CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

Years Ended December 31, 2022 and 2021

Corporate Office

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INTERNATIONAL TOWER HILL MINES LTD.

December 31, 2022 and 2021

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
International Tower Hill Mines Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of International Tower Hill Mines Ltd. (the "Company"), as of December 31, 2022 and 2021, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2022 and 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended December 31, 2022 and 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of impairment indicators of mineral property

As described in Note 4 to the financial statements, the carrying amount of the Company's mineral property was $55,375,124 as at December 31, 2022. As more fully described in Note 2 to the financial statements, management assesses its mineral property for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the Company's mineral property is a critical audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the mineral property, specifically relating to the assets carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate its asset. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the mineral property.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the key controls associated with evaluating the mineral property for indicators of impairment.
- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the mineral property through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including vouching cash payments.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the mineral property are in good standing.

We have served as the Company's auditor since 2017.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

March 7, 2023

INTERNATIONAL TOWER HILL MINES LTD.
CONSOLIDATED BALANCE SHEETS
As at December 31, 2022 and 2021
(Expressed in U.S. Dollars)

	Note	December 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		$ 4,847,429	$ 7,780,671
Prepaid expenses and other		152,572	141,680
Total current assets		5,000,001	7,922,351
Property and equipment		7,465	7,465
Mineral property	4	55,375,124	55,375,124
Total assets		$ 60,382,590	$ 63,304,940
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		$ 53,539	$ 259,648
Accrued liabilities	5	234,846	320,233
Total liabilities		288,385	579,881
Shareholders' equity			
Share capital, no par value; unlimited number of authorized shares; 195,313,184 and 194,908,184 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively	7	288,484,901	288,032,132
Contributed surplus		36,275,917	35,989,922
Accumulated other comprehensive income		1,500,196	1,828,121
Deficit		(266,166,809)	(263,125,116)
Total shareholders' equity		60,094,205	62,725,059
Total liabilities and shareholders' equity		$ 60,382,590	$ 63,304,940

Nature of operations (Note 1)
Commitments (Note 9)

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

INTERNATIONAL TOWER HILL MINES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2022 and 2021
(Expressed in U.S. Dollars)

	Note	December 31, 2022	December 31, 2021
Operating Expenses			
Consulting fees	7	$ 551,163	$ 612,387
Depreciation		-	367
Insurance		202,893	179,659
Investor relations	7	65,591	77,256
Mineral property exploration	4	1,138,134	3,517,540
Office		28,529	33,292
Other		16,130	17,181
Professional fees		226,439	210,594
Regulatory		137,947	178,264
Rent	11	135,200	135,372
Travel		29,935	18,464
Wages and benefits	7	914,078	935,073
Total operating expenses		(3,446,039)	(5,915,449)
Other income (expense)			
Gain (loss) on foreign exchange		348,207	(101,818)
Interest income		5,739	20,260
Other income		50,400	16,719
Total other income (expense)		404,346	(64,839)
Net loss for the year		(3,041,693)	(5,980,288)
Other comprehensive income			
Exchange difference on translating foreign operations		(327,925)	68,893
Total other comprehensive income for the year		(327,925)	68,893
Comprehensive loss for the year		$ (3,369,618)	$ (5,911,395)
Basic and diluted net loss per share		$ (0.02)	$ (0.03)
Weighted average number of shares outstanding – basic and diluted		195,221,951	194,908,184

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

INTERNATIONAL TOWER HILL MINES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2022 and 2021
(Expressed in U.S. Dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2020	194,908,184	$ 288,032,132	$ 35,454,805	$ 1,759,228	$ (257,144,828)	$ 68,101,337
Stock based compensation-option	-	-	167,267	-	-	167,267
Stock based compensation-DSU	-	-	367,850	-	-	367,850
Exchange difference on translating foreign operations	-	-	-	68,893	-	68,893
Net loss	-	-	-	-	(5,980,288)	(5,980,288)
Balance, December 31, 2021	194,908,184	288,032,132	35,989,922	1,828,121	(263,125,116)	62,725,059
Stock based compensation-option	-	-	135,451	-	-	135,451
Stock based compensation-DSU	-	-	313,023	-	-	313,023
Exchange difference on translating foreign operations	-	-	-	(327,925)	-	(327,925)
Exercise of options	405,000	290,290	-	-	-	290,290
Reallocation from contributed surplus	-	162,479	(162,479)	-	-	-
Net loss	-	-	-	-	(3,041,693)	(3,041,693)
Balance, December 31, 2022	195,313,184	$ 288,484,901	$ 36,275,917	$ 1,500,196	$ (266,166,809)	$ 60,094,205

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

INTERNATIONAL TOWER HILL MINES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(Expressed in U.S. Dollars)

	December 31, 2022	December 31, 2021
Operating Activities		
Loss for the year	$ (3,041,693)	$ (5,980,288)
Add items not affecting cash:		
Depreciation	-	367
Stock-based compensation-option	135,451	167,267
Stock-based compensation-DSU	313,023	367,850
Changes in non-cash working capital items:		
Accounts receivable	5,794	18,770
Prepaid expenses	(22,076)	1,555
Accounts payable and accrued liabilities	(287,457)	86,964
Cash used in operating activities	(2,896,958)	(5,337,515)
Financing Activities		
Issuance of common shares	290,290	-
Cash provided by financing activities	290,290	-
Effect of foreign exchange on cash and cash equivalents	(326,574)	68,893
Decrease in cash and cash equivalents	(2,933,242)	(5,268,622)
Cash and cash equivalents, beginning of year	7,780,671	13,049,293
Cash and cash equivalents, end of year	$ 4,847,429	$ 7,780,671

Non-cash transactions:

- Reallocation from contributed surplus from exercise of stock options $162,479 (December 31, 2021 - $nil)

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

1. GENERAL INFORMATION, NATURE OF OPERATIONS

International Tower Hill Mines Ltd. ("ITH" or the "Company") is incorporated under the laws of British Columbia, Canada. The Company's head office address is 2710-200 Granville Street, Vancouver, British Columbia, Canada.

International Tower Hill Mines Ltd. consists of ITH and its wholly owned subsidiaries Tower Hill Mines, Inc. ("TH Alaska") (an Alaska corporation), Tower Hill Mines (US) LLC ("TH US") (a Colorado limited liability company), and Livengood Placers, Inc. ("LPI") (a Nevada corporation). The Company is in the business of acquiring, exploring and evaluating mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. At December 31, 2022, the Company was in the exploration stage and controls a 100% interest in its Livengood Gold Project in Alaska, U.S.A.

These consolidated financial statements have been prepared on a going-concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

The Company will require significant additional financing to continue its operations in connection with advancing activities at the Livengood Gold Project and for the development of any mine that may be determined to be built at the Livengood Gold Project. There is no assurance that the Company will be able to obtain the additional financing required on acceptable terms, if at all.

In addition, any significant delays in the issuance of required permits for the ongoing work at the Livengood Gold Project, or unexpected results in connection with the ongoing work, could result in the Company being required to raise additional funds to advance permitting efforts. The Company's review of its financing options includes pursuing a future strategic alliance to assist in further development, permitting and future construction costs.

Despite the Company's success to date in raising significant equity financing to fund its operations, there is significant uncertainty that the Company will be able to secure any additional financing in the current or future equity markets. The amount of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes. Due to this uncertainty, if the Company is unable to secure additional financing, it may be required to reduce all discretionary activities at the Project to preserve its working capital to fund anticipated non-discretionary expenditures beyond the 2023 fiscal year. As at March 7, 2023, management believes that the Company has sufficient financial resources to maintain its operations for the next twelve months.

The COVID-19 pandemic of three years has resulted in supply chain disruptions, record high inflation and rising interest rates which all have impeded adversely the global economy and tightened the financial markets. It is indeterminable when inflation will be back to a normal level and the economy will recover. These have created uncertainties to whether financing would be available to the Company if the need for funding was to arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements are presented in United States dollars and have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). On March 7, 2023, the Board approved the consolidated financial statements dated December 31, 2022.

Basis of consolidation

These consolidated financial statements include the accounts of ITH and its wholly owned subsidiaries TH Alaska, TH US, and LPI. All intercompany transactions and balances have been eliminated.

Significant judgments, estimates and assumptions

The preparation of financial statements in accordance with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. These judgments, estimates and assumptions are regularly evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. While management believes the estimates to be reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require significant judgment and estimates that management has made at the financial reporting date, that could result in a material change to the carrying amounts of assets and liabilities, in the event actual results differ from the assumptions made, relate to, but are not limited to the following:

Significant judgments

- the determination of functional currencies;
- quantitative and qualitative factors used in the assessment of impairment of the Company's mineral property; and
- the analysis of resource calculations, drill results, labwork, etc. which can impact the Company's assessment of impairment, and provisions, if any, for environmental rehabilitation and restoration.

Cash and cash equivalents

Cash equivalents include highly liquid investments with original maturities of twelve months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Property and equipment

On initial recognition, property and equipment are valued at cost. Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is recorded over the estimated useful life of the assets at the following annual rates:

Computer equipment - 30% declining balance;
Computer software - 3 years straight line;
Furniture and equipment - 20% declining balance; and
Leasehold improvements - straight-line over the lease term.

Additions during the year are depreciated at one-half the annual rates. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Mineral properties and exploration and evaluation expenditures

The Company's mineral project is currently in the exploration and evaluation phase. Mineral property acquisition costs are capitalized when incurred. Mineral property exploration costs are expensed as incurred. At such time that the Company determines that a mineral property can be economically developed, subsequent mineral property expenses will be capitalized during the development of such property.

The Company assesses interests in exploration properties for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Impairment analysis includes assessment of the following circumstances: a significant decrease in the market price of a long-lived asset or asset group; a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or asset group, including an adverse action or assessment by a regulator; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or asset group; a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term more likely than not refers to a level of likelihood that is more than 50%.

Asset retirement obligations

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or contractually required to remediate. The provision for closure and reclamation liabilities is estimated using expected cash flows based on engineering and environmental reports and accreted to full value over time through periodic charges to income. The Company does not have any material provisions for environmental rehabilitation as of December 31, 2022.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount and the fair value less costs to sell.

Income taxes

The Company accounts for income taxes under the asset and liability method. Current income taxes are the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be recognized.

Net loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if securities or contracts that may require the issuance of common shares in the future were converted, unless the impact is anti-dilutive. For the year ended December 31, 2022, this calculation proved to be anti-dilutive, and therefore the Company's 2,287,049 stock options and 2,602,361 deferred share units ("DSUs") outstanding at year-end have been excluded from the calculation.

Stock-based compensation

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification Section 718 "Compensation - Stock Compensation", which establishes accounting for equity-based compensation awards to be accounted for using the fair value method. Equity-settled share-based payment arrangements are initially measured at fair value at the date of grant and recorded within shareholders' equity. Arrangements considered to be cash-settled are initially recorded at fair value and classified as accrued liabilities, and subsequently re-measured at fair value at each reporting date. The Company's stock option plan is an equity-settled arrangement and the Company's deferred share unit plan can be an equity or cash settled arrangement depending on the grant date term.

The fair value at grant date of all share-based payments is recognized as compensation expense over the period for which benefits of services are expected to be derived, with a corresponding credit to shareholders' equity or accrued liabilities depending on whether they are equity-settled or cash-settled. The Company estimates the fair value of stock options granted using the Black-Scholes option pricing model and estimate the expected forfeiture rate at the date of grant. The value of DSUs is estimated based on the quoted market price of the Company's common shares. When awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed.

Functional currency

The Company's consolidated financial statements are presented in U.S. dollars, which is the Company's reporting currency. The functional currency of ITH is the Canadian ("CAD" or "C") dollar and the functional currency of ITH Alaska, TH US and LPI is the U.S. dollar.

In accordance with ASC 830, Foreign Currency Matters, the Company translates the assets and liabilities into U.S. dollars using the rate of exchange prevailing at the balance sheet date and the statements of operations and comprehensive loss and cash flows are translated at an average rate during the reporting period. Adjustments resulting from the translation from CAD into U.S. dollars are recorded in shareholders' equity as part of accumulated other comprehensive income.

Foreign currency transactions are translated into the functional currency of the respective currency of the entity or division, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss. Non-monetary items that are not re-translated at period end are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates as at the date when fair value was determined. Gains and losses are recorded in the statement of operations and comprehensive loss.

Recently adopted accounting pronouncements

Accounting Standards Update No. 2019-12—Income Taxes (Topic 740). In December 2019, the FASB issued guidance intended to simplify various aspects related to accounting for income taxes and removes certain exceptions to the general principles and also clarifies and amends existing guidance to improve consistent application. The Company adopted the standard on January 1, 2021 and adoption had no impact on the Company's financial statements.

Recently issued accounting pronouncements

Accounting Standards Update No. 2016-13—Measurement of Credit Losses on Financial Instruments. In June 2016, the FASB issued guidance intended to change how companies account for credit losses for most financial assets and certain other instruments. For trade receivables, loans and held-to-maturity debt securities, companies will be required to estimate lifetime expected credit losses and recognize an allowance against the related instruments. For available for sale debt securities, companies will be required to recognize an allowance for credit losses rather than reducing the carrying value of the asset. The adoption of this update, if applicable, will result in earlier recognition of losses and impairments.

Accounting Standards Update No. 2018-19—Codification Improvements to ASC 326, Financial Instruments—Credit Losses. In November 2018, the FASB introduced guidance on an expected credit loss methodology for the impairment of financial assets measured at amortized cost basis. That methodology replaces the probable, incurred loss model for those assets. ASU 2018-19 is the final version of Proposed Accounting Standards Update 2018-270, which has been deleted. Additionally, the amendments clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842, Leases.

These updates are effective beginning January 1, 2023, and the Company has evaluated ASU 2016-13 and ASU 2018-19 and adoption of this guidance is expected to have no impact on its financial reporting.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts payable, and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the significance of the inputs used in making the measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and,
- Level 3 – Inputs that are not based on observable market data.

There were no financial instruments measured at fair value.

4. MINERAL PROPERTY

The Company had the following activity related to the mineral property:

Capitalized acquisition costs	Amount
Balance, December 31, 2020	$ 55,375,124
Additions	-
Balance, December 31, 2021	$ 55,375,124
Additions	-
Balance, December 31, 2022	$ 55,375,124

The following table presents costs incurred for exploration and evaluation activities for the years ended December 31, 2022 and 2021:

	Year ended December 31, 2022	Year ended December 31, 2021
Exploration costs:		
Aircraft services	$ 9,000	$ 8,400
Environmental	191,876	185,330
Equipment and facilities rental	67,507	61,409
Field costs	89,493	327,075
Geological/geophysical	49,202	2,121,323
Land maintenance & tenure	647,412	709,922
Legal	85,593	90,542
Transportation and travel	(1,949)	13,539
Total expenditures for the year	$ 1,138,134	$ 3,517,540

Properties acquired from AngloGold, Alaska

Pursuant to an Asset Purchase and Sale and Indemnity Agreement dated June 30, 2006, as amended on July 26, 2007 (the "AngloGold Agreement"), among the Company, AngloGold Ashanti (U.S.A.) Exploration Inc. ("AngloGold") and TH Alaska, the Company acquired all of AngloGold's interest in a portfolio of seven mineral exploration projects in Alaska and referred to as the Livengood, Chisna, Gilles, Coffee Dome, West Pogo, Blackshell, and Caribou properties (the "Sale Properties") in exchange for a cash payment of $50,000 on August 4, 2006, and the issuance of 5,997,295 common shares, representing approximately 19.99% of the Company's issued shares following the closing of the acquisition and two private placement financings raising an aggregate of C$11,479,348.

As further consideration for the transfer of the Sale Properties, the Company granted to AngloGold a 90-day right of first offer with respect to the Sale Properties and any additional mineral properties in Alaska in which the Company acquires an interest and which interest the Company proposes to farm out or otherwise dispose of. Upon AngloGold's equity interest in the Company being reduced to less than 10%, this right of first offer would then terminate.

On December 11, 2014, the Company closed a private placement financing in which AngloGold elected not to participate. As a result of the shares issued in this private placement, AngloGold's ownership in the Company was reduced to less than 10% and thus both AngloGold's right to maintain its ownership percentage interest and its right of first offer on the Company's Alaskan properties terminated upon the closing of the December 2014 private placement.

Details of the Livengood Property (being the only Sale Property still held by the Company) are as follows:

Livengood Property:

The Livengood property is located in the Tintina gold belt approximately 113 kilometers (70 miles) north of Fairbanks, Alaska. The property consists of land leased from the Alaska Mental Health Trust, a number of smaller private mineral leases, Alaska state mining claims purchased or located by the Company and patented ground held by the Company.

Details of the leases are as follows:

a) a lease of the Alaska Mental Health Trust mineral rights having a term commencing July 1, 2004 and extending 19 years until June 30, 2023, subject to further extensions beyond June 30, 2023 by either commercial production or payment of an advance minimum royalty equal to 125% of the amount paid in year 19 and diligent pursuit of development. The lease requires minimum work expenditures and advance minimum royalties (all of which minimum royalties are recoverable from production royalties) which escalate annually with inflation. A net smelter return ("NSR") production royalty of between 2.5% and 5.0% (depending upon the price of gold) is payable to the lessor with respect to the lands subject to this lease. In addition, an NSR production royalty of l% is payable to the lessor with respect to the unpatented federal mining claims subject to the lease described in b) below and an NSR production royalty of between 0.5% and 1.0% (depending upon the price of gold) is payable to the lessor with respect to the lands acquired by the Company as a result of the purchase of Livengood Placers, Inc. in December 2011. As of December 31, 2022, the Company has paid $4,358,318 from the inception of this lease.

b) a lease of federal unpatented lode mining claims having an initial term of ten years commencing on April 21, 2003 and continuing for so long thereafter as advance minimum royalties are paid and mining related activities, including exploration, continue on the property or on adjacent properties controlled by the Company. The lease requires an advance minimum royalty of $50,000 on or before each anniversary date for the duration of the lease (all of which minimum royalties are recoverable from production royalties). An NSR production royalty of between 2% and 3% (depending on the price of gold) is payable to the lessors. The Company may purchase 1% of the royalty for $1,000,000. As of December 31, 2022, the Company has paid $930,000 from the inception of this lease.

c) a lease of patented lode claims having an initial term of ten years commencing January 18, 2007, and continuing for so long thereafter as advance minimum royalties are paid. The lease requires an advance minimum royalty of $20,000 on or before each anniversary date through January 18, 2017 and $25,000 on or before each subsequent anniversary (all of which minimum royalties are recoverable from production royalties). An NSR production royalty of 3% is payable to the lessors. The Company may purchase all interests of the lessors in the leased property (including the production royalty) for $1,000,000 (less all minimum and production royalties paid to the date of purchase), of which $500,000 is payable in cash over four years following the closing of the purchase and the balance of $500,000 is payable by way of the 3% NSR production royalty. The Company has acquired a 40% interest in the mining claims subject to the lease, providing the Company with a 40% interest in the lease. As of December 31, 2022, the Company has paid $280,000 from the inception of this lease.

d) a lease of unpatented federal lode mining and federal unpatented placer claims having an initial term of ten years commencing on March 28, 2007, and continuing for so long thereafter as advance minimum royalties are paid and mining related activities, including exploration, continue on the property or on adjacent properties controlled by the Company. The lease requires an advance minimum royalty of $15,000 on or before each anniversary date for the duration of the lease (all of which minimum royalties are recoverable from production royalties). The Company is required to pay the lessor the additional sum of $250,000 upon making a positive production decision, of which $125,000 is payable within 120 days of the decision and $125,000 is payable within a year of the decision (all of which are recoverable from production royalties). An NSR production royalty of 2% is payable to the lessor. The Company may purchase all of the interest of the lessor in the leased property (including the production royalty) for $1,000,000. As of December 31, 2022, the Company has paid $203,000 from the inception of this lease.

Title to mineral properties

The acquisition of title to mineral properties is a detailed and time-consuming process. The Company has taken steps to verify title to mineral properties in which it has an interest. Although the Company has taken every reasonable precaution to ensure that legal title to its properties is properly recorded in the name of the Company, there can be no assurance that such title will ultimately be secured.

5. ACCRUED LIABILITIES

The following table presents the accrued liabilities balances at December 31, 2022 and 2021.

	December 31, 2022	December 31, 2021
Accrued liabilities	$ 104,198	$ 202,982
Accrued salaries and benefits	130,648	117,251
Total accrued liabilities	$ 234,846	$ 320,233

Accrued liabilities at December 31, 2022 include accruals for general corporate costs and project costs of $46,974 and $57,224, respectively. Accrued liabilities at December 31, 2021 include accruals for general corporate costs and project costs of $34,912 and $168,070, respectively.

6. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows for the years ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Earnings (loss) for the year	$ (3,041,693)	$ (5,980,288)
Statutory Canadian corporate tax rate	27.00%	27.00%
Expected income tax (recovery)	$ (821,000)	$ (1,614,678)
Change in statutory, foreign tax, foreign exchange rates and other	1,038,000	3,029,412
Permanent difference	120,000	123,866
Adjustment to prior years provision versus statutory tax returns	279,000	(7,996)
Change in unrecognized deductible temporary differences	(616,000)	(1,530,604)
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets (liabilities):		
Exploration and evaluation assets	$ 16,711,000	$ 16,711,128
Property and equipment	7,000	10,464
Share issue costs	51,000	83,928
Non-capital losses available for future period	53,955,000	55,506,071
	70,724,000	72,311,591
Valuation allowance	(70,724,000)	(72,311,591)
Net deferred tax asset	$ -	$ -

At December 31, 2022, the Company has available non-capital losses for Canadian income tax purposes of approximately C$27,596,000 and net operating losses for US income tax purposes of approximately $33,301,000 that do not have an expiration date and $137,152,000 available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

	Canada (C$)	United States ($)
2042	C$ 599,000	$ -
2041	1,204,000	-
2040	1,211,000	-
2039	1,164,000	-
2038	417,000	-
2037	1,757,000	8,800,000
2036	1,611,000	8,798,000
2035	395,000	10,703,000
2034	1,792,000	12,587,000
2033	1,687,000	14,208,000
2032	2,854,000	16,797,000
2031	5,051,000	40,825,000
2030	3,052,000	18,765,000
2029	2,378,000	2,973,000
2028	1,301,000	1,412,000
2027	1,031,000	1,284,000
2026	92,000	-
	C$ 27,596,000	$ 137,152,000

The Company also has available mineral resource expenses that are related to the Company's exploration activities in the United States of approximately $114,162,000 which may be deductible for U.S. tax purposes. Future tax benefits, which may arise as a result of applying these deductions to taxable income, have not been recognized in these accounts due to the uncertainty of future taxable income.

7. SHARE CAPITAL

Authorized

The Company's share capital consists of an unlimited number of authorized common shares without par value. At December 31, 2022 and 2021, there were 195,313,184 and 194,908,184 shares issued and outstanding, respectively.

Share issuances

During the year ended December 31, 2022, the Company issued 405,000 common shares pursuant to the exercise of stock options for total proceeds of $290,290 and transferred related contributed surplus of $162,479 to share capital.

There were no share issuances during the year ended December 31, 2021.

Stock options

The Company adopted an incentive stock option plan in 2006, as amended September 19, 2012 and re-approved by the Company's shareholders on May 28, 2015, May 30, 2018, and May 25, 2021 (the "Stock Option Plan"). The essential elements of the Stock Option Plan provide that the aggregate number of common shares of the Company that may be issued pursuant to options granted under the Stock Option Plan and any other share-based compensation arrangements may not exceed 10% of the number of issued shares of the Company at the time of the granting of options. Options granted under the Stock Option Plan will have a maximum term of ten years. The exercise price of options granted under the Stock Option Plan shall be fixed in compliance with the applicable provisions of the Toronto Stock Exchange ("TSX") Company Manual in force at the time of grant and, in any event, shall not be less than the closing price of the Company's common shares on the TSX on the trading day immediately preceding the day on which the option is granted, or such other price as may be agreed to by the Company and accepted by the TSX. Options granted under the Stock Option Plan vest immediately, unless otherwise determined by the directors at the date of grant.

During the year ended December 31, 2022, the Company granted a total of 240,000 incentive stock options to certain officers and employees of the Company to purchase common shares in the capital stock of the Company at an issue price of C$0.92 per share. Of the total 240,000 stock options granted, 150,000 were granted to Mr. Karl Hanneman, Chief Executive Officer. All of the options vest one-third on the grant date, one-third on May 24, 2023, one-third on May 24, 2024 and expire on May 24, 2028.

During the year ended December 31, 2021, the Company granted a total of 240,000 incentive stock options to certain officers and employees of the Company to purchase common shares in the capital stock of the Company at an issue price of C$1.31 per share. Of the total 240,000 stock options granted, 150,000 were granted to Mr. Karl Hanneman, Chief Executive Officer. All of the options vest one-third on the grant date, one-third on May 25, 2022, one-third on May 25, 2023 and expire on May 25, 2027.

A summary of the status of the stock option plan as of December 31, 2022 and 2021 and changes during the fiscal years is presented below:

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Number of Options	Weighted Average Exercise Price (C$)	Aggregate Intrinsic Value (C$)	Number of Options	Weighted Average Exercise Price (C$)	Aggregate Intrinsic Value (C$)
Balance, beginning of the year	2,947,049	$ 0.97		2,707,049	$ 0.94	
Granted	240,000	$ 0.92		240,000	$ 1.31	
Exercised	(405,000)	$ 0.90		-	-	
Expired	(495,000)	$ 1.08		-	-	
Balance, end of the year	2,287,049	$ 0.95	$ 10,400	2,947,049	$ 0.97	$ 235,200

The weighted average remaining life of options outstanding at December 31, 2022 was 2.1 years.

Stock options outstanding are as follows:

	December 31, 2022			December 31, 2021		
Expiry Date	Exercise Price (C$)	Number of Options	Exercisable	Exercise Price (C$)	Number of Options	Exercisable
March 25, 2022*	-	-	-	$ 1.11	510,000	510,000
March 25, 2022*	-	-	-	$ 0.73	270,000	270,000
March 25, 2022*	-	-	-	$ 1.11	120,000	120,000
March 16, 2023	$ 1.00	580,000	580,000	$ 1.00	580,000	580,000
March 16, 2023	$ 0.50	130,000	130,000	$ 0.50	130,000	130,000
June 9, 2023	$ 1.00	30,000	30,000	$ 1.00	30,000	30,000
March 21, 2024	$ 0.61	374,817	374,817	$ 0.61	374,817	374,817
February 1, 2025	$ 1.35	250,000	250,000	$ 1.35	250,000	250,000
August 8, 2025	$ 0.85	187,232	187,232	$ 0.85	187,232	187,232
May 27, 2026	$ 0.92	255,000	255,000	$ 0.92	255,000	170,000
May 25, 2027	$ 1.31	240,000	160,000	$ 1.31	240,000	80,000
May 24, 2028	$ 0.92	240,000	80,000	-	-	-
		2,287,049	2,047,049		2,947,049	2,702,049

- Expiry dates automatically extended to March 25, 2022, the tenth business day following the end of a blackout period imposed on the holders of the stock options, pursuant to the terms of the Stock Option Plan.

A summary of the non-vested options as of December 31, 2022 and 2021 and changes during the fiscal years ended December 31, 2022 and 2021 is as follows:

Non-vested options:	Number of options	Weighted average grant-date fair value (C$)
Outstanding at December 31, 2020	170,000	$0.76
Granted	240,000	$0.98
Vested	(165,000)	$0.87
Outstanding at December 31, 2021	245,000	$0.91
Granted	240,000	$0.60
Vested	(245,000)	$0.78
Outstanding at December 31, 2022	240,000	$0.73

At December 31, 2022, there was C$67,694 of unrecognized compensation expense related to non-vested options outstanding.

Deferred Share Unit Incentive Plan

On April 4, 2017, the Company adopted a Deferred Share Unit Plan (the "DSU Plan"). The DSU Plan was approved by the Company's shareholders on May 24, 2017 and re-approved by the Company's shareholders on May 27, 2020 and May 25, 2021. As at December 31, 2022, the maximum aggregate number of common shares that could be issued under the DSU Plan and the Stock Option Plan was 19,531,318, representing 10% of the number of issued and outstanding common shares on that date (on a non-diluted basis). As at December 31, 2022, the Company had stock options to potentially acquire 2,287,049 common shares outstanding under the Stock Option Plan (representing approximately 1.17% of the outstanding common shares), leaving up to 17,244,269 common shares available for future grants under the DSU Plan and under the Stock Option Plan (combined) based on the number of outstanding common shares as at that date on a non-diluted basis (representing an aggregate of approximately 8.83% of the outstanding common shares).

During the year ended December 31, 2022, in accordance with the DSU Plan, the Company granted each of the members of the Company's Board of Directors (other than those directors nominated for election by Paulson & Co. Inc.) 90,217 DSUs for a total of 451,085 DSUs with a grant date fair value (defined as the weighted average of the prices at which the common shares traded on the exchange with the most volume for the five trading days immediately preceding the grant) of C$0.92 per DSU, representing C$83,000 per director or C$415,000 in the aggregate.

During the year ended December 31, 2021, in accordance with the DSU Plan, the Company granted each of the members of the Company's Board of Directors (other than those directors nominated for election by Paulson & Co. Inc.) 63,359 DSUs for a total of 316,795 DSUs with a grant date fair value (defined as the weighted average of the prices at which the common shares traded on the exchange with the most volume for the five trading days immediately preceding the grant) of C$1.31 per DSU, representing C$83,000 per director or C$415,000 in the aggregate.

The DSUs entitle the holders to receive common shares of the Company's stock without the payment of any consideration. The DSUs vested immediately upon being granted, but the common shares of stock underlying the DSUs are not deliverable to the grantee until the grantee is no longer serving on the Company's Board of Directors.

DSUs outstanding are as follows:

	Year Ended December 31, 2022		**Year Ended December 31, 2021**	
	Number of DSUs	Weighted average grant-date fair value (C$)	Number of DSUs	Weighted average grant-date fair value (C$)
Balance, beginning of the year	2,151,276	$0.88	1,834,481	$0.81
Issued	451,085	$0.92	316,795	$1.31
Delivered	-	-	-	-
Balance, end of the year	2,602,361	$0.89	2,151,276	$0.88

Share-based payments

During the year ended December 31, 2022, the Company granted 240,000 stock options and 451,085 DSUs. Share-based payment compensation for the year ended December 31, 2022 total $448,474 ($135,451 related to stock options and $313,023 related to DSUs). Of the total expense for the year ended December 31, 2022, $322,052 was included in consulting fees, $117,994 was included in wages and benefits, and $8,428 was included in investor relations in the statement of operations and comprehensive loss.

During the year ended December 31, 2021, the Company granted 240,000 stock options and 316,795 DSUs. Share-based payment compensation for the year ended December 31, 2021 total $535,117 ($167,267 related to stock options and $367,850 related to DSUs). Of the total expense for the year ended December 31, 2021, $380,878 was included in consulting fees, $143,957 was included in wages and benefits, and $10,282 was included in investor relations in the statement of operations and comprehensive loss.

The following weighted average assumptions were used for the Black-Scholes option pricing model of the stock options:

	Year ended December 31, 2022	**Year ended December 31, 2021**
Expected life of options	6 years	6 years
Risk-free interest rate	2.64%	0.99%
Expected volatility	76.75%	81.22%
Dividend rate	0.00%	0.00%
Exercise price (C$)	$0.92	$1.31

The expected volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

8. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. The following tables present selected financial information by geographic location:

	Canada	United States	Total
December 31, 2022			
Mineral property	$ -	$ 55,375,124	$ 55,375,124
Property and equipment	7,465	-	7,465
Current assets	4,582,892	417,109	5,000,001
Total assets	$ 4,590,357	$ 55,792,233	$ 60,382,590
December 31, 2021			
Mineral property	$ -	$ 55,375,124	$ 55,375,124
Property and equipment	7,465	-	7,465
Current assets	7,439,101	483,250	7,922,351
Total assets	$ 7,446,566	$ 55,858,374	$ 63,304,940

	Year ended December 31, 2022	Year ended December 31, 2021
Net loss for the year - Canada	$ (788,971)	$ (1,363,483)
Net loss for the year - United States	(2,252,722)	(4,616,805)
Net loss for the year	$ (3,041,693)	$ (5,980,288)

9. COMMITMENTS

The following table discloses, as of December 31, 2022, the Company's contractual obligations including anticipated mineral property payments and work commitments. Under the terms of the Company's mineral property purchase agreements, mineral leases and the terms of the unpatented mineral claims held by it, the Company is required to make certain scheduled acquisition payments, incur certain levels of expenditures, make lease or advance royalty payments, make payments to government authorities and incur assessment work expenditures as summarized in the table below in order to maintain and preserve the Company's interests in the related mineral properties. If the Company is unable or unwilling to make any such payments or incur any such expenditures, it is likely that the Company would lose or forfeit its rights to acquire or hold the related mineral properties. The following table assumes that the Company retains the rights to all of its current mineral properties, but does not exercise any lease purchase or royalty buyout options:

	Payments Due by Year						
	2023	2024	2025	2026	2027	2028 and beyond	Total
Mineral Property Leases(1)	$535,578	$541,273	$547,039	$552,877	$558,788	$564,773	$3,300,328
Mining Claim Government Fees	206,215	206,215	206,215	206,215	206,215	206,215	1,237,290
Total	$741,793	$747,488	$753,254	$759,092	$765,003	$770,988	$4,537,618

1. Does not include required work expenditures, as it is assumed that the required expenditure level is significantly below the work for which will actually be carried out by the Company. Does not include potential royalties that may be payable (other than annual minimum royalty payments). See Note 4.

10. LEASES

On December 12, 2019, the Company entered into a one-year operating lease agreement (for the lease period of January 1, 2020 through December 31, 2020) of the Fairbanks office. After the initial one-year lease period, the agreement has continued on a month-to-month basis. Therefore, the Company has elected the short-term lease recognition exemption for the office lease. Accordingly, office lease costs will continue to be reported as rent expense on the Consolidated Statements of Operations and Comprehensive Loss and the Company will not recognize a right-of-use (ROU) asset and lease liability on the Consolidated Balance Sheets.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2022, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of December 31, 2022, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed in reports filed or submitted to the SEC under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, in a manner that allows for timely decisions regarding required disclosures.

The effectiveness of our or any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable assurance that the objectives of the system will be met and is subject to certain limitations, including the exercise of judgment in designing, implementing and evaluating controls and procedures and the assumptions used in identifying the likelihood of future events.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of internal control over financial reporting as of December 31, 2022. In conducting this evaluation, management used the framework established by the Committee of Sponsoring Organizations of the Treadway Commission as set forth in Internal Control – Integrated Framework (2013). Based on this evaluation under the framework in Internal Control – Integrated Framework (2013), management concluded that internal control over financial reporting was effective as of December 31, 2022**.**

Because of its inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will achieve its stated objectives under all future conditions.

This Annual Report on Form 10-K does not include an attestation report of the Company's independent public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in internal controls over financial reporting during the fourth quarter ended December 31, 2022 that have materially, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.