



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

(Expressed in US Dollars)

Three and Six Months Ended June 30, 2021 and 2020

Corporate Head Office

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INTERNATIONAL TOWER HILL MINES LTD.

June 30, 2021 and 2020

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PART 1

ITEM 1. FINANCIAL STATEMENTS

INTERNATIONAL TOWER HILL MINES LTD.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

As at June 30, 2021 and December 31, 2020

(Expressed in US Dollars - Unaudited)

	Note	June 30, 2021	December 31, 2020
ASSETS			
Current			
Cash and cash equivalents	1	\$ 10,617,438	\$ 13,049,293
Prepaid expenses and other		244,412	162,079
Total current assets		10,861,850	13,211,372
Property and equipment		7,463	7,832
Capitalized acquisition costs	4	55,375,124	55,375,124
Total assets		\$ 66,244,437	\$ 68,594,328
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		\$ 376,636	\$ 199,026
Accrued liabilities	5	302,833	293,965
Total liabilities		679,469	492,991
Shareholders' equity			
Share capital, no par value; unlimited number of authorized shares; 194,908,184 shares issued and outstanding at June 30, 2021 and December 31, 2020	6	288,032,132	288,032,132
Contributed surplus		35,929,885	35,454,805
Accumulated other comprehensive income		2,063,665	1,759,228
Deficit		(260,460,714)	(257,144,828)
Total shareholders' equity		65,564,968	68,101,337
Total liabilities and shareholders' equity		\$ 66,244,437	\$ 68,594,328

General Information and Nature of Operations (Note 1)

Commitments (Note 8)

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, 2021 and 2020

(Expressed in US Dollars - Unaudited)

		Three Months Ended		Six Months Ended	
	Note	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Operating expenses					
Consulting fees	6	\$ 421,664	\$ 340,576	\$ 481,665	\$ 380,995
Depreciation		342	442	369	885
Insurance		47,027	35,662	87,937	66,886
Investor relations	6	41,700	31,558	53,893	42,048
Mineral property exploration	4	1,125,316	536,603	1,665,070	652,023
Office		8,820	6,107	13,405	13,727
Other		4,826	5,190	8,084	9,082
Professional fees		50,019	37,040	96,660	89,160
Regulatory		32,983	19,083	133,006	80,256
Rent		33,688	33,939	67,644	67,872
Travel		4,480	3,599	6,988	5,761
Wages and benefits	6	263,162	230,203	426,412	384,733
Total operating expenses		(2,034,027)	(1,280,002)	(3,041,133)	(1,793,428)
Other income (expenses)					
Gain/(loss) on foreign exchange		(157,829)	(225,095)	(298,516)	316,091
Interest income		3,842	13,341	13,763	50,666
Other income		10,000	5,292	10,000	5,292
Total other income (expenses)		(143,987)	(206,462)	(274,753)	372,049
Net loss for the period		(2,178,014)	(1,486,464)	(3,315,886)	(1,421,379)
Other comprehensive income (loss)					
Exchange difference on translating foreign operations		161,045	230,652	304,437	(322,682)
Total other comprehensive income (loss) for the period		161,045	230,652	304,437	(322,682)
Comprehensive loss for the period		\$ (2,016,969)	\$ (1,255,812)	\$ (3,011,449)	\$ (1,744,061)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding – basic and diluted		194,908,184	187,573,671	194,908,184	187,573,671

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, 2021 and 2020

(Expressed in US Dollars - Unaudited)

Six-Month Period Ended June 30, 2021						
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2020	194,908,184	\$288,032,132	\$35,454,805	\$1,759,228	\$(257,144,828)	\$68,101,337
Stock-based compensation-options	-	-	107,230	-	-	107,230
Stock-based compensation-DSUs	-	-	367,850	-	-	367,850
Exchange difference on translating foreign operations	-	-	-	304,437	-	304,437
Net loss	-	-	-	-	(3,315,886)	(3,315,886)
Balance, June 30, 2021	194,908,184	\$288,032,132	\$35,929,885	\$2,063,665	\$(260,460,714)	\$65,564,968

Three-Month Period Ended June 30, 2021						
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, March 31, 2021	194,908,184	\$288,032,132	\$35,473,776	\$1,902,620	\$(258,282,700)	\$67,125,828
Stock-based compensation-options	-	-	88,259	-	-	88,259
Stock-based compensation-DSUs	-	-	367,850	-	-	367,850
Exchange difference on translating foreign operations	-	-	-	161,045	-	161,045
Net loss	-	-	-	-	(2,178,014)	(2,178,014)
Balance, June 30, 2021	194,908,184	\$288,032,132	\$35,929,885	\$2,063,665	\$(260,460,714)	\$65,564,968

Six-Month Period Ended June 30, 2020						
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2019	187,573,671	\$278,213,801	\$35,069,274	\$1,574,011	\$(252,626,110)	\$62,230,976
Stock-based compensation-options	-	-	53,635	-	-	53,635
Stock-based compensation-DSUs	-	-	294,617	-	-	294,617
Exchange difference on translating foreign operations	-	-	-	(322,682)	-	(322,682)
Net loss	-	-	-	-	(1,421,379)	(1,421,379)
Balance, June 30, 2020	187,573,671	\$278,213,801	\$35,417,526	\$1,251,329	\$(254,047,489)	\$60,835,167

Three-Month Period Ended June 30, 2020						
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, March 31, 2020	187,573,671	\$278,213,801	\$35,069,274	\$1,020,677	\$(252,561,025)	\$61,742,727
Stock-based compensation-options	-	-	53,635	-	-	53,635
Stock-based compensation-DSUs	-	-	294,617	-	-	294,617
Exchange difference on translating foreign operations	-	-	-	230,652	-	230,652
Net loss	-	-	-	-	(1,486,464)	(1,486,464)
Balance, June 30, 2020	187,573,671	\$278,213,801	\$35,417,526	\$1,251,329	\$(254,047,489)	\$60,835,167

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, 2021 and 2020
(Expressed in US Dollars - Unaudited)

	Six Months Ended	
	June 30, 2021	June 30, 2020
Operating Activities		
Loss for the period	\$ (3,315,886)	\$ (1,421,379)
Add items not affecting cash:		
Depreciation	369	885
Stock-based compensation-options	107,230	53,635
Stock-based compensation-DSUs	367,850	294,617
Changes in non-cash items:		
Accounts receivable	22,696	103,194
Prepaid expenses and other	(101,908)	(75,260)
Accounts payable and accrued liabilities	183,500	(87,358)
Cash used in operating activities	(2,736,149)	(1,131,666)
Effect of foreign exchange on cash	304,294	(315,828)
Change in cash and cash equivalents	(2,431,855)	(1,447,494)
Cash and cash equivalents, beginning of the period	13,049,293	6,937,621
Cash and cash equivalents, end of the period	\$ 10,617,438	\$ 5,490,127

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
Three and Six Months Ended June 30, 2021 and 2020
(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, 2021, the Company has a 100% interest in its Livengood Gold Project, an exploration-stage project in Alaska, U.S.A.

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, 2021, the Company had cash and cash equivalents of \$10,617,438 compared to \$13,049,293 at December 31, 2020. 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 determined to 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 pursuing 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 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.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the novel coronavirus 2019 (“COVID-19”) a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. While it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak, including as a result of the emergence of variant strains of the virus and ongoing vaccination efforts, and its ultimate effects on the Company’s business, results of operations or ability to raise funds at this time, as of the date of this Quarterly Report on Form 10-Q, the COVID-19 pandemic has not had any material adverse effects on the Company.

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

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Three and Six Months Ended June 30, 2021 and 2020
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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, 2020 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, 2021 and the results of its operations for the six months then ended. Operating results for the six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

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 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, 2021, the Board of Directors of the Company (the "Board") approved these condensed consolidated interim financial statements.

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 the mineral property:

Capitalized acquisition costs	Amount
Balance, December 31, 2020	\$ 55,375,124
Acquisition costs	-
Balance, June 30, 2021	\$ 55,375,124

The following table presents costs incurred for exploration and evaluation activities for the six months ended June 30, 2021 and 2020:

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Three and Six Months Ended June 30, 2021 and 2020

(Expressed in US dollars – Unaudited)

	June 30, 2021	June 30, 2020
Exploration costs:		
Aircraft	\$ 8,400	\$ -
Environmental	110,890	80,189
Equipment rental	29,923	23,363
Field costs	60,040	49,942
Geological/geophysical	969,428	54,906
Land maintenance and tenure	423,096	425,212
Legal	60,385	12,947
Transportation and travel	2,908	5,464
Total expenditures for the period	\$ 1,665,070	\$ 652,023

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, 2021 and from the inception of this lease, the Company has paid \$342,688 and \$3,993,856, 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, 2021 and from the inception of this lease, the Company has paid \$50,000 and \$880,000, 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 paid \$15,000 of royalties during the six months ended June 30, 2021, for a total of \$265,000 from the inception of this lease. The Company has acquired a 40% interest in the

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mining claims subject to the lease, providing the Company with a 40% interest in the 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, 2021, for a total of \$188,000 from the inception of this lease.

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 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 accrued liabilities balances at June 30, 2021 and December 31, 2020.

	June 30, 2021	December 31, 2020
Accrued liabilities	\$ 266,070	\$ 227,459
Accrued salaries and benefits	36,763	66,506
Total accrued liabilities	\$ 302,833	\$ 293,965

Accrued liabilities at June 30, 2021 include accruals for general corporate costs and project costs of \$39,191 and \$226,879, respectively. Accrued liabilities at December 31, 2020 include accruals for general corporate costs and project costs of \$51,151 and \$176,308, 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, 2020 and June 30, 2021, there were 194,908,184 shares issued and outstanding.

Share issuances

There were no share issuances during the six months ended June 30, 2021.

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 the 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

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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 directors at the date of grant.

A summary of the options granted under the Stock Option Plan as of June 30, 2021 and December 31, 2020 is presented below:

Six Months Ended June 30, 2021				Year Ended December 31, 2020		
	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	2,707,049	\$ 0.94		2,452,049	\$ 0.94	
Granted	240,000	\$ 1.31		255,000	0.92	
Balance, end of the period	2,947,049	\$ 0.97	\$ 975,808	2,707,049	\$ 0.94	\$ 2,287,262

The weighted average remaining life of options outstanding at June 30, 2021 was 2.5 years.

Stock options outstanding are as follows:

Expiry Date	June 30, 2021			December 31, 2020		
	Exercise Price (C\$)	Number of Options	Exercisable	Exercise Price (C\$)	Number of Options	Exercisable
February 25, 2022	\$ 1.11	510,000	510,000	\$ 1.11	510,000	510,000
February 25, 2022	\$ 0.73	270,000	270,000	\$ 0.73	270,000	270,000
March 10, 2022	\$ 1.11	120,000	120,000	\$ 1.11	120,000	120,000
March 16, 2023	\$ 1.00	580,000	580,000	\$ 1.00	580,000	580,000
March 16, 2023	\$ 0.50	130,000	130,000	\$ 0.50	130,000	130,000
June 9, 2023	\$ 1.00	30,000	30,000	\$ 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	170,000	\$ 0.92	255,000	85,000
May 25, 2027	\$ 1.31	240,000	80,000	-	-	-
		2,947,049	2,702,049		2,707,049	2,537,049

A summary of the non-vested options as of June 30, 2021 and changes during the six months ended June 30, 2021 is as follows:

	Number of options	Weighted average grant-date fair value (C\$)
Non-vested options:		
Outstanding at December 31, 2020	170,000	\$0.76
Granted	240,000	\$0.98
Vested	(165,000)	\$0.87
Outstanding at June 30, 2021	245,000	\$0.91

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(Expressed in US dollars – Unaudited)

At June 30, 2021, there was unrecognized compensation expense of C\$174,225 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, 2021, the Company granted each of the members of the Board (other than those directors nominated for election by Paulson & Co. Inc.) 63,359 deferred share units (“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\$1.31 per DSU, representing C\$83,000 per director or C\$415,000 in the aggregate. The DSUs entitle the holders to receive common shares 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 holder until the holder is no longer serving on the Board.

DSUs outstanding are as follows:

	Six Months Ended June 30, 2021		Year Ended December 31, 2020	
	Number of Units	Weighted Average Exercise Price (C\$)	Number of Units	Weighted Average Exercise Price (C\$)
Balance, beginning of the period	1,834,481	\$ 0.81	1,383,396	\$ 0.77
Issued	316,795	\$ 1.31	451,085	\$ 0.92
Balance, end of the period	2,151,276	\$ 0.88	1,834,481	\$ 0.81

Share-based payments

During the six-month period ended June 30, 2021, there were 240,000 stock options granted under the Stock Option Plan and 316,795 DSUs for common shares of the Company under the DSU Plan. Share-based payment compensation for the six months ended June 30, 2021 totaled \$475,080 (\$107,230 related to stock options and \$367,850 related to DSUs). Of the total expense for the period ended June 30, 2021, \$376,410 was included in consulting fees (\$8,560 related to stock options and \$367,850 related to DSUs), \$6,578 was included in investor relations, and \$92,092 was included in wages and benefits in the statement of operations and comprehensive loss.

During the six-month period ended June 30, 2020, there were 255,000 stock options granted under the Stock Option Plan and 451,085 DSUs for common shares of the Company under the DSU Plan. Share-based payment compensation for the six months ended June 30, 2020 totaled \$348,252 (\$53,635 related to stock options and \$294,617 related to DSUs). Of the total expense for the period ended June 30, 2020, \$300,927 was included in consulting fees (\$6,310 related to stock options and \$294,617 related to DSUs), \$3,155 was included in investor relations, and \$44,170 was included in wages and benefits in the statement of operations and comprehensive loss.

	YTD June 30, 2021
Expected life of options	6 years
Risk-free interest rate	0.99%
Annualized volatility	81.22%
Dividend rate	0.00%
Exercise price (C\$)	\$1.31

INTERNATIONAL TOWER HILL MINES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and Six Months Ended June 30, 2021 and 2020
(Expressed in US dollars – Unaudited)

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, 2021			
Capitalized acquisition costs	\$ -	\$ 55,375,124	\$ 55,375,124
Property and equipment	7,463	-	7,463
Current assets	10,414,630	447,220	10,861,850
Total assets	\$ 10,422,093	\$ 55,822,344	\$ 66,244,437
December 31, 2020			
Capitalized acquisition costs	\$ -	\$ 55,375,124	\$ 55,375,124
Property and equipment	7,832	-	7,832
Current assets	12,862,068	349,304	13,211,372
Total assets	\$ 12,869,900	\$ 55,724,428	\$ 68,594,328
Three months ended		June 30, 2021	June 30, 2020
Net loss for the period – Canada		\$ (808,616)	\$ (701,159)
Net loss for the period – United States		(1,369,398)	(785,305)
Net loss for the period		\$ (2,178,014)	\$ (1,486,464)
Six months ended		June 30, 2021	June 30, 2020
Net loss for the period – Canada		\$ (1,175,564)	\$ (287,621)
Net loss for the period – United States		(2,140,322)	(1,133,758)
Net loss for the period		\$ (3,315,886)	\$ (1,421,379)

8. COMMITMENTS

The following table discloses the Company's contractual obligations as of June 30, 2021, 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:

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	Payments Due by Year						Total
	2021	2022	2023	2024	2025	2026 and beyond	
Mineral Property Leases ⁽¹⁾	\$ -	\$ 426,972	\$ 513,715	\$ 519,136	\$ 524,625	\$ 530,183	\$ 2,514,631
Mining Claim Government Fees	132,460	132,460	132,460	132,460	132,460	132,460	794,760
Total	\$ 132,460	\$ 559,432	\$ 646,175	\$ 651,596	\$ 657,085	\$ 662,643	\$ 3,309,391

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.