INTERNATIONAL TOWER HILL MINES LTD.
For the quarterly period ended June 30, 2026

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, 2025 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, 2025, 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, 2025 filed with the SEC on March 11, 2026.

Recent Developments

Livengood Gold Project

On January 27, 2026, the Company completed a public offering (the "Public Offering") of 33,672,000 Common Shares, which included 4,392,000 Common Shares issued pursuant to the full exercise by the underwriters of their option to purchase additional Common Shares in connection with the Public Offering. The Public Offering was priced at a price to the public of $2.22 per Common Share, resulting in gross proceeds of approximately $74.8 million to the Company, before deducting underwriting discounts and estimated offering expenses. Concurrent with the closing of the Public Offering, the Company closed a US$40 million private placement (the "Concurrent Private Placement") of 18,018,018 Common Shares to affiliates of Paulson, a related party of the Company, at the same offering price, resulting in total gross proceeds from the Public Offering and the Concurrent Private Placement to the Company of approximately $114.8 million. On January 29, 2026, affiliates of Paulson subscribed for an additional 1,501,982 Common Shares as part of the Concurrent Private Placement at the same offering price for additional proceeds of approximately US$3.3 million to the Company, representing a proportional increase to Paulson's investment to account for the upsize in the Public Offering and exercise of the corresponding underwriters' option.

The Company expects to use the net proceeds of the Offering and the Concurrent Private Placement to fund the exploration and development of the Livengood Gold Project, including drilling, metallurgical studies, feasibility studies, technical studies, baseline environmental studies, detailed engineering in support of permitting, permitting, legal support, community engagement, mineral lease and land payments, acquisitions and general corporate purposes.

The 2026 work program will include obtaining metallurgical samples by core drilling, metallurgical test work, initiating feasibility studies, and advancing ongoing baseline environmental data collection and community engagement. This 2026 work program is anticipated to cost $20-25 million.

On April 13, 2026, the Company announced that it had awarded Livengood Gold Project Feasibility Study Phase 1 contracts to a consortium comprised of BBA Consultants USA LP, ("BBA"), Hatch Ltd, ("Hatch"), Newfields Mining Design and Technical Services LLC ("Newfields") Resource Development Associates, Inc. ("RDS") and JDS Energy and Mining Inc. ("JDS").

The Company also announced that core drilling to support the feasibility study had commenced. Alloy Drilling Inc., an Alaska-based drilling contractor with operations throughout the western United States, mobilized two rigs to Livengood and began drilling large-diameter PQ core holes in April within the 9.0 million ounce gold reserve. The drilling program is designed to provide representative fresh ore samples for advanced metallurgical testing and process optimization work. By June 30, 2026, 10 of the approximately 20 planned holes had been completed.

The metallurgical testwork on this fresh core will focus on evaluating opportunities to enhance gold recoveries and overall project economics in the context of a substantially higher gold price than the $1,680 per ounce assumption utilized in the Company's prior study.

BBA, Newfields, JDS and RDA each bring industry-leading expertise and Livengood Gold Project experience as co-authors of the Company's 2017 and 2023 Pre-Feasibility Studies. Hatch has been added to the team to provide additional expertise in POX processing, metallurgical optimization and trade-off studies. The parties will collaborate across technical disciplines where appropriate, with BBA leading overall integration and coordination of the feasibility study deliverables.

Results of Operations

Summary of Quarterly Results

Description	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Net income (loss)	$ (3,383,754)	$ 2,274,143	$ (1,311,876)	$ (732,303)
Basic and diluted net income (loss) per common share	$ (0.01)	$ 0.01	$ (0.01)	$ (0.00)
	June 30, 2025	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**
Net loss	$ (1,925,086)	$ (669,068)	$ (954,847)	$ (667,302)
Basic and diluted net loss per common share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)

Three Months Ended June 30, 2026 compared to Three Months Ended June 30, 2025

The Company had a net loss of $3,383,754 for the three months ended June 30, 2026, compared to a net loss of $1,925,086 for the three months ended June 30, 2025.

Mineral property expenditures were $5,354,879 for the three months ended June 30, 2026, compared to $801,909 for the three months ended June 30, 2025. The increase of $4,552,970 was primarily due to increased activity on the Livengood Gold Project of $2,896,190 for drilling-related activities, $1,578,077 for field services and supplies to support the drilling programs, increased expenses for land-related legal of $66,264, and land-related fees of $12,439.

Excluding share-based costs of $154,250 and $59,470 for the three months ended June 30, 2026 and June 30, 2025, respectively, wages and benefits were $498,294 for the three months ended June 30, 2026 compared to $228,363 for the three months ended June 30, 2025. The increase of $269,931 was primarily due to the addition of four new employees for $223,822 and the Chief Executive Officer salary returning to 100% reflecting the additional work required to advance the Livengood Gold Project through feasibility study and permitting for $46,109.

Excluding share-based costs of $567,357 and $382,682 for the three months ended June 30, 2026 and June 30, 2025, respectively, consulting fees were $108,713 for the three months ended June 30, 2026 compared to $56,672 for the three months ended June 30, 2025. The increase of $52,041 was primarily due to an increase in investor relations services provided of $31,323 and an increase in other consulting fees of $20,718.

Professional fees were $107,496 and $56,572 for the three months ended June 30, 2026 and June 30, 2025, respectively. The increase of $50,924 is due primarily to increased fees for legal of $27,703 and recruiting of $24,841, and decreased fees due to timing variances for accounting and auditing services of $1,620.

Travel costs were $28,616 and $2,305 for the three months ended June 30, 2026 and June 30, 2025, respectively. The increase of $26,311 was primarily due to increased travel related to the current project activities.

Excluding share-based costs of $11,017 and $4,248 for the three months ended June 30, 2026 and June 30, 2025, respectively, investor relations costs were $45,468 for the three months ended June 30, 2026 compared to $29,591 for the three months ended June 30, 2025. The increase of $15,877 was primarily due to increased mailing and filing costs related to the Annual General Shareholder meeting on May 27, 2026.

Insurance costs were $42,869 and $65,136 for the three months ended June 30, 2026 and June 30, 2025, respectively. The decrease of $22,267 is primarily due to an agent change.

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, 2026 and 2025 were allocated as follows:

Expense category:	June 30, 2026	June 30, 2025
Consulting	$ 567,357	$ 382,682
Investor relations	11,017	4,248
Wages and benefits	154,250	59,470
Total	$ 732,624	$ 446,400

Share-based payment charges were $732,624 during the three months ended June 30, 2026 compared to $464,400 during the three months ended June 30, 2025. The increase of $286,224 was mainly the result of equity compensation issued or granted to certain directors and employees of the Company on May 27, 2026, as compared to the three months ended June 30, 2025.

Other items amounted to total other income of $3,615,757 during the three-month period ended June 30, 2026 compared to total other expense of $161,552 during the three-month period ended June 30, 2025. 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 $2,134,885 during the three-month period ended June 30, 2026, compared to a loss of $190,324 during the three-month period ended June 30, 2025. The average exchange rate during the three-month period ended June 30, 2026 was C$1 to $0.7225, compared to C$1 to $0.7226 during the three-month period ended June 30, 2025. Interest income was $1,480,872 for the three-month period ended June 30, 2026, compared to $28,772 for the three-month period ended June 30, 2025. The increase of $1,452,100 was primarily due to the investment of the net proceeds of the Public Offering and the Concurrent Private Placement in short-term certificates of deposit.

Six Months Ended June 30, 2026 compared to Six Months Ended June 30, 2025

The Company had a net loss of $1,109,611 for the six months ended June 30, 2026, compared to a net loss of $2,594,154 for the six months ended June 30, 2025.

Mineral property expenditures were $5,608,987 for the six months ended June 30, 2026, compared to $950,396 for the six months ended June 30, 2025. The increase of $4,658,591 was primarily due to increased activity on the Livengood Gold Project of $2,952,705 for drilling-related activities, $1,574,803 for field services and supplies to support the drilling programs, increased expenses for land-related legal of $114,947, and land-related fees of $16,136.

Excluding share-based costs of $174,669 and $73,735 for the six months ended June 30, 2026 and June 30, 2025, respectively, wages and benefits were $757,354 for the six months ended June 30, 2026 compared to $417,921for the six months ended June 30, 2025. The increase of $339,433 was primarily due to the addition of four new employees for $243,018 and the Chief Executive Officer salary returning to 100% reflecting the additional work required to advance the Livengood Gold Project through feasibility study and permitting for $96,415.

Excluding share-based costs of $678,797 and $430,979 for the six months ended June 30, 2026 and June 30, 2025, respectively, consulting fees were $165,161 for the six months ended June 30, 2026 compared to $118,419 for the six months ended June 30, 2025. The increase of $46,742 was primarily due to an increase in investor relations services provided of $31,323 and an increase in director fees of $19,310, partially offset by a negative timing variance of $3,891 for other contracting fees.

Professional fees were $237,031 and $88,814 for the six months ended June 30, 2026 and June 30, 2025, respectively. The increase of $148,217 is due primarily to increased fees for legal of $77,629 and recruiting of $49,951, and timing variances for accounting and auditing services of $20,637.

Regulatory costs were $148,610 and $94,697 for the six months ended June 30, 2026 and June 30, 2025, respectively. The increase of $53,913 was primarily due to increased TSX market fees of $28,906, increased SEDAR+ annual filing fees of $19,450, and increased transfer agent activity-related fees of $5,557.

Excluding share-based costs of $12,476 and $5,267 for the six months ended June 30, 2026 and June 30, 2025, respectively, investor relations costs were $57,256 for the six months ended June 30, 2026 compared to $38,631 for the six months ended June 30, 2025. The increase of $18,625 was primarily due to increased mailing and filing costs related to the Annual General Shareholder meeting on May 27, 2026.

Travel costs were $32,719 and $10,104 for the six months ended June 30, 2026 and June 30, 2025, respectively. The increase of $22,615 was primarily due to increased travel related to the current project activities.

Insurance costs were $77,613 and $112,147 for the six months ended June 30, 2026 and June 30, 2025, respectively. The decrease of $34,534 is primarily due to an agent change.

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, 2026 and 2025 were allocated as follows:

Expense category:	June 30, 2026	June 30, 2025
Consulting	$ 678,797	$ 430,979
Investor relations	12,476	5,267
Wages and benefits	174,669	73,735
Total	$ 865,942	$ 509,981

Share-based payment charges were $865,942 during the six months ended June 30, 2026 compared to $509,981 during the six months ended June 30, 2025. The increase of $355,961 was mainly the result of equity compensation issued or granted to certain directors and employees of the Company on May 27, 2026, as compared to the six months ended June 30, 2025.

Other items amounted to total other income of $6,934,529 during the six-month period ended June 30, 2026 compared to total other expense of $168,365 during the six-month period ended June 30, 2025. 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 $4,818,058 during the six-month period ended June 30, 2026, compared to a loss of $208,431 during the six-month period ended June 30, 2025. The average exchange rate during the six-month period ended June 30, 2026 was C$1 to $0.7258, compared to C$1 to $0.7098 during the six-month period ended June 30, 2025. Interest income was $2,116,471 for the six-month period ended June 30, 2026, compared to $40,066 for the six-month period ended June 30, 2025. The increase of $2,076,405 was primarily due to the net proceeds of the Public Offering and the Concurrent Private Placement being invested in short-term certificates of deposit.

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, 2026, the Company had cash and cash equivalents of $60,444,641 compared to $1,353,333 at December 31, 2025. The increase of approximately $59.1 million resulted mainly from net financing activities of $114.0 million and stock option exercises of $0.3 million partially offset by short-term investments of $50.0 million, operating activities of $0.3 million, and a positive foreign exchange impact of $4.8 million.

Financing activities during the six-month period ended June 30, 2026 included a public offering pursuant to which the Company issued 33,672,000 common shares of the Company for aggregate gross proceeds, before underwriting expenses and expenses of the offering, of approximately $74.75 million. In connection with the public offering, the Company completed a non-brokered private placement in two tranches pursuant to which it issued an aggregate of 19,520,000 common shares of the Company to an existing major shareholder of the Company, for total proceeds of approximately $43.3 million. Exercise of stock options provided proceeds of $267,795 were received on the issuance of 560,000 common shares and related reallocation of contributed surplus of $128,189.

Financing activities during the six-month period ended June 30, 2025 included the Private Placement pursuant to which the Company issued 8,192,031 common shares of the Company to existing major shareholders to raise gross proceeds of approximately $3.9 million.

Investing activities during the six-month period ended June 30, 2026 comprised solely the transfer of $50.0 million cash to one short-term bank certificate of deposit.

The Company had no cash flows from investing activities during the six-month period ended June 30, 2025.

As at June 30, 2026, the Company had working capital of $110,126,084 compared to working capital of $1,015,182 at December 31, 2025. 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 for it to complete its anticipated 2026 work plan and satisfy its currently anticipated general and administrative costs, through the 2026 fiscal year.

There is no assurance that the Company will be able to obtain the additional financing required to further advance the Project on acceptable terms, if at all. In addition, any significant delays in the issuance of required permits for the ongoing work or the development of the Livengood Gold Project, or unexpected results in connection with the ongoing work or the development of the Livengood Gold Project, could result in the Company being required to raise additional funds to advance the Project.

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 future. 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, 2025.

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.

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, 2025. There have been no significant changes in the Company's critical accounting estimates during the six months ended June 30, 2026.

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, 2025, 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."