

INTERNATIONAL TOWER HILL MINES LTD.
For the quarterly period ended September 30, 2025

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, 2024 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, 2024, 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, 2024 filed with the SEC on March 12, 2025.

Recent Developments

Livengood Gold Project Pre-Feasibility Study

On March 4, 2025, 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\$3.9 million. The Private Placement consisted of 8,192,031 common shares of the Company at a price of US\$0.4801 per common share.

On March 12, 2025, the Company announced that the Board had approved a 2025 budget of \$3.7 million and endorsed the associated 2025 work program to advance the Livengood Gold Project. The 2025 work program includes a metallurgical study of the massive stibnite antimony mineralization, advancing the baseline environmental data collection in critical areas of hydrology and waste rock geochemical characterization needed to support future permitting, and continuing community engagement. On September 4, 2025, the Company issued a press release providing a progress report on the antimony metallurgy study at the Livengood Gold Project.

Results of Operations

Summary of Quarterly Results

Description	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net income (loss)	\$ (732,303)	\$ (1,925,086)	\$ (669,068)	\$ (954,847)
Basic and diluted net gain (loss) per common share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Net income (loss)	\$ (667,302)	\$ (1,431,915)	\$ (545,308)	\$ (716,184)
Basic and diluted net gain (loss) per common share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)

Three Months Ended September 30, 2025 compared to Three Months Ended September 30, 2024

The Company had a net loss of \$732,303 for the three months ended September 30, 2025, compared to a net loss of \$667,302 for the three months ended September 30, 2024.

Mineral property expenditures were \$215,361 and \$119,401 for the three months ended September 30, 2025 and September 30, 2024, respectively. The increase of \$95,960 was primarily due higher field supplies and services for an increase of \$57,924 and timing variances for land-related legal services for an increase of \$27,853, environmental activities for an increase of \$8,942, and land maintenance for an increase of \$1,241.

Professional fees were \$80,021 and \$57,398 for the three months ended September 30, 2025 and September 30, 2024, respectively. The increase of \$22,623 was primarily due to timing variances for legal services for an increase of \$17,425, accounting and tax services for an increase of \$7,979, partially offset by XBRL services for a decrease of \$2,781.

Travel costs were \$25,427 and \$16,407 for the three months ended September 30, 2025 and September 30, 2024, respectively. The increase of \$9,020 was primarily due to timing variances of actual travel.

Excluding share-based costs of \$26,550 and \$1,096 for the three months ended September 30, 2025 and September 30, 2024, respectively, consulting fees were \$56,580 and \$60,413 for the three months ended September 30, 2025 and September 30, 2024, respectively. The decrease of \$3,833 was primarily due to decreased consulting services.

Insurance costs were \$35,697 and \$50,984 for the three months ended September 30, 2025 and September 30, 2024, respectively. The decrease of \$15,287 was primarily due to a change in insurance providers.

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 months ended September 30, 2025 and 2024 were allocated as follows:

Expense category:	September 30, 2025	September 30, 2024
Consulting	\$ 26,550	\$ 1,096
Investor relations	1,485	1,096
Wages and benefits	20,791	15,344
Total	\$ 48,826	\$ 17,536

Share-based payment charges were \$48,826 during the three months ended September 30, 2025 compared to \$17,536 during the three months ended September 30, 2024. The increase of \$31,290 was mainly the result of equity compensation issued or granted to certain contractors of the Company on December 2, 2024, as compared to the three months ended September 30, 2024.

Other items amounted to total other income of \$60,583 during the three months ended September 30, 2025 compared to total other expense of \$6,961 during the three months ended September 30, 2024. 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 \$40,071 during the three months ended September 30, 2025, compared to a loss of \$22,473 during the three months ended September 30, 2024. The average exchange rate during the three months ended September 30, 2025 was C\$1 to \$0.7261, compared to C\$1 to \$0.7332 during the three months ended September 30, 2024. Interest income was \$20,512 for the three months ended September 30, 2025, compared to \$15,512 for the three months ended September 30, 2024.

Nine Months Ended September 30, 2025 compared to Nine Months Ended September 30, 2024

The Company had a net loss of \$3,326,457 for the nine months ended September 30, 2025, compared to a net loss of \$2,644,525 for the nine months ended September 30, 2024.

Mineral property expenditures were \$1,165,757 and \$878,456 for the nine months ended September 30, 2025 and September 30, 2024, respectively. The increase of \$287,301 was primarily due to a higher advance minimum royalty payment for an increase of \$151,965 and higher field supplies and services for an increase of \$68,206, and timing variances for land-related legal services for an increase of \$54,646 and environmental activities for an increase of \$12,484.

Excluding share-based costs of \$457,529 and \$298,469 for the nine months ended September 30, 2025 and September 30, 2024, respectively, consulting fees were \$174,999 and \$175,651 for the nine months ended September 30, 2025 and September 30, 2024, respectively. The decrease of \$652 was primarily due to decreased consulting 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 nine months ended September 30, 2025 and 2024 were allocated as follows:

Expense category:	September 30, 2025	September 30, 2024
Consulting	\$ 457,529	\$ 298,469
Investor relations	6,752	5,227
Wages and benefits	94,526	73,173
Total	\$ 558,807	\$ 376,869

Share-based payment charges were \$558,807 during the nine months ended September 30, 2025 compared to \$376,869 during the nine months ended September 30, 2024. The increase of \$181,938 was mainly the result of equity compensation issued or granted to certain contractors of the Company on December 2, 2024, as compared to the nine months ended September 30, 2024.

Other items amounted to total other expense of \$101,782 during the nine months ended September 30, 2025 compared to total other income of \$114,848 during the nine months ended September 30, 2024. 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 \$168,360 during the nine months ended September 30, 2025, compared to a gain of \$41,962 during the nine months ended September 30, 2024. The average exchange rate during the nine months ended September 30, 2025 was C\$1 to \$0.7152, compared to C\$1 to \$0.7351 during the nine months ended September 30, 2024. Interest income was \$60,578 for the nine months ended September 30, 2025, compared to \$72,886 for the nine months ended September 30, 2024. The decrease of \$12,308 was primarily due to short-term investment certificates being invested at a lower 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 September 30, 2025, the Company had cash and cash equivalents of \$2,277,809 compared to \$992,487 at December 31, 2024. The increase of approximately \$1.3 million resulted mainly from net financing activities of \$3.8 million, partially offset by operating activities of \$2.3 million and negative foreign exchange impact of \$0.2 million.

Financing activities during the nine months ended September 30, 2025 consisted of the Private Placement pursuant to which the Company issued 8,192,031 common shares to existing major shareholders to raise gross proceeds of approximately \$3.9 million.

Financing activities during the nine months ended September 30, 2024 consisted of a private placement that closed in January 2024 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 investing activities during the nine months ended September 30, 2025 and September 30, 2024.

As at September 30, 2025, the Company had working capital of \$2,176,414 compared to working capital of \$959,703 at December 31, 2024. 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 2025 work plan at the Livengood Gold Project. Additional financing will be required to 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. There can be 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, 2024.

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, 2025 are approximately \$3.7 million, which are expected to be funded from cash on hand. These expenditures include \$0.9 million for mineral property leases and mining claim government fees and \$2.8 million for general corporate and administrative purposes. Expenditures for mineral property leases and mining claims government fees are anticipated to be approximately \$0.9 million in 2026 and \$0.9 million in 2027. 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, 2024. There have been no significant changes in the Company's critical accounting estimates during the nine months ended September 30, 2025.

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, 2024, 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 September 30, 2025, 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 September 30, 2025, 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 September 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.