

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2023
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number: 001-33638



INTERNATIONAL TOWER HILL MINES LTD.

(Exact Name of Registrant as Specified in its Charter)

British Columbia, Canada
(State or other jurisdiction of incorporation or organization)

2710 - 200 Granville Street
Vancouver, British Columbia, Canada
(Address of Principal Executive Offices)

98-0668474
(I.R.S. Employer Identification No.)

V6C 1S4
(Zip code)

Registrant's telephone number, including area code: (604) 683-6332

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common Shares, no par value	THM	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 28, 2023, the registrant had 195,885,531 common shares outstanding.

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FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements or information within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning anticipated results and developments in the operations of International Tower Hill Mines Ltd. (“we”, “us”, “our,” “ITH” or the “Company”) in future periods, planned exploration activities, the adequacy of the Company’s financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as “expects,” “anticipates,” “believes,” “intends,” “estimates,” “potential,” “possible” and similar expressions, or statements that events, conditions or results “will,” “may,” “could” or “should” (or the negative and grammatical variations of any of these terms) occur or be achieved. These forward-looking statements may include, but are not limited to, statements concerning:

- the Company’s future cash requirements, the Company’s ability to meet its financial obligations as they come due, and the Company’s ability to raise the necessary funds to continue operations on acceptable terms, if at all;
- the Company’s ability to carry forward and incorporate into future engineering studies of the Livengood Gold Project updated mine design, production schedule and recovery concepts identified during the optimization process;
- the Company’s potential to carry out an engineering phase that will evaluate and optimize the Livengood Gold Project’s configuration and capital and operating expenses, including determining the optimum scale for the Livengood Gold Project;
- the Company’s strategies and objectives, both generally and specifically in respect of the Livengood Gold Project;
- the Company’s belief that there are no known environmental issues that are anticipated to materially impact the Company’s ability to conduct mining operations at the Livengood Gold Project;
- the potential for the expansion of the estimated mineral resources at the Livengood Gold Project;
- the potential for a production decision concerning, and any production at, the Livengood Gold Project;
- the sequence of decisions regarding the timing and costs of development programs with respect to, and the issuance of the necessary permits and authorizations required for, the Livengood Gold Project;
- the Company’s estimates of the quality and quantity of the mineral resources at the Livengood Gold Project;
- the timing and cost of any future exploration programs at the Livengood Gold Project, and the timing of the receipt of results therefrom;
- the expected levels of overhead expenses at the Livengood Gold Project; and
- future general business and economic conditions, including changes in the price of gold and the overall sentiment of the markets for public equity.

Such forward-looking statements reflect the Company’s current views with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- the demand for, and level and volatility of the price of gold;
- conditions in the financial markets generally, the overall sentiment of the markets for public equity, interest rates, currency rates, and the rate of inflation;
- general business and economic conditions;
- government regulation and proposed legislation (and changes thereto or interpretations thereof);
- defects in title to claims or the ability to obtain surface rights, either of which could affect the Company’s property rights and claims;
- the Company’s ability to secure the necessary services and supplies on favorable terms in connection with its programs at the Livengood Gold Project and other activities;
- the Company’s ability to attract and retain key staff, particularly in connection with the permitting and development of any mine at the Livengood Gold Project;
- 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 Company’s ability to commence and complete planned work programs at the Livengood Gold Project;

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- the timing of the receipt of and the terms of the consents, permits and authorizations necessary to carry out exploration and development programs at the Livengood Gold Project and the Company's ability to comply with such terms on a safe and cost-effective basis;
- the ongoing relations of the Company with the lessors of its property interests and applicable regulatory agencies;
- the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties and whether such characteristics are reflective of the deposit as a whole; and
- the continued development of and potential construction of any mine at the Livengood Gold Project property not requiring consents, approvals, authorizations or permits that are materially different from those identified by the Company.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including without limitation those discussed in Part I, Item 1A, Risk Factors, of our [Annual Report on Form 10-K for the year ended December 31, 2022](#), which are incorporated herein by reference, as well as other factors described elsewhere in the Company's other reports filed with the U.S. Securities and Exchange Commission (the "SEC").

The Company's forward-looking statements contained in this Quarterly Report on Form 10-Q are based on the beliefs, expectations and opinions of management as of the date of this report. The Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

PART 1**ITEM 1. FINANCIAL STATEMENTS****INTERNATIONAL TOWER HILL MINES LTD.**
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
As at June 30, 2023 and December 31, 2022
(Expressed in US Dollars - Unaudited)

	Note	June 30, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents	1	\$ 2,990,012	\$ 4,847,429
Prepaid expenses and other		297,923	152,572
Total current assets		3,287,935	5,000,001
Property and equipment		7,465	7,465
Capitalized acquisition costs	4	55,375,124	55,375,124
Total assets		\$ 58,670,524	\$ 60,382,590
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		\$ 24,295	\$ 53,539
Accrued liabilities	5	142,521	234,846
Total liabilities		166,816	288,385
Shareholders' equity			
Share capital, no par value; unlimited number of authorized shares; 195,313,184 and 195,885,531 shares issued and outstanding at December 31, 2022 and June 30, 2023, respectively	6	288,866,139	288,484,901
Contributed surplus	6	36,215,746	36,275,917
Accumulated other comprehensive income		1,560,066	1,500,196
Deficit		(268,138,243)	(266,166,809)
Total shareholders' equity		58,503,708	60,094,205
Total liabilities and shareholders' equity		\$ 58,670,524	\$ 60,382,590

General Information and Nature of Operations (Note 1)

Commitments (Note 8)

Subsequent event (Note 10)

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

INTERNATIONAL TOWER HILL MINES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the Three and Six Months Ended June 30, 2023 and 2022

(Expressed in US Dollars - Unaudited)

	Note	Three Months Ended		Six Months Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating expenses					
Consulting fees	6	\$ 318,614	\$ 374,100	\$ 376,249	\$ 432,765
Insurance		52,993	58,486	102,567	100,936
Investor relations	6	30,740	34,320	34,811	49,573
Mineral property exploration	4	641,748	561,945	787,643	765,038
Office		5,979	6,092	8,887	10,436
Other		2,801	3,193	7,023	7,802
Professional fees		86,576	43,260	127,881	109,493
Regulatory		24,812	24,989	86,176	98,685
Rent		33,796	33,802	67,592	67,605
Travel		11,963	6,413	13,874	8,157
Wages and benefits	6	248,767	255,384	364,416	384,933
Total operating expenses		(1,458,789)	(1,401,984)	(1,977,119)	(2,035,423)
Other income (expenses)					
Gain/(Loss) on foreign exchange		(53,843)	190,165	(60,616)	95,410
Interest income		34,255	1,540	55,821	3,109
Other income		10,480	10,000	10,480	22,652
Total other income (expenses)		(9,108)	201,705	5,685	121,171
Net loss for the period		(1,467,897)	(1,200,279)	(1,971,434)	(1,914,252)
Other comprehensive income (loss)					
Exchange difference on translating foreign operations		59,255	(196,458)	59,870	(63,970)
Total other comprehensive income (loss) for the period		59,255	(196,458)	59,870	(63,970)
Comprehensive loss for the period		\$ (1,408,642)	\$ (1,396,737)	\$ (1,911,564)	\$ (1,978,222)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding – basic and diluted		195,369,790	195,313,184	195,341,643	195,129,206

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

INTERNATIONAL TOWER HILL MINES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Three and Six Months Ended June 30, 2023 and 2022

(Expressed in US Dollars - Unaudited)

	Six-Month Period Ended June 30, 2023					
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2022	195,313,184	\$ 288,484,901	\$ 36,275,917	\$ 1,500,196	\$ (266,166,809)	\$ 60,094,205
Stock-based compensation-options	—	—	63,514	—	—	63,514
Stock-based compensation-DSUs	—	—	257,553	—	—	257,553
Exchange difference on translating foreign operations	—	—	—	59,870	—	59,870
Share issuance	572,347	381,238	(381,238)	—	—	—
Net loss	—	—	—	—	(1,971,434)	(1,971,434)
Balance, June 30, 2023	<u>195,885,531</u>	<u>\$ 288,866,139</u>	<u>\$ 36,215,746</u>	<u>\$ 1,560,066</u>	<u>\$ (268,138,243)</u>	<u>\$ 58,503,708</u>

	Three-Month Period Ended June 30, 2023					
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, March 31, 2023	195,313,184	\$ 288,484,901	\$ 36,296,185	\$ 1,500,811	\$ (266,670,346)	\$ 59,611,551
Stock-based compensation-options	—	—	43,246	—	—	43,246
Stock-based compensation-DSUs	—	—	257,553	—	—	257,553
Exchange difference on translating foreign operations	—	—	—	59,255	—	59,255
Share issuance	572,347	381,238	(381,238)	—	—	—
Net loss	—	—	—	—	(1,467,897)	(1,467,897)
Balance, June 30, 2023	<u>195,885,531</u>	<u>\$ 288,866,139</u>	<u>\$ 36,215,746</u>	<u>\$ 1,560,066</u>	<u>\$ (268,138,243)</u>	<u>\$ 58,503,708</u>

	Six-Month Period Ended June 30, 2022					
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
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-options	—	—	93,342	—	—	93,342
Stock-based compensation-DSUs	—	—	313,023	—	—	313,023
Exchange difference on translating foreign operations	—	—	—	(63,970)	—	(63,970)
Exercise of options	405,000	290,290	—	—	—	290,290
Reallocation from contributed surplus	—	162,479	(162,479)	—	—	—
Net loss	—	—	—	—	(1,914,252)	(1,914,252)
Balance, June 30, 2022	<u>195,313,184</u>	<u>\$ 288,484,901</u>	<u>\$ 36,233,808</u>	<u>\$ 1,764,151</u>	<u>\$ (265,039,368)</u>	<u>\$ 61,443,492</u>

	Three-Month Period Ended June 30, 2022					
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, March 31, 2022	195,313,184	\$ 288,484,901	\$ 35,856,667	\$ 1,960,609	\$ (263,839,089)	\$ 62,463,088
Stock-based compensation-options	—	—	64,118	—	—	64,118
Stock-based compensation-DSUs	—	—	313,023	—	—	313,023
Exchange difference on translating foreign operations	—	—	—	(196,458)	—	(196,458)
Net loss	—	—	—	—	(1,200,279)	(1,200,279)
Balance, June 30, 2022	<u>195,313,184</u>	<u>\$ 288,484,901</u>	<u>\$ 36,233,808</u>	<u>\$ 1,764,151</u>	<u>\$ (265,039,368)</u>	<u>\$ 61,443,492</u>

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

INTERNATIONAL TOWER HILL MINES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2023 and 2022
(Expressed in US Dollars - Unaudited)

	Six Months Ended	
	June 30, 2023	June 30, 2022
Operating Activities		
Loss for the period	\$ (1,971,434)	\$ (1,914,252)
Add items not affecting cash:		
Stock-based compensation-options	63,514	93,342
Stock-based compensation-DSUs	257,553	313,023
Changes in non-cash items:		
Accounts receivable	(28,526)	5,969
Prepaid expenses and other	(114,470)	(119,872)
Accounts payable and accrued liabilities	(123,515)	(420,875)
Cash and cash equivalents used in operating activities	(1,916,878)	(2,042,665)
Financing Activities		
Issuance of shares	—	290,290
Cash and cash equivalents provided by financing activities	—	290,290
Effect of foreign exchange on cash	59,461	(63,708)
Change in cash and cash equivalents	(1,857,417)	(1,816,083)
Cash and cash equivalents, beginning of the period	4,847,429	7,780,671
Cash and cash equivalents, end of the period	\$ 2,990,012	\$ 5,964,588

Non-cash transactions:

- Reallocation from contributed surplus from issuance of stock \$381,238 (June 30, 2022 - \$nil)
- Reallocation from contributed surplus from exercise of stock options \$nil (June 30, 2022 - \$162,479)

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

INTERNATIONAL TOWER HILL MINES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Six Months Ended June 30, 2023 and 2022

(Expressed in US dollars – Unaudited)

1. GENERAL INFORMATION AND 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 June 30, 2023, the Company has a 100% interest in its Livengood Gold Project, an exploration-stage project in Alaska, U.S.A (the “Livengood Gold Project”).

These unaudited condensed consolidated interim 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.

As at June 30, 2023, the Company had cash and cash equivalents of \$2,990,012 compared to \$4,847,429 at December 31, 2022. The Company has no revenue generating operations from which it can internally generate funds.

The Company will require significant additional financing to continue its operations (including general and administrative expenses) in connection with advancing activities at the Livengood Gold Project and the development of any mine that may be built at the Livengood Gold Project. There is no assurance that the Company will make a decision to build a mine at the Livengood Gold Project and, if so, that it 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 considering a future strategic alliance to assist in further development, permitting and future construction costs, although there can be no assurance that any such strategic alliance will, in fact, be pursued or realized.

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. As at August 5, 2023, management believes that the Company has sufficient financial resources to maintain its operations for the next twelve months.

2. BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X under the Securities Exchange Act of 1934, as amended. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 as filed in our Annual Report on Form 10-K. In the opinion of the Company’s management, these financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company’s financial position at June 30, 2023 and the results of its operations for the six months then ended. Operating results for the six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

The preparation of financial statements in conformity 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 continuously evaluated and are based on management’s experience and knowledge of the relevant facts and

INTERNATIONAL TOWER HILL MINES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Six Months Ended June 30, 2023 and 2022

(Expressed in US dollars – Unaudited)

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.

On August 5, 2023, the Board of Directors of the Company (the “Board”) approved these condensed consolidated interim financial statements.

All currency amounts are stated in U.S. dollars unless noted otherwise. References to C\$ refer to Canadian currency.

Basis of consolidation

These condensed consolidated interim 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.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term nature 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 its Livengood Gold Project:

Capitalized acquisition costs	Amount
Balance, December 31, 2022	\$ 55,375,124
Acquisition costs	—
Balance, June 30, 2023	<u>\$ 55,375,124</u>

The following table presents costs incurred for exploration and evaluation activities for the six months ended June 30, 2023 and 2022:

	June 30, 2023	June 30, 2022
Exploration costs:		
Aircraft	\$ 13,200	\$ 9,000
Environmental	99,819	73,710
Equipment rental	34,676	23,493
Field costs	60,787	62,394
Geological/geophysical	—	64,626
Land maintenance and tenure	536,097	445,090
Legal	35,323	82,917
Transportation and travel	7,741	3,808
Total expenditures for the period	<u>\$ 787,643</u>	<u>\$ 765,038</u>

INTERNATIONAL TOWER HILL MINES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Six Months Ended June 30, 2023 and 2022

(Expressed in US dollars – Unaudited)

Livengood Gold Project Property

The Livengood property is located in the Tintina gold belt approximately 70 miles (113 kilometers) northwest 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 beginning 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 1% 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 LPI in December 2011. During the six months ended June 30, 2023 and from the inception of this lease, the Company has paid \$455,629 and \$4,813,947, respectively.
- 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. During the six months ended June 30, 2023 and from the inception of this lease, the Company has paid \$50,000 and \$980,000, respectively.
- c) A lease of patented lode mining 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 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. The Company paid \$15,000 of royalties during the six months ended June 30, 2023, for a total of \$295,000 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. The Company paid \$15,000 of royalties during the six months ended June 30, 2023, for a total of \$218,000 from the inception of this lease.

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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 all 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 Company's accrued liabilities balances at June 30, 2023 and December 31, 2022.

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accrued liabilities	\$ 120,097	\$ 104,198
Accrued salaries and benefits	22,424	130,648
Total accrued liabilities	<u>\$ 142,521</u>	<u>\$ 234,846</u>

Accrued liabilities at June 30, 2023 include accruals for general corporate costs and project costs of \$83,507 and \$36,590, respectively. Accrued liabilities at December 31, 2022 include accruals for general corporate costs and project costs of \$46,974 and \$57,224, respectively.

6. SHARE CAPITAL

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value. At December 31, 2022 and June 30, 2023, there were 195,313,184 and 195,885,531 shares issued and outstanding, respectively.

Share issuances

At the Company's 2023 Annual General Meeting of Shareholders held on May 23, 2023, Mr. Stephen Lang did not stand for re-election as director. On June 22, 2023, in accordance with the approved Deferred Share Unit Plan, the Company issued 572,347 common shares to Mr. Lang and transferred related contributed surplus of \$381,238 to share capital.

During the six months ended June 30, 2022, the Company issued an aggregate of 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.

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Stock options

The Company adopted an incentive stock option plan in 2006, as amended September 19, 2012, and reapproved 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 Board at the date of grant.

A summary of the options granted under the Stock Option Plan as of June 30, 2023 and December 31, 2022 is presented below:

	Six Months Ended June 30, 2023			Year Ended December 31, 2022		
	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 period	2,287,049	\$ 0.95		2,947,049	\$ 0.97	
Granted	240,000	0.63		240,000	0.92	
Exercised	—	—		(405,000)	0.90	
Expired	(740,000)	0.91		(495,000)	1.08	
Balance, end of the period	<u>1,787,049</u>	\$ 0.92	\$ Nil	<u>2,287,049</u>	\$ 0.95	\$ 10,400

The weighted average remaining life of options outstanding at June 30, 2023 was 3.0 years.

Stock options outstanding as at June 30, 2023 and December 31, 2022 are as follows:

Expiry Date	June 30, 2023			December 31, 2022		
	Exercise Price (C\$)	Number of Options	Exercisable	Exercise Price (C\$)	Number of Options	Exercisable
March 16, 2023	—	—	—	\$ 1.00	580,000	580,000
March 16, 2023	—	—	—	\$ 0.50	130,000	130,000
June 9, 2023	—	—	—	\$ 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	255,000
May 25, 2027	\$ 1.31	240,000	240,000	\$ 1.31	240,000	160,000
May 24, 2028	\$ 0.92	240,000	160,000	\$ 0.92	240,000	80,000
May 23, 2029	\$ 0.63	240,000	80,000	—	—	—
		<u>1,787,049</u>	<u>1,547,049</u>		<u>2,287,049</u>	<u>2,047,049</u>

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A summary of the non-vested options as of June 30, 2023 and changes during the six months ended June 30, 2023 is as follows:

Non-vested options:	Number of options	Weighted average grant-date fair value (C\$)
Outstanding at December 31, 2022	240,000	\$ 0.73
Granted	240,000	0.42
Vested	(240,000)	0.67
Outstanding at June 30, 2023	240,000	\$ 0.48

At June 30, 2023, there was unrecognized compensation expense of C\$83,927 related to non-vested options outstanding. The cost is expected to be recognized over a weighted-average remaining period of approximately 1.3 years.

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 reapproved by the Company’s shareholders on May 27, 2020 and May 25, 2021. The maximum aggregate number of common shares that may be issued under the DSU Plan and the Stock Option Plan is 10% of the number of issued and outstanding common shares (on a non-diluted basis).

During the six months ended June 30, 2023, 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.) 131,746 deferred share units (“DSUs”) for a total of 526,984 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 days immediately preceding the grant) of C\$0.63 per DSU, representing C\$83,000 per director or C\$332,000 in the aggregate.

Subject to adjustment in accordance with their terms, each DSU entitles the holders to receive one common share of the Company without the payment of any consideration. The DSUs vested immediately upon being granted, but the common shares 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 as at June 30, 2023 and December 31, 2022 are as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Number of Units	Weighted Average Exercise Price (C\$)	Number of Units	Weighted Average Exercise Price (C\$)
Balance, beginning of the period	2,602,361	\$ 0.89	2,151,276	\$ 0.88
Issued	526,984	0.63	451,085	\$ 0.92
Delivered	(572,347)	0.87	—	—
Balance, end of the period	2,556,998	\$ 0.84	2,602,361	\$ 0.89

Share-based payments

During the six months ended June 30, 2023, there were 240,000 stock options granted under the Stock Option Plan and 526,984 DSUs granted under the DSU Plan. Share-based payment compensation for the six months ended June 30, 2023 totaled \$321,067 (\$63,514 related to stock options and \$257,553 related to DSUs). Of the total expense for the period ended June 30, 2023, \$261,523 was included in consulting fees (\$3,970 related to stock options and \$257,553 related to DSUs), \$3,970 was included in investor relations, and \$55,574 was included in wages and benefits in the statement of operations and comprehensive loss.

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During the six months ended June 30, 2022, there were 240,000 stock options granted under the Stock Option Plan and 451,085 DSUs granted under the DSU Plan. Share-based payment compensation for the six months ended June 30, 2022 totaled \$406,365 (\$93,342 related to stock options and \$313,023 related to DSUs). Of the total expense for the period ended June 30, 2022, \$319,420 was included in consulting fees (\$6,397 related to stock options and \$313,023 related to DSUs), \$5,796 was included in investor relations, and \$81,149 was included in wages and benefits in the statement of operations and comprehensive loss.

7. SEGMENT AND GEOGRAPHIC INFORMATION

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

	Canada	United States	Total
June 30, 2023			
Capitalized acquisition costs	\$ —	\$ 55,375,124	\$ 55,375,124
Property and equipment	7,465	—	7,465
Current assets	2,828,286	459,649	3,287,935
Total assets	<u>\$ 2,835,751</u>	<u>\$ 55,834,773</u>	<u>\$ 58,670,524</u>
December 31, 2022			
Capitalized acquisition costs	\$ —	\$ 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	<u>\$ 4,590,357</u>	<u>\$ 55,792,233</u>	<u>\$ 60,382,590</u>
Three Months Ended		June 30, 2023	June 30, 2022
Net loss for the period – Canada	\$	(532,343)	\$ (369,075)
Net loss for the period – United States		(935,554)	(831,204)
Net loss for the period		<u>\$ (1,467,897)</u>	<u>\$ (1,200,279)</u>
Six Months Ended		June 30, 2023	June 30, 2022
Net loss for the period – Canada	\$	(718,901)	\$ (696,721)
Net loss for the period – United States		(1,252,533)	(1,217,531)
Net loss for the period		<u>\$ (1,971,434)</u>	<u>\$ (1,914,252)</u>

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8. COMMITMENTS

The following table discloses the Company's contractual obligations as of June 30, 2023, including anticipated mineral property payments. Under the terms of the Company's mineral property purchase agreements, mineral leases and unpatented mineral claims, 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 expenditure, 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						Total
	2023	2024	2025	2026	2027	2028 and beyond	
Mineral Property Leases ⁽¹⁾	\$ —	\$ 541,324	\$ 547,091	\$ 552,930	\$ 558,842	\$ 564,828	\$ 2,765,015
Mining Claim Government Fees	206,215	206,215	206,215	206,215	206,215	206,215	1,237,290
Total	\$ 206,215	\$ 747,539	\$ 753,306	\$ 759,145	\$ 765,057	\$ 771,043	\$ 4,002,305

1. Does not include required work expenditures, as it is assumed that the required expenditure level is significantly below the level of work that 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.

9. DIRECTOR CHANGE

On June 22, 2023, the Company announced the appointment of Dr. Edel Tully to the Company's board of directors, effective June 18, 2023, expanding the board from six to seven members.

10. SUBSEQUENT EVENT

In accordance with the DSU Plan, the Company granted a director 145,614 DSUs with a grant date fair value of C\$0.57 per DSU, or an aggregate of C\$83,000. The DSUs vested immediately upon being granted but the common shares underlying the DSUs are not deliverable to the grantee until the grantee is no longer serving on the Company's board of directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022. All currency amounts are stated in U.S. dollars unless noted otherwise. References to C\$ refer to Canadian currency.

Current Business Activities

General

International Tower Hill Mines Ltd. ("ITH" or the "Company") 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 engaged in the acquisition and development of mineral properties. The Company currently has a 100% interest in a development stage project in Alaska referred to as the "Livengood Gold Project" or the "Project". The Company has not yet begun extraction of mineralization from the deposit or reached commercial production. As of December 31, 2022, the Project has a measured and indicated mineral resource of 704.5 million tonnes at an average grade of 0.60 g/tonne (13.62 million ounces). As reported in the Technical Report Summary ("TRS"), filed as Exhibit 96.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, a portion of the mineral resources at the Project have been converted into proven and probable reserves of 430.1 million tonnes at an average grade of 0.65 g/tonne (9.0 million ounces) based on a gold price of \$1,680 per ounce. See Part I, Item 2. Properties of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, including the cautionary language therein, for more information regarding mineral reserves and resources at the Livengood Gold Project.

Recent Developments

Livengood Gold Project Pre-Feasibility Study

On November 4, 2021, the Company announced the results of the Pre-Feasibility Study ("PFS") for the Livengood Gold Project which are summarized in the TRS. The TRS details a project that would process 65,000 tons per day and produce 6.4 million ounces of gold over 21 years from a gold resource estimated at 13.6 million ounces at 0.60 g/tonne. The study utilized a third-party review by Whittle Consulting and BBA Inc. to integrate new interpretations based on an expanded geological database, improved geological modelling, new resource estimation methodology, an optimized mine plan and production schedule, additional detailed metallurgical work at various gold grades and grind sizes, changes in the target grind for the mill, new engineering estimates, and updated cost inputs, all of which significantly de-risk the Project. The TRS has estimated the capital costs of the Project at \$1.93 billion, the total cost per ton milled at \$13.12, the all-in sustaining costs at \$1,171 per ounce, and net present value (5%) at \$1,800/oz of \$400 million.

The Project configuration evaluated in the TRS is a conventional, owner-operated surface mine that would utilize large-scale mining equipment in a blast/load/haul operation. Mill feed would be processed in a comminution circuit consisting of primary and secondary crushing, wet grinding in a single semi-autogenous mill and single ball mill followed by a gravity gold circuit and a conventional carbon in leach circuit.

The TRS was prepared by independent third-party consultants. The Company cautions that the PFS, which is summarized in the TRS, is preliminary in nature, and is based on technical and economic assumptions which are expected to be further refined and evaluated in a full feasibility study which may be completed in the future. The TRS is based on a mineral resource estimate effective as of August 20, 2021. The Company has determined that the mineral resource estimate of August 20, 2021 remains current as of December 31, 2022, and has no reason to believe that the mineral resource estimate is no longer current as of June 30, 2023.

On March 8, 2023, the Company announced that the Board approved the 2023 work program which will advance the baseline environmental data collection in critical areas of hydrology and waste rock geochemical characterization needed to support future permitting, as well as advance community engagement.

Results of Operations

Summary of Quarterly Results

Description	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net income (loss)	\$ (1,467,897)	\$ (503,537)	\$ (832,181)	\$ (295,260)
Basic and diluted net gain (loss) per common share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Description	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Net income (loss)	\$ (1,200,279)	\$ (713,973)	\$ (1,015,489)	\$ (1,648,913)
Basic and diluted net gain (loss) per common share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)

Three Months Ended June 30, 2023 compared to Three Months Ended June 30, 2022

The Company had a net loss of \$1,467,897 for the three months ended June 30, 2023, compared to a net loss of \$1,200,279 for the three months ended June 30, 2022.

Mineral property expenditures were \$641,748 for the three months ended June 30, 2023, compared to \$561,945 for the three months ended June 30, 2022. The increase of \$79,803 was primarily due to payment of an advance minimum royalty equal to 125% of the amount paid in year 19 on the Alaska Mental Health Trust lease for an increase of \$91,167, partially offset by timing variances for environmental activities for an increase of \$13,674, project-related expenses for a decrease of \$6,701, and legal services for a decrease of \$18,337.

Professional fees were \$86,576 for the three months ended June 30, 2023 compared to \$43,260 for the three months ended June 30, 2022. The increase of \$43,316 was primarily due to timing variances for legal services for an increase of \$31,491, Sarbanes-Oxley Act review services for an increase of \$7,511, XBRL services for an increase of \$3,350, and audit services for an increase of \$1,052.

Travel costs were \$11,963 for the three months ended June 30, 2023 compared to \$6,413 for the three months ended June 30, 2022. The increase of \$5,550 was primarily due to travel expenses incurred in connection with the 2023 annual shareholders' meeting, which was held in Vancouver.

Excluding share-based costs of \$2,703 and \$3,993 for the three months ended June 30, 2023 and June 30, 2022, respectively, investor relations costs were \$28,037 for the three months ended June 30, 2023 compared to \$30,327 for the three months ended June 30, 2022. The decrease of \$2,290 was primarily due to reduced utilization of investor relations services.

Excluding share-based costs of \$260,256 and \$317,245 for the three months ended June 30, 2023 and June 30, 2022, respectively, consulting fees were \$58,358 for the three months ended June 30, 2023 compared to \$56,855 for the three months ended June 30, 2022. The increase of \$1,503 was primarily due to the timing of services utilized.

Excluding share-based payments, all other operating expense categories reflected only moderate changes period over period.

Share-based payment charges

Share-based payment charges for the three-month periods ended June 30, 2023 and 2022 were allocated as follows:

Expense category:	June 30, 2023	June 30, 2022
Consulting	\$ 260,256	\$ 317,245
Investor relations	2,703	3,993
Wages and benefits	37,840	55,903
Total	\$ 300,799	\$ 377,141

Share-based payment charges were \$300,799 during the three months ended June 30, 2023 compared to \$377,141 during the three months ended June 30, 2022. The decrease of \$76,342 was mainly the result of the DSUs issued on May 23, 2023 being expensed at \$257,553 compared to the DSUs issued on May 24, 2022 being expensed at \$313,023 for a decrease of \$55,470 and stock options for

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common shares of the Company issued to its employees and consultants on May 25, 2021 being fully vested during the three months ended June 30, 2023 for a decrease of \$20,872.

Other Items

Other items amounted to total other expense of \$9,108 during the three-month period ended June 30, 2023, compared to total other income of \$201,705 during the three-month period ended June 30, 2022. As a result of the impact of exchange rates on certain of the Company's U.S. dollar cash balances, the Company had a foreign exchange loss of \$53,843 during the three-month period ended June 30, 2023, compared to a gain of \$190,165 during the three-month period ended June 30, 2022. The average exchange rate during the three-month period ended June 30, 2023 was C\$1 to \$0.7447, compared to C\$1 to \$0.7834 during the three-month period ended June 30, 2022. Interest income was \$34,255 for the three-month period ended June 30, 2023, compared to \$1,540 for the three-month period ended June 30, 2022. The increase of \$32,715 was primarily due to short-term investment certificates being re-invested upon maturity at a higher interest rate. Other income was \$10,480 for the three-month period ended June 30, 2023, compared to \$10,000 for the three-month period ended June 30, 2022.

Six Months Ended June 30, 2023 compared to Six Months Ended June 30, 2022

The Company had a net loss of \$1,971,434 for the six months ended June 30, 2023, compared to a net loss of \$1,914,252 for the six months ended June 30, 2022.

Mineral property expenditures were \$787,643 for the six months ended June 30, 2023, compared to \$765,038 for the six months ended June 30, 2022. The increase of \$22,605 was primarily due to payment of an advance minimum royalty equal to 125% of the amount paid in year 19 on the Alaska Mental Health Trust lease for an increase of \$91,167 and timing variances for environmental activities for an increase of \$43,818, legal services for a decrease of \$47,594, and project-related expenses for a decrease of \$64,786.

Professional fees were \$127,881 for the six months ended June 30, 2023 compared to \$109,493 for the six months ended June 30, 2022. The increase of \$18,388 was primarily due to timing variances for legal services for an increase of \$18,998, audit services for an increase of \$6,357, accounting services for a decrease of \$254, XBRL services for a decrease of \$1,290, and Sarbanes-Oxley Act review services for a decrease of \$5,423.

Travel costs were \$13,874 for the six months ended June 30, 2023 compared to \$8,157 for the six months ended June 30, 2022. The increase of \$5,717 was primarily due to travel expenses incurred in connection with the 2023 annual shareholders' meeting, which was held in Vancouver.

Office costs were \$8,887 for the six months ended June 30, 2023 compared to \$10,436 for the six months ended June 30, 2022. The decrease of \$1,549 was primarily due to timing of replacement office hardware.

Regulatory costs were \$86,176 for the six months ended June 30, 2023 compared to \$98,685 for the six months ended June 30, 2022. The decrease of \$12,509 was primarily due to decreased EDGAR/SEDAR filing expenses of \$6,136, reduced Toronto Stock Exchange ("TSX") listing fees of \$5,481, and timing variances for other services for a decrease of \$3,489, partially offset by increased NYSE American listing fees of \$2,597.

Excluding share-based costs of \$3,970 and \$5,796 for the six months ended June 30, 2023 and June 30, 2022, respectively, investor relations costs were \$30,841 for the six months ended June 30, 2023 compared to \$43,777 for the six months ended June 30, 2022. The decrease of \$12,936 was primarily due to reduced utilization of investor relations services.

Excluding share-based costs of \$261,523 and \$319,420 for the six months ended June 30, 2023 and June 30, 2022, respectively, consulting fees were \$114,726 for the six months ended June 30, 2023 compared to \$113,345 for the six months ended June 30, 2022. The decrease of \$1,381 was primarily due to the foreign exchange rate.

Excluding share-based payments, all other operating expense categories reflected only moderate changes period over period.

Share-based payment charges

Share-based payment charges for the six-month periods ended June 30, 2023 and 2022 were allocated as follows:

<u>Expense category:</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Consulting	\$ 261,523	\$ 319,420
Investor relations	3,970	5,796
Wages and benefits	55,574	81,149
Total	<u>\$ 321,067</u>	<u>\$ 406,365</u>

Share-based payment charges were \$321,067 during the six months ended June 30, 2023 compared to \$406,365 during the six months ended June 30, 2022. The decrease of \$85,298 was mainly the result of the DSUs issued on May 23, 2023 being expensed at \$257,553 compared to the DSUs issued on May 24, 2022 being expensed at \$313,023 for a decrease of \$55,470 and stock options for common shares of the Company issued to its employees and consultants on May 25, 2021 being fully vested during the three months ended June 30, 2023 for a decrease of \$29,828.

Other Items

Other items amounted to total other income of \$5,685 during the six-month period ended June 30, 2023, compared to total other income of \$121,171 during the six-month period ended June 30, 2022. As a result of the impact of exchange rates on certain of the Company's U.S. dollar cash balances, the Company had a foreign exchange loss of \$60,616 during the six-month period ended June 30, 2023, compared to a gain of \$95,410 during the six-month period ended June 30, 2022. The average exchange rate during the six-month period ended June 30, 2023 was C\$1 to \$0.7421, compared to C\$1 to \$0.7866 during the six-month period ended June 30, 2022. Interest income was \$55,821 for the six-month period ended June 30, 2023, compared to \$3,109 for the six-month period ended June 30, 2022. The increase of \$52,712 was primarily due to short-term investment certificates being re-invested upon maturity at a higher interest rate. Other income was \$10,480 for the six-month period ended June 30, 2023, compared to \$22,652 for the six-month period ended June 30, 2022.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company has predominantly financed its ongoing operations through the sale of its equity securities by way of public offerings and private placements and the subsequent exercise of share purchase and broker warrants and options issued in connection with such private placements.

As at June 30, 2023, the Company had cash and cash equivalents of \$2,990,012 compared to \$4,847,429 at December 31, 2022. The decrease of approximately \$1.9 million resulted mainly from expenditures on operating activities of \$2.0 million partially offset by a positive foreign currency transaction impact of \$0.1 million.

The Company had no cash flows from financing activities during the six-month period ended June 30, 2023.

Financing activities during the six-month period ended June 30, 2022 included the exercise of stock options. Proceeds of \$290,290 were received on the issuance of 405,000 common shares.

The Company had no cash flows from investing activities during the six-month periods ended June 30, 2023 and 2022.

As at June 30, 2023, the Company had working capital of \$3,121,119 compared to working capital of \$4,711,616 at December 31, 2022. The Company expects that it will operate at a loss for the foreseeable future, but believes the current cash and cash equivalents will be sufficient to cover the anticipated 2023 work plan at the Livengood Gold Project and satisfy its currently anticipated general and administrative costs through at least the next 12 months.

The Company will require significant additional financing to continue its operations (including general and administrative expenses) in connection with advancing activities at the Livengood Gold Project and the development of any mine that may be built at the Livengood Gold Project, and 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 considering a future strategic alliance to assist in further

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development, permitting and future construction costs, although there can be no assurance that any such strategic alliance will, in fact, be pursued or realized.

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. See "Risk Factors – *We will require additional financing to fund exploration and, if warranted, development and production. Failure to obtain additional financing could have a material adverse effect on our financial condition and results of operation and could cast uncertainty on our ability to continue as a going concern*" included in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Other than cash held by its subsidiaries for their immediate operating needs in the United States, all of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of current market conditions.

Our anticipated expenditures for the year ending December 31, 2023 are approximately \$3.3 million, which are expected to be funded from cash on hand. These expenditures include \$0.7 million for mineral property leases and mining claim government fees and \$2.6 million for general corporate and administrative purposes. Expenditures for mineral property leases and mining claims government fees are anticipated to be approximately \$0.7 million in 2024 and \$0.8 million in 2025.

Environmental Regulations

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by application of technically proven and economically feasible measures.

Certain U.S. Federal Income Tax Considerations for U.S. Holders

The Company believes that it has been a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes in recent years and expects to continue to be a PFIC in the future. Current and prospective U.S. shareholders should consult their tax advisors as to the tax consequences of PFIC classification and the U.S. federal tax treatment of PFICs. Additional information on this matter is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, under "Part II. Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - Certain U.S. Federal Income Tax Considerations for U.S. Holders."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of June 30, 2023, an evaluation was carried out under the supervision 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 June 30, 2023, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed in reports filed or submitted to the Securities and Exchange Commission under the Exchange Act: (i) is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) is 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 judgement in designing, implementing and evaluating controls and procedures and the assumptions used in identifying the likelihood of future events.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 under the heading “Risk Factors.”

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) which is administered by the U.S. Department of Labor’s Mine Safety and Health Administration (“MSHA”). During the six-month period ended June 30, 2023, the Company and its subsidiaries were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

ITEM 5. OTHER INFORMATION

Not applicable.

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ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Interim Balance Sheets at June 30, 2023 and December 31, 2022, (ii) the Condensed Consolidated Interim Statements of Operations and Comprehensive Loss for the Three and Six Months ended June 30, 2023 and 2022, (iii) the Condensed Consolidated Interim Statements of Changes in Shareholders' Equity for the Three and Six Months Ended June 30, 2023 and 2022, (iv) the Condensed Consolidated Interim Statements of Cash Flows for the Six Months Ended June 30, 2023 and 2022, and (v) the Notes to the Condensed Consolidated Interim Financial Statements.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

+ Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

International Tower Hill Mines Ltd.

By: /s/ Karl L. Hanneman
Karl L. Hanneman
Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2023

By: /s/ David Cross
David Cross
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 7, 2023

CERTIFICATION

I, Karl L. Hanneman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Tower Hill Mines Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2023

By: /s/ Karl L. Hanneman
Karl L. Hanneman
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, David Cross, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Tower Hill Mines Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2023

By: /s/ David Cross

David Cross
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of International Tower Hill Mines Ltd. (the "Company"), for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Karl L. Hanneman, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 7, 2023

By: /s/ Karl L. Hanneman
Karl L. Hanneman
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of International Tower Hill Mines Ltd. (the "Company"), for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Cross, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 7, 2023

By: /s/ David Cross

David Cross
Chief Financial Officer
(Principal Financial and Accounting Officer)
