

**INTERNATIONAL TOWER HILL MINES LTD.**  
**For the quarterly period ended March 31, 2024**

**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, 2023 as well as the “Forward Looking Statements” legend contained elsewhere in this report. 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 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. The Company currently holds or has the right to acquire interests 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. The Company has a 100% interest in the Livengood Gold Project, which as of December 31, 2023, has 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 and a measured and indicated mineral resource, exclusive of mineral reserves, of 274.51 million tonnes at an average grade of 0.52 g/tonne (4.62 million ounces), based on a gold price of \$1,650 per ounce, both as reported in the Technical Report Summary attached as Exhibit 96.1 to the Company’s Annual Report on Form 10-K/A for the year ended December 31, 2022, filed with the SEC on October 17, 2023. A more complete description of the Livengood Gold Project, including detailed presentation of resources and reserves, is set forth in Part I, Item 2. Properties of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 8, 2024.

**Recent Developments**

***Livengood Gold Project Pre-Feasibility Study***

On January 22, 2024, the Company announced that it had completed a non-brokered private placement (the “Private Placement”) pursuant to which it issued common shares to existing major shareholders to raise gross proceeds of approximately US\$2.5 million. The Private Placement consisted of 3,807,911 common shares of the Company at a price of US\$0.664 per common share.

On March 8, 2024, the Company announced that the Board had approved a 2024 budget of \$3.3 million and endorsed the associated 2024 work program to advance the Livengood Gold Project. The 2024 work program 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	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net income (loss)	\$ (545,308)	\$ (716,184)	\$ (710,351)	\$ (1,467,897)
Basic and diluted net gain (loss) per common share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>
Net income (loss)	\$ (503,537)	\$ (832,181)	\$ (295,260)	\$ (1,200,279)
Basic and diluted net gain (loss) per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

### ***Three Months Ended March 31, 2024 compared to Three Months Ended March 31, 2023***

The Company had a net loss of \$545,308 for the three months ended March 31, 2024, compared to a net loss of \$503,537 for the three months ended March 31, 2023.

Excluding share-based costs of \$12,084 and \$17,734 for the three months ended March 31, 2024 and March 31, 2023, respectively, wages and benefits were \$196,208 for the three months ended March 31, 2024 compared to \$97,915 for the three months ended March 31, 2023. The increase of \$98,293 was primarily due to prior year-end payroll accruals reversing \$82,867 and to the timing of payroll benefits \$15,426.

Excluding share-based costs of \$863 and \$1,267 for the three months ended March 31, 2024 and March 31, 2023, respectively, investor relations costs were \$8,953 for the three months ended March 31, 2024 compared to \$2,804 for the three months ended March 31, 2023. The increase of \$6,149 was primarily due to increased investor relations services.

Office and miscellaneous costs were \$4,475 for the three months ended March 31, 2024, compared to \$2,908 for the three months ended March 31, 2023. The increase of \$1,567 was primarily due to timing of conferences and increased costs relating to office supplies.

Mineral property expenditures were \$130,104 for the three months ended March 31, 2024, compared to \$145,895 for the three months ended March 31, 2023. The decrease of \$15,791 was primarily due to timing variances for environmental activities for a decrease of \$16,404, partially offset by an increase of \$613 for legal services.

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 March 31, 2024 and 2023 were allocated as follows:

<b>Expense category:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Consulting	\$ 863	\$ 1,267
Investor relations	863	1,267
Wages and benefits	12,084	17,734
Total	\$ 13,810	\$ 20,268

Share-based payment charges were \$13,810 during the three months ended March 31, 2024 compared to \$20,268 during the three months ended March 31, 2023. The decrease of \$6,458 was mainly the result of the 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 March 31, 2024.

Other items amounted to total other income of \$67,601 during the three-month period ended March 31, 2024, compared to total other income of \$14,793 during the three-month period ended March 31, 2023. 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 gain of \$38,404 during the three-month period ended March 31, 2024, compared to a loss of \$6,773 during the three-month period ended March 31, 2023. The average exchange rate during the three-month period ended March 31, 2024 was C\$1 to \$0.7380, compared to C\$1 to \$0.7394 during the three-month period ended March 31, 2023. Interest income was \$29,197 for the three-month period ended March 31, 2024, compared to \$21,566 for the three-month period ended March 31, 2023. The increase of \$7,631 was primarily due to short-term investment certificates being re-invested upon maturity at a higher interest rate.

#### **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 March 31, 2024, the Company had cash and cash equivalents of \$2,588,036 compared to \$1,687,690 at December 31, 2023. The increase of approximately \$0.9 million resulted mainly from net financing activities of \$2.4 million partially offset by short-term investments of \$1.0 million and operating activities of \$0.5 million.

Financing activities during the three-month period ended March 31, 2024 included the Private Placement pursuant to which the Company issued 3,807,911 common shares to existing major shareholders to raise gross proceeds of approximately \$2.5 million.

The Company had no cash flows from financing activities during the three-month period ended March 31, 2023.

Investing activities during the three-month period ended March 31, 2024 comprised solely the transfer of \$1.0 million cash to one short-term bank certificate of deposit.

The Company had no cash flows from investing activities during the three-month period ended March 31, 2023.

As at March 31, 2024, the Company had working capital of \$3,513,122 compared to working capital of \$1,757,465 at December 31, 2023. 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 2024 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 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, 2023.

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, 2024 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 \$0.8 million in 2025 and \$0.8 million in 2026. See Note 8 to the Company's condensed consolidated interim financial statements included elsewhere in this report for further information regarding the Company's known contractual obligations.

### **Critical Accounting Estimates**

For a discussion of the accounting judgments and estimates that the Company's management has identified as critical in the preparation of the Company's financial statements, please see "Critical Accounting Estimates" under Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no significant changes in the Company's critical accounting estimates during the three months ended March 31, 2024.

### **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, 2023, 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 March 31, 2024, 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 Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of March 31, 2024, 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 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.