processes using combined methods. This work involves studies to determine chemical and physical characteristics of the mineralization and metallurgical response to process treatment parameters according to mineralization type. Test work includes assessment of grindability, abrasiveness, optimal particle size for downstream treatment, and response to leach, flotation, or gravity recoveries as a function of oxidation and lithology. Previous work completed was sufficient to enable an estimate of heap leach recoverable gold for a portion of the mineralization as reported in the October 2009 technical report. The additional work on gold recovery from gravity, carbon in pulp ("**CIP**"), CIL, and flotation methods is on-going with the initial results presented in the Livengood Report providing the basis to estimate gold recovery from the mill process.

Key findings to date include the following points:

- Most Livengood mineralization can be considered moderately soft to moderately hard with an average Bond Ball Work index of 15.8 ranging from 11.1 to 19.1.
- The majority of mineralization types are considered non-abrasive with an average abrasion index of 0.0809 and a range of 0.0023 to 0.2872.
- All Livengood mineralization responds to cyanide leaching to some degree.
- Some unoxidized mineralization with organic carbon has "active" or "preg-robbing" carbon.
- Leach times and gravity concentration indicate that some mineralization contains coarse gold.
- Gold recovery exceeded 90% at 10 mesh for some mineralization.
- Gold recovery improved for some mineralization with finer grinding.
- Gold recovery for various leach tests suggests that organic carbon is present in varying degrees in some mineralized materials, particularly in unoxidized mineralization.
- Carbon in Leach bottle roll tests indicate an average 84% recovery for the Sunshine Zone.
- Gold with sulfide is not classified as refractory mineralization.
- Combined gravity and flotation produced, on average, 90% recovery of gold.
- Conventional milling using gravity recovery combined with intensive Carbon in Leach leaching of gravity recovered gold concentrate achieved gold recoveries averaging 86%.

Metallurgical testing is on-going to confirm initial conclusions on process flow sheets and assumed process recoveries. A series of tests that simulate the mill flow sheet assumed for gravity/flotation with CIL leaching of concentrates are in progress. These tests focus on the main components of the mill feed where achieving the current process recovery assumptions will require an improvement in the leach recovery over current test results. Further column leach testing is planned to begin in Q4 2010 and in Q1 of 2011 to verify heap leach assumptions. Column leach composite samples are being developed at a 1/2 inch top size from existing core, and PQ size core that is being produced in Q3 2010 will be used to develop 1 1/2 inch top size column tests. Trenching for a bulk sample to test run-of-mine size material in large columns is planned for Q4 2010.

1.8 Resource Estimation

The Livengood Report presents a resource estimate updated from the March 2010 estimate by incorporating data from an additional 64 drill holes. The resource model was constructed using Gemcom GEMS® and the Stanford GSLIB (Geostatistical Software Library) MIK post processing routine. The resource was estimated using Multiple Indicator Kriging techniques.

Model parameters include, among others, two oxidation indicators and a single lithology indicator for each minor lithology. A three-dimensionally defined lithology model, based on interpretations by Company geologists, was used to code the rock type block model. A three-dimensionally defined probability grade shell (0.1 g/t) was used to constrain the gold estimation. Gold contained within each block was estimated using nine indicator thresholds. The block model was tagged with the geologic model using a block majority coding method. Because there are significant grade discontinuities at lithologic contacts, hard boundaries were used between each of the lithologic units so that data for each lithology was used only for that unit.

A summary of the estimated in-situ mineral resource is presented below (**Table 1.1**) for cutoff grades of 0.3 (the assumed cutoff utilized in the PA), 0.5, and 0.7 g/t gold.

Model validation checks include global bias check, visual validation, and swath plots. In all cases, the model appears to be unbiased and fairly represent the drilling data.

TABLE 1.1
RESOURCE ESTIMATION SUMMARY
JUNE 2010

Classification	Au Cutoff (g/t)	Tonnes (millions)	Au (g/t)	Million Ounces Au
Indicated	0.30	789	0.62	15.7
Inferred	0.30	229	0.55	4.9
Indicated	0.50	409	0.83	10.9
Inferred	0.50	94	0.79	2.4
Indicated	0.70	202	1.07	6.9
Inferred	0.70	40	1.06	1.4

Based on the study herein reported, delineated mineralization of the Livengood Deposit is classified as a resource according to the following definitions from National Instrument 43-101 and from CIM (2005):

“In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended.”

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.

Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

The current basis of project information is not sufficient to convert the in-situ mineral resources to mineral reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability.

It is important to note that, compared to the March 2010 resource estimate, the estimated tonnage has increased in the Indicated category and has decreased in the Inferred category for all cutoff grades shown (0.30, 0.50, and 0.70 g/t gold). This change was due to addition of newly defined estimated resources in the SW Zone and between the Core and Sunshine Zones.

As part of the Company's quality assurance program, it commissioned an independent review of the resource estimation methodology. The review supports the MIK approach to estimation, but suggests that the block panel size and SMU size should be larger for the currently spaced drill grid and that the currently used 10m composite length should be reduced to 3m. In addition, the review also recommends reducing the size of the search neighbourhood selected for the estimation. Using these recommendations, an alternative resource calculation was made. Overall tonnes and grade compare favourably where the two models have a common volume. The Company model contains material estimated as projected below current drilling which was not present in the alternative calculation. This material is primarily from the Inferred category. The Company believes their understanding of geology and mineralization allows this projection but is testing the extrapolation in the Summer 2010 drill program.

1.9 Pre-feasibility and Preliminary Assessment

The Company initiated pre-feasibility studies in June of 2010 in order to determine the most effective mine development strategy. A PA of alternative project configurations was performed to provide guidance in the Pre-feasibility Study, the results of which are incorporated in the Livengood report. The PA evaluated both the mining of the oxide portion of the deposit, and the expansion of the mining into the deeper, sulphide portion of the deposit. Two processing configurations were addressed:

1. Open pit mining of the oxide portion of the Money Knob with processing limited to heap leach only; and

2. Open pit mining of both the oxide and sulphide zones with a combination of heap leaching and mill processing (gravity and flotation concentration with CIL). Heap leach processing will allow production of approximately 40% of the currently estimated mineable resource.

The PA is preliminary in nature, and is based on technical and economic assumptions which will be evaluated in the Pre-feasibility Study. The PA is based on the Livengood in-situ resource model (June, 2010) which consists of material in both the indicated and inferred classification. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them. The current basis of project information is not sufficient to convert the in-situ mineral resources to mineral reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the PA will be realized. The PA results are only intended as an initial, first-pass review of the potential project economics based on preliminary information.

The Heap Leach Only project configuration was evaluated using the following approach:

- heap leach metallurgical recovery assumptions and operating cost estimates were used in conjunction with the in-situ resource model to select an open pit mining shell using revenue optimization;

- the pit shell optimization was constrained to the oxidized portion of the deposit by assigning zero metallurgical recovery to the deeper, sulphide zone;
- an open pit design was developed from the open pit mining shell which considered access ramps, mining losses and increased waste required for an actual mining geometry;
- a production schedule for mining recoverable mineralization above 0.3 g/t cut-off grade, recoverable gold production and waste material was developed assuming mineralization production rate of 100 ktpd;
- capital costs were estimated for a project physical configuration that considered equipment, the location of the open pit and potential sites for waste dumps, heap leach pad and the process facility; and
- a financial model was created for the production schedule, capital cost estimate and schedule, and estimated operating costs to project the financial performance of the heap leach only project configuration.

Key statistics for the analysis of the Heap Leach Only project configuration are listed in **Table 1.2**.

All costs are 2010 USD, with no escalation. A long term gold price of US $950 per ounce has been used for the financial performance projection, which is consistent with current outlooks and price levels averaged over the past 3 years. The projected performance of the Heap Leach Only configuration at US $950 is relatively strong, with an IRR of 26.9% and a Net Present Value (NPV) at 5% discount rate of US $579 M. Sensitivity of the financial performance was evaluated for a long term gold price between US $750 and US $1500 per ounce. The sensitivity to gold price indicates that the financial performance weakens quickly at gold prices below the long term assumption, dropping to an IRR of 6.5% and an NPV@5% of US $34M for a gold price assumption of US $750. Alternatively, at higher gold price assumptions, the financial performance increases substantially with the IRR increasing to 43.5% for an increase of gold price to US $1150. Sensitivity of financial performance to assumed processing recoveries was also high, but performance was less sensitive to changes in operating and capital costs assumed.

TABLE 1.2
KEY STATISTICS FOR THE LIVENGOOD HEAP LEACH ONLY PROJECT CONFIGURATION

Parameter		Heap Leach Only
Long Term Gold Price	$US/oz	$950
IRR	%	26.9%
NPV @0.0%	k $US	$ 915,338
NPV @5.0%	k $US	$ 579,103
NPV @7.5%	k $US	$ 455,882
NPV @10.0%	k $US	$ 354,531
Initial Capex	k $US	$ 679,851
Deferred Capex	k $US	-
Sustaining Capex	k $US	$ 153,482
Life of Mine (LOM)	years	7.1
LOM mineralization production	Mt	259.3
Mined grade at 0.3 g/t gold cut -off grade	g/t	0.62

Parameter		Heap Leach Only
Contained gold mined	koz	5,177
Estimated LOM gold production	koz	3,648
Cash operating cost	$US/oz	$486
Total cost	$US/oz	$704
Stripping ratio	Waste:ore	1.10
Assumed LOM heap leach gold recovery	%	70.5%

Full exploitation of the Livengood resource will require the addition of a mill process which would allow extraction of the deeper, sulphide zones. A project configuration incorporating a heap leach processing facility and a mill using gravity and flotation concentration with CIL for recovery of the gold from concentrates was evaluated at two different mill throughput assumptions. The combination heap leach and mill was evaluated using the following approach:

- heap leach and milling metallurgical recovery assumptions, and operating cost estimates were used in conjunction with the in-situ resource model to select an open pit mining shell using revenue optimization;
- the optimization process was only constrained by the recovery and cost assumptions for the different lithologic units;
- an open pit design was developed from the open pit mining shell which considered access ramps, mining losses and increased waste required for an actual mining geometry;
- two production schedules for mining recoverable mineralization above a 0.3 g/t gold cut-off grade, recoverable gold production and waste material were developed assuming an initial mineralization production rate of 100 ktpd for the heap leaching and the two mill throughputs of approximately 54 ktpd and 100 ktpd;
- following mill startup, the mining rate was set to maintain the mill production rate, with the heap leach production varying accordingly;
- capital costs were estimated for a project physical configuration that considered equipment, the location of the open pit and potential sites for waste dumps, heap leach pad and the process facility; and
- a financial model was created for the production schedule, capital cost estimate and schedule, and estimated operating costs to project the financial performance of the combined heap leach and mill project configuration.

Key statistics for the analysis of the combined Heap Leach and Mill project configuration at the two different mill throughputs are listed in **Table 1.3**.

Internal rates of return for the Heap Leach and Mill configuration are lower for both mill throughput assumptions at 15.4% and 18.5%, for the 50ktpd and 100ktpd throughputs, respectively. This is due to the larger investment required for construction of the mill and the longer mine life. However, the NPV@5% is greater for the combination Heap Leach and Mill project configurations at US $813 M for the 50 ktpd mill throughput and US $1,112 M for the 100 ktpd mill throughput. The greater NPV reflects the substantially greater gold production due to exploitation of the deeper, sulphide zones.

Sensitivity to gold price assumption is similar to the Heap Leach Only project configuration, with the IRR dropping to a -0.8% and 1.3% (50 ktpd/100ktpd throughput) for a decrease in gold price assumption to US $750. Increasing the gold price assumption illustrates the substantial leverage of the Livengood Project to the gold price, where a US $200 price increase (to US $1150 per ounce) increases the IRR to 29.2% and 32.6% (50 ktpd/100 ktpd mill throughput), respectively. Financial performance was also highly sensitive to process recovery assumptions, but was less sensitive to changes in operating and cost assumptions.

The Company plans to focus on the development of the heap leaching operation in the oxidized zone, however, it recognizes that significant potential value would remain to be exploited and that construction of a mill would be required to exploit the full potential of Money Knob mineralization. The Company will conduct a two phase Pre-feasibility Study with the projected completion of Phase I - Heap Leach Operation in July 2011. A second phase, with projected completion in December 2011, will address the requirements for eventual addition of a mill to the project configuration. This two phase approach is required to assure that designs and decisions made for the Heap Leach Only operation do not adversely impact the potential for the addition of a mill.

TABLE 1.3

KEY STATISTICS FOR THE LIVENGOOD HEAP LEACH AND MILL PROJECT CONFIGURATION

Parameter		**Heap Leach and 50 ktpd Mill**	**Heap Leach and 100 ktpd Mill**
Long Term Gold Price	$US/oz	$950	$950
IRR	%	15.4%	18.5%
NPV @0.0%	k $US	$ 1,982,082	$ 2,236,376
NPV @5.0%	k $US	$ 813,143	$ 1,112,868
NPV @7.5%	k $US	$ 495,034	$ 759,768
NPV @10.0%	k $US	$ 275,370	$ 496,163
Initial Capex	k $US	$ 635,631	$ 682,839
Deferred Capex	k $US	$ 750,214	$ 1,026,658
Sustaining Capex	k $US	$ 503,596	$ 578,476
Life of Mine (LOM)	years	21	13
LOM mineralization production	Mt	648.3	648.3
Mined grade at 0.3 g/t gold cut-off grade	g/t	0.65	0.65
Contained gold mined	koz	13,625	13,625
Estimated LOM gold production	koz	10,580	10,580
Cash operating cost	$US/oz	$ 560	$534
Total cost	$US/oz	$ 739	$ 734
Stripping ratio	Waste:ore	1.07	1.07
LOM mill gold recovery	%	81.3%	81.3%
LOM leach gold recovery	%	72.6%	72.6%

Site drilling operations will be expanded to include condemnation and geotechnical investigations for the Pre-feasibility Study. Metallurgical testing for Phase I will consist of additional column leach tests at 1/2 inch, 1.5 inch and run-of-mine top sizes that are scheduled to begin in October 2010. Engineering studies required to support the Phase I Pre-feasibility Study are:

- Metallurgical engineer to design the CIC process plant (out for tender);
- Site location, geotechnical assessment and design of the heap leach pad, waste dumps and water storage facilities (underway);
- Site infrastructure, reticulation and road corridor placement and design (to be defined);
- Geotechnical design of pit slopes (to be defined);
- Open pit design and mining production scheduling (underway);
- Open pit dewatering, site water balance and storage requirements (underway); and
- Construction cost and production operating cost estimation (to be defined).

1.10 Conclusions

It is concluded that a substantial gold resource has been identified at Money Knob and the surrounding area. Dedicated drilling has continuously enlarged the resource over the past several years. Current metallurgical studies are underway and results indicate that gold is recoverable through heap leach, and combined mill, CIP, CIL, gravity, and flotation techniques. Continuation of planned and in-progress metallurgical and mineralization processing studies will enable assessment of the best material processing and gold recovery techniques. As results for this work are completed, new cost estimates that incorporate optimized gold recovery techniques will be used for a more comprehensive development plan and economic assessment. At this stage in the evaluation, and based on the results of the PA, the Livengood Report concludes that mineralization at Money Knob merits continued engineering, economic assessment and planning to proceed on that basis.

1.11 Recommendations

The Livengood project is now in transition from an exploration project to a Pre-feasibility Study. In support of this, the Company has added senior staff. Exploration of the Livengood project should continue with the aim of completing the current Pre-feasibility Study. The Company plans to drill 50,000 m in 2010 to accomplish this goal, and will continue field operations into the deep winter season. The proposed program is an appropriate amount of drilling for the needs of the project and the time available in the field season. Activities that will help advance the project in this direction include those listed below:

- conduct groundwater hydrogeologic characterization for both regional and open pit groundwater modeling;
- develop a regional groundwater model and site water balance;
- develop geotechnical data to support pit slope designs;
- perform site alternatives assessments to identify locations for tailings, waste, heap leach, mill and water storage facilities;
- perform condemnation drilling and geotechnical investigations at potential facilities sites;
- verify metallurgical recovery assumptions by conducting expanded metallurgical testing;
- perform comminution studies to provide a basis for crushing and grinding design;
- develop detailed metallurgical process flow sheets and perform process trade-off studies and mill design;

- perform air quality and weather monitoring studies;
- develop engineering designs of process plant facilities;
- perform environmental baseline data collection, wetlands surveys and water quality surveys;
- develop community engagement strategy;
- develop permitting strategy;
- continue step out drilling to identify the extent of mineralization;
- focus infill drilling on areas where Inferred resource blocks can be converted to Indicated resource blocks laterally and at depth;
- drill close spaced holes to define a variographic cross;
- complete Phase I of the Pre-feasibility Study for a heap leaching operation; and
- complete Phase II of the Pre-feasibility Study to identify the potential schedule for mill construction and the milling project design.

The Company plans expenditures of approximately $37.5 million dollars in 2011 for the continuation of exploration, definition and condemnation drilling, and for technical studies to produce the Pre-feasibility Study. This expenditure is further subdivided into $21M for completion of Phase I of the Pre-feasibility Study on the heap leaching operation by mid-year and then an additional $16.5M for the completion of Phase II of the Pre-feasibility Study to investigate the inclusion of a mill in the project. This budget will be allocated to drilling, geological and geotechnical analysis of the deposit, metallurgical and comminution studies, facilities site planning, environmental and social base line studies, and project component design. The budget is significant, but appropriate for the studies and drilling planned and feasible within the time allocated.

The authors of the Livengood Report recommend implementation of this program in order to accomplish the Company's goal of advancing the Livengood project.

AngloGold Option

Pursuant to an Asset Purchase and Sale and Indemnity Agreement dated June 30, 2006, as amended on July 26, 2006 (collectively, the "**AngloGold Agreement**") among ITH, AngloGold and Talon Gold Alaska, Inc., the Company acquired all of AngloGold's interest in a portfolio of seven mineral exploration projects in Alaska and AngloGold was granted the following rights:

(a) the right, twice a year, to maintain its then current equity ownership percentage in the Company on an ongoing basis thereby avoiding dilution as a result of the issuance of common shares by the Company in connection with property payments or warrant or option exercises; and

(b) the right to participate in any equity financings by the Company up to its then pre-financing percentage equity interest,

on the terms set out in the AngloGold Agreement (collectively, the "**AngloGold Option**"). The AngloGold Option will terminate if AngloGold's equity interest in the Company falls below 10%.

The Company has granted to AngloGold a 90 day right of first offer with respect to any interest in the Livengood Project that it proposes to farm out or otherwise dispose of. If AngloGold's equity interest in the Company is reduced to less than 10%, then this right of first offer will terminate.

Comparison of Prior Quarterly Periods

The following selected financial information is a summary of quarterly results taken from the Company's unaudited quarterly consolidated financial statements:

Description	August 31, 2010	May 31, 2010	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009	February 28, 2009	November 30, 2008
Interest Income	$ 60,537	$ 29,643	$ 28,488	$ 32,077	$ 26,728	$ 13,697	$ 10,040	$ 32,012
Net loss for the period	(5,102,331)	(9,915,596)	(3,904,755)	(3,187,616)	(860,359)	(3,168,530)	(1,850,180)	(3,919,265)
Basic and diluted loss per common share	(0.07)	(0.16)	(0.07)	(0.05)	(0.02)	(0.07)	(0.04)	(0.09)

The following discussion discusses the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties (following the spin-out of its non-Livengood properties the Corvus, its only mineral property is the Livengood project), none of which are possible to predict with any accuracy. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is not seasonal. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options or paid any employee bonuses and these are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. The write-off of mineral properties can have a material effect on quarterly results as and when they occur (as, for example in the quarters ended November 30, 2008, February 28, 2009, November 30, 2009 and February 28, 2010). Another factor which can cause a material variation in net loss on a quarterly basis is the grant of stock option due to the resulting stock-based compensation charges which can be significant when they arise. This can be seen in the quarters ended November 30, 2008, May 31, 2009, February 28, 2010 and May 31, 2010). The payment of employee bonuses (which tend to be awarded in November/December), being once-yearly charges can also materially affect operating losses (as, for example, in the quarters ended November 30, 2008 and 2009). General operating costs other than the specific items noted above tend to be quite similar from period to period. The variation in income is related solely to the interest earned on funds held by the Company, which is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions, and is therefore difficult to predict.

For additional information regarding the Company and the Livengood Project, readers are encouraged to review the Annual Information Form and the Livengood Report, which are available under the Company's profile at www.sedar.com.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, before and after completion of the Offering. This table should be read in conjunction with the consolidated financial statements of the Company (including the notes thereto) incorporated by reference in this Prospectus.

	As at May 31, 2010 before giving effect to the Offering (unaudited)	As at May 31, 2010 after giving effect to the Offering(1) (unaudited)	As at May 31, 2010 after giving effect to the Offering and the exercise of the Over-Allotment Option(2) (unaudited)
Common Shares (authorized-500,000,000)	$124,277,370 (66,117,922 Common Shares)	$185,727,370 (3) (76,517,922 Common Shares)	$194,989,870(4) (78,077,922 Common Shares)

Notes:
(1) Assuming issuance of the Offered Shares and no exercise of the Over-Allotment Option. See "Plan of Distribution". Also assumes that all net proceeds of the Offering will be allocated to the Common Shares.
(2) Assuming issuance of the Offered Shares, including the exercise of the Over-Allotment Option. See "Plan of Distribution".
(3) After deducting the Underwriters' Fee of $3,250,000 and expenses of the Offering which are estimated to be $300,000.
(4) After deducting the Underwriters' Fee of $3,737,500 and expenses of the Offering which are estimated to be $300,000.

USE OF PROCEEDS

The estimated net proceeds received by the Company from the Offering (assuming no exercise of the Over-Allotment Option) will be $61,450,000 (determined after deducting the Underwriters' Fee of $3,250,000 and estimated expenses of the Offering of $300,000). If the Over-Allotment Option is exercised in full, the estimated net proceeds received by the Company from the Offering will be $70,712,500 (determined after deducting the Underwriters' Fee of $3,737,500 and estimated expenses of the Offering of $300,000).

The Company intends to use the net proceeds from the Offering and the Private Placement for continued work on its Livengood Gold project in Alaska and for general and administrative expenses and for working capital. The Company's actual use of the net proceeds may vary depending on the Company's operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Company intends to use its net cash of $31,200,000 as at August 31, 2010 plus the gross proceeds of the Offering of $65,000,000 (an aggregate of $96,200,000) as follows (the intended expenditures detailed here include the $37.5 million in expenditures for the program recommended in the Livengood Report):

Cost Centre	Year Ended May 31, 2011	Year Ended May 31, 2012	Year Ended May 31, 2013	Year Ended May 31, 2014	Total
Project Administration & Corporate G&A	$3,413,500	$10,400,000	$5,000,000	$ -	$18,813,500
Geological and field Operations	$22,448,800	$15,300,000	$12,456,600	$ -	$50,205,400
Metallurgical Studies	$1,469,500	$3,900,000	$566,200	$ -	$5,935,700
Infrastructure and Engineering	$1,221,900	$3,500,000	$1,557,900	$ -	$6,279,800
Environmental and Community Engagement	$2,452,100	$2,900,000	$3,395,600	$ -	$8,747,700
Mining Studies	$194,200	$900,000	$494,100	$ -	$1,588,300
Project Integration	$ -	$600,000	$479,600	$ -	$1,079,600
Total Expenditure	**$31,200,000**	**$37,500,000**	**$23,950,000**	**$ -**	**$92,650,000**
Underwriters Commission and Offering Cost					$3,550,000
Total					**$96,200,000**

If the Over-Allotment Option is exercised in full, the Company intends to utilize the gross proceeds of $9,750,000 as follows:

Cost Centre	Year Ended May 31, 2011	Year Ended May 31, 2012	Year Ended May 31, 2013	Year Ended May 31, 2014	Total
Project Administration & Corporate G&A	$ -	$ -	$3,688,200	$ -	$3,688,200
Geological and field Operations	$-	$ -	$3,281,700	$ -	$3,281,700
Metallurgical Studies	$ -	$ -	$226,000	$ -	$226,100
Infrastructure and Engineering	$ -	$ -	$622,000	$ -	$622,000
Environmental and Community Engagement	$ -	$ -	$1,355,800	$ -	$1,355,800
Mining Studies	$ -	$ -	$197,300	$ -	$197,300
Project Integration	$ -	$ -	$191,500	$ -	$191,500
Total Expenditure	**$ -**	**$ -**	**$9,562,500**	**$ -**	**$9,562,500**
Additional Underwriters Commission					$187,500
Total					**$9,750,000**

If the Private Placement is completed in full, the Company intends to utilize the gross proceeds of $30,625,000 as follows:

Cost Centre	Year Ended May 31, 2011	Year Ended May 31, 2012	Year Ended May 31, 2013	Year Ended May 31, 2014	Total
Project Administration & Corporate G&A	$ -	$ -	$ -	$8,600,100	$8,600,100
Geological and field Operations	$-	$ -	$ -	$13,648,900	$13,648,900
Metallurgical Studies	$ -	$ -	$ -	$721,600	$721,600
Infrastructure and Engineering	$ -	$ -	$ -	$1,985,600	$1,985,600
Environmental and Community Engagement	$ -	$ -	$ -	$4,327,800	$4,327,800
Mining Studies	$ -	$ -	$ -	$629,800	$629,800
Project Integration	$ -	$ -	$ -	$611,200	$611,200
Total Expenditures	**$ -**	**$ -**	**$ -**	**$30,525,000**	**$30,525,000**
Offering Costs					$100,000
Total					**$30,625,000**

During the year ended May 31, 2010 the Company completed private placements for gross proceeds of $3,264,998 (closed August 25, 2009), $365,652 (closed March 26, 2010) and $30,000,000 (closed April 1 and 6, 2010). As disclosed in the Company's press releases announcing such financings, the gross proceeds have been used by the Company for continued work on the Livengood Gold project in Alaska and, in particular, in connection with the Winter 2010 drilling program, the ongoing Summer 2010 Program and the ongoing pre-feasibility study, maintenance work on its Alaska mineral properties (other than Livengood) and North Bullfrog mineral property up to August 26, 2010 (being the date such properties were transferred to Corvus in connection with the implementation of the Plan of Arrangement), and for general working capital. A portion of such funds are included in the net cash as at August 31, 2010 included in the use of proceed description above.

PRIOR SALES

During the 12 months preceding the date of this Prospectus, the Company has issued the following Common Shares at the following prices:

Date of Issuance	Number of Common Shares Issued	Issuance Price
September 8, 2009 – January 27, 2010	181,501	$2.95(1)
September 15, 2009 – January 28, 2010	1,976,800	$1.75(2)
October 8, 2009	200,000	$3.42(3)
November 16, 2009	30,000	$3.15(2)
November 25, 2009	20,000	$5.85(3)
December 10, 2009 – January 11, 2010	130,000	$1.52(2)
December 21, 2009	100,000	$2.66(2)
January 27, 2010	20,000	$3.15(2)
February 2, 2010	100,000	$2.15(2)
March 15, 2010 – June 14, 2010	1,101,000	$1.75(2)
March 29, 2010	67,965	$5.38(4)
April 1, 2010 – April 6, 2010	5,000,000	$6.00(4)
April 9, 2010 – June 7, 2010	93,800	$2.95(1)
May 19, 2010	20,000	$2.66(2)
June 22, 2010 – July 5, 2010	169,000	$1.75(2)
June 25, 2010	10,000	$2.66(2)
June 30, 2010	13,211	$2.95(1)
July 9, 2010	313,200	$1.75(2)
August 17, 2010	5,488	$2.95(1)
August 26, 2010	415,041	$5.26(4)
TOTAL	9,967,006	

Notes:
(1) Exercise of previously granted common share purchase warrants.
(2) Exercise of incentive stock options.
(3) Property acquisition.
(4) Non-brokered private placement.

The foregoing table does not include the Common Shares issued pursuant to the Plan of Arrangement. See "The Company".

TRADING PRICE AND VOLUME

On December 1, 2009, the Common Shares commenced trading on the TSX under the symbol "ITH". Prior to trading on the TSX, the Common Shares were listed for trading on the TSX Venture Exchange ("TSX-V"). The following table shows the price ranges and volume traded of the Common Shares on the TSX-V and TSX on a monthly basis for the 12-month period preceding the date of this Prospectus.

Year	Month	High ($)	Low ($)	Volume
2009	November	8.00	5.00	6,771,702
	December	8.15	6.85	13,920,064
2010	January	8.35	6.40	7,289,104
	February	7.20	5.88	5,814,805
	March	7.30	5.67	7,326,666
	April	7.83	5.85	4,958,149
	May	7.68	6.55	4,094,587
	June	7.65	6.70	2,773,856
	July	7.00	6.05	2,146,412
	August	7.14	6.05	3,925,046
	September	7.14	6.07	4,223,863
	October	7.75	6.31	4,920,696

Year	Month	High ($)	Low ($)	Volume
	November 1-4	8.60	7.38	1,033,883

The following table shows the price ranges and volume traded of the Common Shares on the NYSE-A on a monthly basis for the 12-month period preceding the date of this Prospectus.

Year	Month	High (US$)	Low (US$)	Volume
2009	November	7.50	4.54	5,199,500
	December	7.85	6.46	5,614,700
2010	January	8.08	5.98	5,301,800
	February	6.89	5.50	4,494,600
	March	7.08	5.52	5,773,400
	April	7.79	5.80	4,852,300
	May	7.39	6.25	4,298,800
	June	7.31	6.23	2,883,900
	July	6.63	5.80	2,960,300
	August	6.49	5.77	3,813,500
	September	6.63	5.90	3,414,730
	October	7.62	6.19	6,236,965
	November 1-4	8.55	7.28	2,051,224

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

The Offering consists of 10,400,000 Offered Shares (assuming no exercise of the Over-Allotment Option).

Common Shares

The authorized capital of ITH is 500,000,000 Common Shares, of which 67,643,155 were issued and outstanding as at November 4, 2010. Shareholders are entitled to receive notice of and attend all meetings of shareholders with each share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. Shareholders are entitled to dividends if, as and when declared by the board of directors of the Company. Shareholders are entitled upon liquidation, dissolution or winding up of the Company to receive the remaining assets of the Company available for distribution to shareholders. The rights and restrictions attached to the Common Shares of the Company may be altered by ordinary resolution of the shareholders.

PLAN OF DISTRIBUTION

The Offering

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to purchase, as underwriters, on the Closing Date, or such other date as may be agreed upon by the Company and the Underwriters, 10,400,000 Offered Shares at the Offering Price, payable in cash to the Company, against delivery of the certificates representing the Offered Shares, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events as set out in the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

The Company has also granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters at any time until the date which is 30 days following the Closing Date, to purchase up to 1,560,000 Over-Allotment Shares at a price of $6.25 per Over-Allotment Share, to cover over-allotments, if any, and for market stabilization purposes (for greater clarity, a maximum of 15% of the number of Offered Shares to be sold at the Closing may be issued in Over-Allotment Shares pursuant to the Over-Allotment

Option). This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares upon exercise of the Over-Allotment Option.

The Offering Price was determined by negotiation between the Company and the Underwriters in accordance with the policies of the TSX.

The Company has agreed to indemnify the Underwriters, and certain related parties, insofar as any expenses, losses (other than loss of profits), claims, actions, damages or liabilities arise out of or are based, directly or indirectly, upon the performance of the professional services rendered to the Company by the Underwriters pursuant to the Underwriting Agreement, provided however that the Company shall not be required to indemnify any such person for any expenses, losses, claims, action, damages or liabilities which were directly caused by the negligence, dishonesty or fraudulent act by the Underwriters or such related parties (as determined by a court of competent jurisdiction in a final non-appealable judgment).

The Company has agreed for the benefit of the Underwriters, for a period of 90 days from the Closing Date, not to issue any equity securities or other securities convertible into equity securities of the Company, or to announce any intention to do so, without the prior consent of Canaccord Genuity Corp., such consent not to be unreasonably withheld (the "**Lock-Up**"), other than for the purposes of: (i) the Offering; (ii) the Private Placement; (iii) grants of stock options in the normal course pursuant to any stock option plan of the Company existing on the Closing Date; (iv) the issuance of Common Shares upon the conversion, exercise or exchange of convertible, exercisable or exchangeable securities existing on the Closing Date or upon the exercise of stock options subsequently granted pursuant to above; (v) the issuance of securities in connection with property acquisitions in the ordinary course; and (vi) the issuance of securities in connection with agreements or arrangements existing on the Closing Date. The Company has also agreed that it will use reasonable efforts to restrict its officers and directors from selling any securities of the Company from September 28, 2010 until the Closing Date without the prior written consent of Canaccord Genuity Corp., such consent not to be unreasonably withheld.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters' Fee in consideration for the services rendered in connection with the Offering. The Company has also agreed to reimburse the Underwriters for certain reasonable expenses, including legal and certain out-of-pocket expenses incurred in connection with the Offering. The Underwriters will not receive any other fee or commission from the Company in connection with the completion of the Offering.

The Underwriters propose to offer the Offered Shares to the public initially at the Offering Price. After the Underwriters have made reasonable efforts to sell the Offered Shares at the Offering Price, the Offering Price to the public may be decreased, and further changed from time to time to an amount not greater than the Offering Price. Such decrease in the Offering Price will not affect the Underwriters' Fee per Offered Share to be paid by the Company to the Underwriters but the compensation to be realised by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company. In addition, any decrease in the Offering Price will not decrease the amount of net proceeds of the Offering to the Company. The Underwriters will inform the Company if the Offering Price is decreased.

Pursuant to policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Subscriptions for the Offered Shares will be received, subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice.

The Company has applied to list the Offered Shares distributed under this Prospectus on the TSX and the NYSE-A. Listing will be subject to the Company fulfilling all the listing requirements of the TSX and NYSE-A.

Private Placement

The Company will, concurrently with the Offering, offer up to 4,900,000 Private Placement Common Shares at a price of $6.25 per Private Placement Common Share through a non-brokered private placement for gross proceeds of up to $30,625,000. All Private Placement Common Shares issued will be subject to resale restrictions in Canada and the United States. This Prospectus does not qualify the distribution of the Private Placement Common Shares issued pursuant to the Private Placement. Subscriptions for Private Placement Common Shares will be accepted by the Company concurrently with the conduct of the Offering. Closing of the Private Placement is subject to a number of condition precedents including, among other things, receipt of TSX acceptance and the approval of the NYSE-A.

The completion of the Offering is not conditional upon the successful completion of the Private Placement, nor is the Private Placement conditional on the successful completion of the Offering. The Underwriters are not involved in any way in the Private Placement, which is being solely conducted by the Company. The Company is not paying any fees or commissions in connection with the Private Placement, other that for the usual stock exchange filing fees and legal fees, which the Issuer anticipated will collectively total approximately $100,000.

Offering in the United States

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Common Shares in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the 1933 Act). The Common Shares have not been and will not be registered under the 1933 Act, or the securities laws of any state of the United States, and the Common Shares may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons unless registered under the 1933 Act and applicable securities laws of any state of the United States or in accordance with an exemption from such registration requirements.

The Underwriters have agreed that, except in certain transactions exempt from the registration requirements of the 1933 Act and applicable securities laws of any state of the United States, as permitted under the Underwriting Agreement, they will not offer or sell within the United States or to, or for the account or benefit of, U.S. persons, the Common Shares as part of their distribution.

The Underwriters have also agreed that they will not offer, sell or deliver the Common Shares to, or for the account or benefit of, a U.S. person (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date (the "**Distribution Compliance Period**"), except, in either case, in accordance with Regulation S under the 1933 Act, and they will send to any distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Common Shares during the Distribution Compliance Period a confirmation or other notice setting forth the above-noted restrictions on offers and sales of the Common Shares within the United States or to, or for the account or benefit of, a U.S. person.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an available exemption under the 1933 Act. Certificates representing Common Shares which are sold in the United States or to, or for the account or benefit of, a U.S. person will bear a legend to the effect that the securities represented thereby are not registered under the 1933 Act and may only be offered, sold or otherwise transferred, directly or indirectly, pursuant to certain exemptions from the registration requirements of the 1933 Act. Terms used in this paragraph and in the preceding paragraphs have the meanings ascribed to them in Regulation S under the 1933 Act.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and must be considered speculative due to the nature of the Company's business and present stage of exploration and development of its mineral properties.

Prospective purchasers of the Common Shares offered hereby should carefully consider the information included or incorporated by reference in this Prospectus, including but not limited to, the risk factors discussed in the Annual Information Form, before making an investment decision to purchase Common Shares. See "Documents Incorporated by Reference". Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. In addition to the other information presented in this Prospectus and documents incorporated by reference, the following risk factors relating to the Offering, which are not exclusive, should be given special consideration when evaluating an investment in the Company's securities:

Common Share Price Volatility

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. Securities of mining companies have experienced substantial volatility in the past, and especially during the last couple of years, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuations, financial condition or results of operations as reflected in its quarterly financial reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline below the Offering Price. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution from Further Equity Financings

In order to finance future operations, the Company may raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the size and terms of future issuances of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to present and prospective security holders.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

No Certainty of Completion of the Private Placement

Although the Issuer has arranged the Private Placement and believes that this transaction will be completed in due course and that the Issuer will receive the funds, there can be no certainty that the Issuer will be successful in doing so. Completion of the Private Placement is subject to a number of uncertainties and risks, including, without limitation, the fact that a significant decrease in the market price of the Issuer's common shares prior to the closing of such transaction could result in the purchasers of the private placement common shares determining not to proceed with the Private Placement and that the Issuer may be unsuccessful in obtaining the necessary regulatory acceptances/approvals required in order to complete the Private Placement. If the Issuer is unsuccessful in completing the Private Placement, the Issuer would be required to raise additional funds in order to carry on its planned business activities beyond the fiscal year ended May 31, 2013. There can be no assurance that the Issuer will be able to secure any such funding to replace that which would have been provided by the Private Placement. If it is unable to do so, the Issuer would not be in a position to complete all its planned work on a feasibility study at Livengood.

LEGAL MATTERS

Certain legal matters relating to the Offering and to the Offered Shares to be distributed pursuant to this Prospectus will be passed upon on behalf of the Company by Gowling Lafleur Henderson LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

INTERESTS OF EXPERTS

Names of Experts

The following persons, firms and companies are named as having prepared or certified a report, valuation, statement or opinion in the Prospectus, either directly or in a document incorporated by reference.

Name	Description
Tim Carew (P.Geo., BC), William Pennstrom Jr. M.A. (QP-MMSA), John Bell (ProfGradIMM) and Quinton de Klerk (AUSIMM)	Authored the Livengood Report
Gowling Lafleur Henderson LLP	Provided the opinion, in the section of this Prospectus entitled "Eligibility for Investment".
Blake, Cassels & Graydon LLP	Provided the opinion, in the section of this Prospectus entitled "Eligibility for Investment".

Interests of Experts

The experts named in the foregoing section held, at the time they prepared or certified such statement, report or valuation, no Common Shares and none received after such time or will receive any registered or beneficial interest, direct or indirect, in any property of the Company or one of the Company's associates or affiliates. As of the date of this Prospectus, the partners and associates of Gowling Lafleur Henderson LLP and Blake, Cassels & Graydon LLP beneficially own, directly or indirectly, in the aggregate less than 1% of the issued and outstanding Common Shares.

Except as otherwise stated above, none of the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned persons received or has received a direct or indirect interest in any property of the Company or any associate or affiliate of the Company.

None of the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned persons is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

MacKay LLP reports that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are MacKay LLP, Chartered Accountants, of Suite 1100, 1177 West Hastings Street, Vancouver, British Columbia, V6E 4T5.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of such purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus of International Tower Hill Mines Ltd. (the "**Company**") dated November 5, 2010 relating to the issue and sale of 10,400,000 common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of:

(a) our reports to the shareholders of the Company dated August 23, 2010 on the consolidated balance sheets of the Company as at May 31, 2010, 2009 and 2008 and the related consolidated statements of operations, comprehensive loss and deficit and cash flows for the years ended May 31, 2010, 2009 and 2008, and the effectiveness of internal control over financial reporting of the Company as of May 31, 2010;

(b) our report to the sole director of Corvus Gold Inc. dated June 15, 2010, on the balance sheet of Corvus Gold Inc. as at May 31, 2010 and the statements of operations, comprehensive loss and deficit and cash flows, for the period from April 13, 2010 to May 31, 2010; and

(c) our report to the directors of the Company, dated June 25, 2010, accompanying the consolidated balance sheets of Nevada and Other Alaska Business as at May 31, 2009 and 2008 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years ended May 31, 2009, 2008 and 2007.

("Signed") "MacKay LLP"

MacKay LLP
Chartered Accountants

Vancouver, British Columbia
November 5, 2010

CERTIFICATE OF THE COMPANY

November 5, 2010

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

INTERNATIONAL TOWER HILL MINES LTD.

By: *(Signed) Jeffrey A. Pontius* President and Chief Executive Officer	By: *(Signed) Michael Kinley* Chief Financial Officer

On behalf of the Board of Directors

By: *(Signed) Hendrik Van Alphen* Director	By: *(Signed) Anton J. Drescher* Director

CERTIFICATE OF THE UNDERWRITERS

November 5, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

CANACCORD GENUITY CORP.

By: (Signed) "Ali Pejman"
Managing Director, Investment Banking

BMO NESBITT BURNS INC.	GMP SECURITIES L.P.	SALMAN PARTNERS INC.
By: (Signed) "Jamie Rogers" Managing Director	*By: (Signed) "Kevin Reid"* Director, Investment Banking	*By: (Signed) "Terrance Salman"* President and Chief Executive Officer