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. As of October 31, 2026, all 20 planned holes have been completed, core collected and sent to the assay lab for analysis.

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	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025
Net income (loss)	$ (4,162,770)	$ (3,383,754)	$ 2,274,143	$ (1,311,876)
Basic and diluted net income (loss) per common share	$ (0.02)	$ (0.01)	$ 0.01	$ (0.01)

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net loss	$ (732,303)	$ (1,925,086)	$ (669,068)	$ (954,847)
Basic and diluted net loss per common share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.01)

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

The Company had a net loss of $4,162,770 for the three months ended September 30, 2026, compared to a net loss of $732,303 for the three months ended September 30, 2025.

Mineral property expenditures were $3,362,139 for the three months ended September 30, 2026, compared to $215,361 for the three months ended September 30, 2025. The increase of $3,146,778 was primarily due to increased activity on the Livengood Gold Project of $2,062,542 for drilling and drilling-related activities.

Excluding share-based costs of $50,725 and $20,791 for the three months ended September 30, 2026 and September 30, 2025, respectively, wages and benefits were $614,816 for the three months ended September 30, 2026 compared to $217,167 for the three months September 30, 2025. The increase of $397,649 was primarily due to temporary labor required for the 2026 drilling program and field support and the addition of new employees.

Excluding share-based costs of $191,963 and $26,550 for the three months ended September 30, 2026 and September 30, 2025, respectively, consulting fees were $168,283 for the three months ended September 30, 2026 compared to $56,580 for the three months ended September 30, 2025. The increase of $111,703 was primarily due to an increase in investor relations services and an increase in other consulting fees.

Professional fees were $234,088 and $80,021 for the three months ended September 30, 2026 and September 30, 2025, respectively. The increase of $154,067 is due primarily to increased fees for legal of $103,966 and recruiting of $50,669, offset by decreased fees due to timing variances for accounting and auditing services.

Travel costs were $71,482 and $25,427 for the three months ended September 30, 2026 and September 30, 2025, respectively. The increase of $46,055 was primarily due to increased travel related to current project activities.

Excluding share-based costs of $3,624 and $1,485 for the three months ended September 30, 2026 and September 30, 2025, respectively, investor relations costs were $11,153 for the three months ended September 30, 2026 compared to $7,345 for the three months ended September 30, 2025. The increase of $3,808 was primarily due to increased costs related to additional news releases.

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 September 30, 2026 and 2025 were allocated as follows:

Expense category:	September 30, 2026	September 30, 2025
Consulting	$ 191,963	$ 26,550
Investor relations	3,624	1,485
Wages and benefits	50,725	20,791
Total	$ 246,312	$ 48,826

Share-based payment charges were $246,312 during the three months ended September 30, 2026 compared to $48,826 during the three months ended September 30, 2025. The increase of $197,486 was mainly the result of equity compensation issued or granted to certain directors and employees of the Company on May 27, 2026, and vesting of equity awards through the three months ended September 2026, as compared to the three months ended September 30, 2025.

Other items amounted to total other income of $708,132 during the three-month period ended September 30, 2026 compared to total other income of $60,583 during the three-month period ended September 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 loss of $249,370 during the three-month period ended September 30, 2026, compared to a gain of $40,071 during the three-month period ended September 30, 2025. The average exchange rate during the three-month period ended September 30, 2026 was C$1 to $0.7149, compared to C$1 to $0.7261 during the three-month period ended September 30, 2025. Interest income was $957,502 for the three-month period ended September 30, 2026, compared to $20,512 for the three-month period ended September 30, 2025. The increase of $936,990 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.

Nine Months Ended September 30, 2026 compared to Nine Months Ended September 30, 2025

The Company had a net loss of $5,272,381 for the nine months ended September 30, 2026, compared to a net loss of $3,326,457 for the nine months ended September 30, 2025.

Mineral property expenditures were $8,971,126 for the nine months ended September 30, 2026, compared to $1,165,757 for the nine months ended September 30, 2025. The increase of $7,805,369 was due to increased activity on the Livengood Gold Project, primarily as a result of drilling and drilling related activities.

Excluding share-based costs of $225,394 and $94,526 for the nine months ended September 30, 2026 and September 30, 2025, respectively, wages and benefits were $1,372,170 for the nine months ended September 30, 2026 compared to $635,088 for the nine months ended September 30, 2025. The increase of $737,082 was primarily due to temporary labor required for the 2026 drilling program and field support and the addition of new employees.

Excluding share-based costs of $870,760 and $457,529 for the nine months ended September 30, 2026 and September 30, 2025, respectively, consulting fees were $333,444 for the nine months ended September 30, 2026 compared to $174,999 for the nine months ended September 30, 2025. The increase of $158,445 was primarily due to an increase in investor relations services and an increase in director fees partially offset by a negative timing variance for other contracting fees.

Professional fees were $471,119 and $168,835 for the nine months ended September 30, 2026 and September 30, 2025, respectively. The increase of $302,284 is due primarily to increased fees for legal of $181,594 and recruiting of $100,621, and timing variances for accounting and auditing services of $26,734.

Regulatory costs were $210,835 and $157,260 for the nine months ended September 30, 2026 and September 30, 2025, respectively. The increase of $53,575 was primarily due to increased TSX market fees of $28,549, increased SEDAR+ annual filing fees of $18,840 and increased transfer agent activity-related fees of $5,418.

Excluding share-based costs of $16,100 and $6,752 for the nine months ended September 30, 2026 and September 30, 2025, respectively, investor relations costs were $68,409 for the nine months ended September 30, 2026 compared to $45,976 for the nine months ended September 30, 2025. The increase of $22,433 was primarily due to increased conferences, additional news releases, and the mailing and filing costs related to the Annual General Shareholder meeting on May 27, 2026.

Travel costs were $104,201 and $35,531 for the nine months ended September 30, 2026 and September 30, 2025, respectively. The increase of $68,670 was primarily due to increased travel related to current project activities.

Insurance costs were $117,715 and $147,844 for the nine months ended September 30, 2026 and September 30, 2025, respectively. The decrease of $30,129 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 nine-month periods ended September 30, 2026 and 2025 were allocated as follows:

Expense category:	September 30, 2026	September 30, 2025
Consulting	$ 870,760	$ 457,529
Investor relations	16,100	6,752
Wages and benefits	225,394	94,526
Total	$ 1,112,254	$ 558,807

Share-based payment charges were $1,112,254 during the nine months ended September 30, 2026 compared to $558,807 during the nine months ended September 30, 2025. The increase of $553,447 was the result of equity compensation issued or granted to certain directors and employees of the Company on May 27, 2026 and vesting of equity awards through the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025.

Other items amounted to total other income of $7,642,661 during the nine-month period ended September 30, 2026 compared to total other expense of $107,782 during the nine-month period ended September 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 $4,568,688 during the nine-month period ended September 30, 2026, compared to a loss of $168,360 during the nine-month period ended September 30, 2025. The average exchange rate during the nine-month period ended September 30, 2026 was C$1 to $0.722, compared to C$1 to $0.7152 during the nine-month period ended September 30, 2025. Interest income was $3,073,973 for the nine-month period ended September 30, 2026, compared to $60,578 for the nine-month period ended September 30, 2025. The increase of $3,013,395 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 September 30, 2026, the Company had cash and cash equivalents of $56,158,948 compared to $1,353,333 at December 31, 2025. The increase of approximately $54.8 million resulted mainly from net financing activities of $114.6 million and stock option exercises of $0.4 million partially offset by short-term investments of $50.0 million, operating activities of $5.1 million, and a negative foreign exchange impact of $4.6 million.

Financing activities during the nine-month period ended September 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 $417,734 were received on the issuance of 785,000 common shares and related reallocation of contributed surplus of $252,154. The Company also completed a private placement with the Chief Executive Officer of 83,682 common shares for gross proceeds of $0.2 million.

Financing activities during the nine-month period ended September 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 nine-month period ended September 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 nine-month period ended September 30, 2025.

As at September 30, 2026, the Company had working capital of $106,801,337 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 current working capital 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 nine months ended September 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."