

ALTERNATIVE MONTHLY REPORT FILED PURSUANT TO PART 4 OF NATIONAL INSTRUMENT 62-103 THE EARLY WARNING SYSTEM AND RELATED TAKE OVER BID AND INSIDER REPORTING ISSUES (NI 62-103)

This Report is being filed to amend the information disclosed in the report filed by Paulson & Co. Inc. on January 10, 2017 for the period ending December 31, 2016.

ITEM 1 – SECURITY AND REPORTING ISSUER

1.1 Designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares of International Tower Hill Mines Ltd. (the "Common Shares").

The address of the head office of International Tower Hill Mines Ltd. ("ITHM") is Suite 2300, 1177 W. Hastings Street, Vancouver, B.C. V6E 2K3.

1.2 Name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Acquisition of treasury Common Shares pursuant to a non-brokered private placement offering that closed on March 13, 2018.

ITEM 2 – IDENTITY OF THE ELIGIBLE INSTITUTIONAL INVESTOR

2.1 Name and address of the eligible institutional investor.

Paulson & Co. Inc. and relevant affiliates and associates are sometimes hereinafter collectively referred to as "Paulson".

Paulson & Co. Inc.
1251 Avenue of the Americas, 50th Floor
New York, NY 10020
United States of America

Paulson is an investment advisor that furnishes investment advice to and manages onshore and offshore investment funds and separate managed accounts (such investment funds and accounts, the "Funds"). In its role as investment advisor, or manager, Paulson possesses voting and/or investment power over the securities of the issuer described in this Report. All of the securities identified in this Report are owned by the Funds.

2.2 Date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On March 13, 2018, Paulson, on behalf of several of the Funds, purchased 4,105,472 additional Common Shares in a non-brokered private placement offering pursuant to a Subscription Agreement dated March 12, 2018 between Paulson, on behalf of several of

the Funds, and ITHM at a subscription price of US\$0.50 per Common Share. The Common Shares were acquired for an aggregate cash purchase price of US\$2,052,736.

2.3 Name of any joint actors.

Not applicable.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

This Report is filed pursuant to the exemption from the Early Warning Requirements described in Part 4.1 of NI 62-103. Paulson is an investment advisor that is registered under the *Investment Advisors Act of 1940* of the United States of America and is not disqualified from reporting under Part 4 of NI 61-103. Specifically, as of the date hereof, neither Paulson, nor to Paulson's knowledge, any entities which may be considered joint actors:

- (a) has made, or intends to make, a formal take-over bid for securities of ITHM;
- (b) proposes, or intends to propose, a reorganization, amalgamation, merger, arrangement or similar business combination that if completed would reasonably be expected to result in Paulson, either alone or together with any joint actors, possessing effective control over ITHM or a successor to all or part of the business of ITHM; or
- (c) has solicited, or intends to solicit proxies from securityholders of ITHM in any of the following circumstances:
 - (i) in support of the election of one or more persons as directors of ITHM other than the persons proposed to be nominated by management of ITHM;
 - (ii) in support of a reorganization, amalgamation, merger, arrangement or other similar corporate action involving securities of ITHM if that action is not supported by management of ITHM;
 - (iii) in opposition to a reorganization, amalgamation, merger, arrangement or other similar corporate action involving the securities of ITHM if that action is proposed by management of ITHM.

ITEM 3 – INTEREST IN SECURITIES OF THE REPORTING ISSUER

3.1 Net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 of NI 62-103 or the early warning requirements.

Since Paulson's last report filed on January 10, 2017 for the period ending December 31, 2016, Paulson's securityholding percentage in the Common Shares owned by the Funds has decreased by approximately 2.24%, from approximately 34.21%, as at December 31,

2016, to approximately 31.97%, as at March 30, 2018, based on 186,392,996 issued and outstanding Common Shares.

3.2 Designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.

As at March 31, 2018, the Funds held 59,593,314 Common Shares. Paulson's securityholding percentage in the Common Shares is approximately 31.97%, as at March 31, 2018, based on 186,392,996 issued and outstanding Common Shares.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which

(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,

none;

(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and

none;

(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Paulson, as an advisor or manager with voting and investment power, has exclusive control over all of the securities identified in item 3.2 above. Paulson disclaims beneficial ownership of such securities.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

Not applicable.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement

including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

ITEM 4 – PURPOSE OF THE TRANSACTION

Purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer.

Paulson controls the Common Shares described herein on behalf of the Funds for investment purposes. In fulfilling its responsibilities to the Funds, Paulson may make its views known regarding the operation of the business and strategic direction or alternatives to ITHM's management or board of directors from time to time, when proxies are solicited and on other occasions. Depending on market conditions and other factors, Paulson may, on behalf of the Funds, in the future acquire additional Common Shares, options or other derivative securities related to the Common Shares, in the open market or in privately negotiated purchases or otherwise. Paulson may also, on behalf of the Funds, depending on the then-current circumstances, dispose of all or a portion of the Common Shares, options or other derivative securities related to the Common Shares, in one or more transactions, in each case to the extent then permitted by applicable law and regulation.

Paulson and the Issuer have entered into an Investor Rights Agreement dated as of December 28, 2016 (the "Investor Rights Agreement"). The Investor Rights Agreement contains terms providing the Funds with the right to nominate one director to the Board of Directors of ITHM (the "Board") for so long as the Funds own 10% or more, and two directors to the Board for so long as the Funds own 20% or more, of the outstanding Common Shares on a fully diluted basis and requiring certain matters to be approved by the majority of directors of ITHM, with such majority to include each Paulson board nominee then serving on the Board.

Paulson, on behalf of the Funds, has no plans or future intentions to effect: (a) a sale or transfer of a material amount of the assets of ITHM or any of its subsidiaries; (b) a change in the board of directors or management of ITHM, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board; (c) a material change in the present

capitalization or dividend policy of ITHM; (d) a material change in ITHM's business or corporate structure; (e) a change in ITHM's charter, bylaws or similar instruments or another action which might impede the acquisition of control of ITHM by any person; (f) a class of securities of ITHM being delisted from, or ceasing to be authorized to be quoted on, a marketplace; (g) ITHM ceasing to be a reporting issuer in any jurisdiction of Canada; (h) a solicitation of proxies from securityholders of ITHM; or (i) an action similar to any of those enumerated above.

ITEM 5 – AGREEMENTS, ARRANGEMENTS, COMMITMENTS OR UNDERSTANDINGS WITH RESPECT TO SECURITIES OF THE REPORTING ISSUER

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

As described above, pursuant to the Investor Rights Agreement: (i) Paulson has the right to nominate one director to the Board for so long as Paulson owns 10% or more, and two directors to the Board for so long as Paulson owns 20% or more, of outstanding Common Shares on a fully diluted basis; and (ii) certain matters require the approval of a majority of directors of ITHM, with such majority to include each Paulson board nominee then serving on the board of directors. Further, so long as Paulson owns Common Shares representing at least 10% of outstanding Common Shares, it has the right to have a sale of Common Shares qualified by a Canadian prospectus or US registration statement on a demand basis up to two times per year, and on a piggy-back basis at any time ITHM files a prospectus or registration statement. In addition, so long as the Funds own at least 10% of outstanding Common Shares, the Funds may participate in any future security issuances to maintain its pro rata interest in ITHM.

ITEM 6 – CHANGE IN MATERIAL FACT

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

CONTACT PERSON:

For further information, contact:

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United States of America

CERTIFICATE:

Paulson & Co. Inc. hereby certifies that the statements made in this report are true and correct in every respect.

Dated this 10th day of April, 2018.

PAULSON & CO. INC.

By: "Stuart L. Mercer"
Stuart L. Mercer
General Counsel & CCO