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

(Expressed in US Dollars)

Nine Months Ended September 30, 2013 and 2012

Corporate Head Office

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INTERNATIONAL TOWER HILL MINES LTD.

September 30, 2013 and 2012

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Unaudited Condensed Consolidated Interim Financial Statements

PART 1

ITEM 1. FINANCIAL STATEMENTS

INTERNATIONAL TOWER HILL MINES LTD.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED BALANCE SHEETS
As at September 30, 2013 and December 31, 2012
(Expressed in US Dollars - Unaudited)

	Note	September 30, 2013	December 31, 2012
ASSETS			
Current			
Cash and cash equivalents		$ 16,611,039	$ 30,170,905
Marketable securities		75,839	180,415
Accounts receivable		5,141	262,516
Advance to contractors		482,034	582,009
Prepaid expenses		193,960	228,221
Total current assets		17,368,013	31,424,066
Property and equipment		73,352	89,714
Capitalized acquisition costs	4	55,173,564	55,173,564
Total assets		$ 72,614,929	$ 86,687,344
Current liabilities			
Accounts payable		$ 503,431	$ 1,198,771
Accrued liabilities		636,834	2,548,498
Total current liabilities		1,140,265	3,747,269
Non-current liabilities			
Derivative liability	5	16,700,000	22,400,000
Total liabilities		17,840,265	26,147,269
Shareholders' equity			
Share capital, no par value; authorized 500,000,000 shares; 98,068,638 shares issued and outstanding at September 30, 2013 and December 31, 2012	6	236,401,096	236,401,096
Contributed surplus		32,243,815	28,589,591
Accumulated other comprehensive income		3,512,426	4,101,968
Deficit accumulated during the exploration stage		(217,382,673)	(208,552,580)
Total shareholders' equity		54,774,664	60,540,075
Total liabilities and shareholders' equity		$ 72,614,929	$ 86,687,344

Nature and continuance of operations (note 1)
Commitments (note 8)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Board:

"Anton Drescher" (signed) Director	*"Timothy Haddon"(signed)* Director
Mr. Anton J. Drescher	Mr. Timothy J. Haddon

INTERNATIONAL TOWER HILL MINES LTD.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Expressed in US Dollars - Unaudited)

		Three Months Ended		Nine Months Ended		
	Note	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	From Inception
Operating expenses						
Consulting fees		$ 441,993	$ 2,091,336	$ 1,560,440	$ 2,580,386	$ 15,184,497
Depreciation		5,445	7,911	16,361	23,732	260,192
Insurance		73,123	82,420	215,962	229,425	1,132,139
Investor relations		61,685	224,918	256,720	405,969	4,657,424
Mineral property exploration	4	1,621,127	13,447,132	6,868,226	30,402,145	150,897,275
Office		21,953	45,407	77,144	122,596	974,401
Other		11,246	18,217	44,238	57,234	1,778,753
Professional fees		89,384	194,736	363,116	447,009	3,465,501
Regulatory		5,295	14,677	117,651	143,124	1,072,349
Rent		53,924	58,068	171,093	180,987	1,022,081
Travel		48,367	38,106	176,409	185,686	1,370,665
Wages and benefits		1,426,493	4,189,034	5,066,580	10,368,246	43,477,138
Write-down of mineral properties		-	-	-	-	1,605,522
Total operating expenses		(3,860,035)	(20,411,962)	(14,933,940)	(45,146,539)	(226,897,937)
Other income (expenses)						
Gain (loss) on foreign exchange		(287,591)	(660,392)	622,232	(232,648)	944,857
Interest income		22,865	38,574	80,384	152,174	2,583,681
Income from mineral property earn-in		-	-	-	141,948	660,744
Impairment of available-for-sale securities		-	-	(298,769)	-	(298,769)
Spin-out cost		-	-	-	-	(775,249)
Unrealized gain/(loss) on derivative	5	-	(4,000,000)	5,700,000	(4,300,000)	6,400,000
Total other income (expense)		(264,726)	(4,621,818)	6,103,847	(4,238,526)	9,515,264
Loss from continuing operations		(4,124,761)	(25,033,780)	(8,830,093)	(49,385,065)	(217,382,673)
Loss from discontinued operations		-	-	-	-	(19,630,113)
Net loss for the period		(4,124,761)	(25,033,780)	(8,830,093)	(49,385,065)	(237,012,786)
Other comprehensive income (loss)						
Unrealized gain (loss) on marketable securities		18,777	83,828	(100,335)	(75,862)	(469,034)
Reclassification of impairment of available-for-sale securities		-	-	298,769	-	298,769
Exchange difference on translating foreign operations		408,736	862,914	(787,976)	1,112,160	3,682,691
Total other comprehensive income (loss) for the period		427,513	946,742	(589,542)	1,036,298	3,512,426
Comprehensive loss for the period		$ (3,697,248)	$ (24,087,038)	$ (9,419,635)	$ (48,348,767)	$ (233,500,360)
Basic and fully diluted loss per share		$ (0.04)	$ (0.27)	$ (0.09)	$ (0.55)	
Weighted average number of shares outstanding		98,068,638	92,918,976	98,068,638	88,777,442	

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

INTERNATIONAL TOWER HILL MINES LTD.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Expressed in US Dollars - Unaudited)

	Number of shares	**Share capital**	**Contributed surplus**	**Accumulated other comprehensive income/(loss)**	**Deficit**	**Total**
Balance, December 31, 2011	86,683,919	$207,186,847	$ 19,382,616	$ 3,524,125	$ (151,909,118)	$ 78,184,470
Private placement	11,384,719	29,768,529	-	-	-	29,768,529
Stock based compensation	-	-	7,184,159	-	-	7,184,159
Share issuance costs	-	(554,280)	-	-	-	(554,280)
Unrealized loss on available-for-sale securities	-	-	-	(75,862)	-	(75,862)
Exchange difference on translating foreign operations	-	-	-	1,112,160	-	1,112,160
Net loss	-	-	-	-	(49,385,065)	(49,385,065)
Balance, September 30, 2012	98,068,638	236,401,096	26,566,775	4,560,423	(201,294,183)	66,234,111
Private placement	-	-	-	-	-	-
Share issuance costs	-	-	-	-	-	-
Stock based compensation	-	-	2,022,816	-	-	2,022,816
Unrealized loss on available-for-sale securities	-	-	-	(87,314)	-	(87,314)
Exchange difference on translating foreign operations	-	-	-	(371,141)	-	(371,141)
Net loss	-	-	-	-	(7,258,397)	(7,258,397)
Balance, December 31, 2012	98,068,638	236,401,096	28,589,591	4,101,968	(208,552,580)	60,540,075
Stock based compensation	-	-	3,654,224	-	-	3,654,224
Unrealized loss on available-for-sale securities	-	-	-	(100,335)	-	(100,335)
Reclassification of impairment of available-for-sale securities	-	-	-	298,769	-	298,769
Exchange difference on translating foreign operations	-	-	-	(787,976)	-	(787,976)
Net loss	-	-	-	-	(8,830,093)	(8,830,093)
Balance, September 30, 2013	98,068,638	$ 236,401,096	$ 32,243,815	$ 3,512,426	$ (217,382,673)	$ 54,774,664

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

INTERNATIONAL TOWER HILL MINES LTD.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Expressed in US Dollars - Unaudited)

	Nine Months Ended		
	September 30, 2013	**September 30, 2012**	**From Inception**
Operating Activities			
Loss for the period from continuing operations	$ (8,830,093)	$ (49,385,065)	$ (217,382,673)
Add items not affecting cash:			
Depreciation	16,361	23,732	260,192
Stock based compensation	3,654,224	7,184,159	36,968,934
Unrealized (gain) loss on derivative liability	(5,700,000)	4,300,000	(6,400,000)
Spin-out recovery	-	-	(254,339)
Gain on foreign exchange	-	-	(254,512)
Impairment of available-for-sale securities	298,769	-	298,769
Write-down of mineral properties	-	-	1,605,522
Other	-	(41,948)	(285,323)
Changes in non-cash items:			
Accounts receivable	345,426	218,039	73,213
Prepaid expenses	28,921	(39,791)	(335,567)
Advance to contractors	99,975	(175,000)	413,057
Accounts payable and accrued liabilities	(2,603,659)	(2,051,982)	1,135,424
Cash used in operating activities of continuing operations	(12,690,076)	(39,967,856)	(184,157,303)
Cash used in operating activities of discontinued operations	-	-	(12,786,324)
Financing Activities			
Issuance of share capital	-	29,768,529	251,751,411
Share issuance costs	-	(554,280)	(7,643,229)
Cash provided by financing activities of continuing operations	-	29,214,249	244,108,182
Cash used in financing activities of discontinued operations	-	-	(3,902,947)
Investing Activities			
Proceeds from sale of available-for-sale-securities	-	-	172,734
Capitalized acquisition costs	-	(2,127,694)	(27,781,245)
Expenditures on property and equipment, net	-	-	(332,415)
Cash used in investing activities of continuing operations	-	(2,127,694)	(27,940,926)
Cash used in investing activities of discontinued operations	-	-	(312,593)
Effect of foreign exchange on cash of continuing operations	(869,790)	1,211,203	2,137,826
Effect of foreign exchange on cash of discontinued operations	-	-	(534,876)
(Decrease) increase in cash and cash equivalents	(13,559,866)	(11,670,098)	16,611,039
Cash and cash equivalents, beginning of the period	30,170,905	54,712,073	-
Cash and cash equivalents, end of the period	$ 16,611,039	$ 43,041,975	$ 16,611,039

Supplemental cash flow information (note 9)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. GENERAL INFORMATION, NATURE AND CONTINUANCE 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 2300-1177 West Hastings Street, Vancouver, British Columbia, Canada. In these financial statements references to ITH include its wholly owned subsidiaries Tower Hill Mines, Inc. (formerly Talon Gold Alaska, Inc.) ("TH Alaska") (an Alaska corporation), Tower Hill Mines (US) LLC (formerly Talon Gold (US) LLC) ("TH US") (a Colorado limited liability company), Livengood Placers, Inc. ("LPI") (a Nevada corporation), and 813034 Alberta Ltd. (an Alberta 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 September 30, 2013, the Company was in the exploration stage and controls a 100% interest in its Livengood Gold Project in Alaska, U.S.A (the "Livengood Gold Project").

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral property interests. The recoverability of amounts shown for capitalized acquisition costs is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of capitalized acquisition costs. The success of the above initiatives cannot be assured. In the event that the Company is unable to obtain the necessary financing in the short-term, it may be necessary to defer certain discretionary expenditures and other planned activities.

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 10 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 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, 2012 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 September 30, 2013 and the results of its operations for the nine months then ended. Operating results for the nine months ended September 30, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. The 2012 year-end balance sheet data was derived from audited financial statements but does not include all disclosures required by U.S. GAAP.

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.

Basis of consolidation

These consolidated financial statements include the accounts of ITH and its wholly owned subsidiaries TH Alaska, TH US, LPI and 813034 Alberta Ltd. 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 maturity 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.

	Fair value as at September 30, 2013	
	Level 1	**Level 2**
Financial assets:		
Marketable securities	$ 75,839	$ -
Total	$ 75,839	$ -
Financial liabilities:		
Derivative liability (note 5)	$ -	$16,700,000
Total	$ -	$16,700,000

	Fair value as at December 31, 2012	
	Level 1	**Level 2**
Financial assets:		
Marketable securities	$ 180,415	$ -
Total	$ 180,415	$ -
Financial liabilities:		
Derivative liability (note 5)	$ -	$22,400,000
Total	$ -	$22,400,000

4. CAPITALIZED ACQUISITION COSTS

The Company had the following activity related to capitalized acquisition costs:

Capitalized acquisition costs	Amount
Balance, December 31, 2012	$ 55,173,564
Additions	-
Balance, September 30, 2013	$ 55,173,564

The following table presents costs incurred for exploration and evaluation activities for the nine month periods ended September 30, 2013 and 2012:

	September 30, 2013	September 30, 2012
Exploration costs:		
Aircraft services	$ 62,915	$ 1,844,776
Assay	10,924	777,004
Drilling	(28,714)	8,378,230
Environmental	1,776,134	2,874,513
Equipment rental	332,193	1,309,746
Field costs	752,928	6,017,737
Geological/geophysical	3,253,822	8,362,518
Land maintenance & tenure	414,351	354,708
Legal	170,756	286,396
Surveying and mapping	74,084	145,967
Transportation and travel	48,833	50,550
Total expenditures for the period	$ 6,868,226	$ 30,402,145

Livengood Gold Project Property

The Livengood Gold Project property is located in the Tintina gold belt approximately 110 kilometers (70 miles) 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 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 l% 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 in December 2011. As of September 30, 2013 the Company has paid $1,326,363 from the inception of this lease.

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 (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. As of September 30, 2013, the Company has paid $480,000 from the inception of this lease.

c) a lease of patented lode 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 of $500,000 is payable by way of the 3% NSR production royalty. As of September 30, 2013, the Company has paid $95,000 from the inception of this 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 (all of which minimum royalties are recoverable from production royalties). The Company is required to pay the lessor the sum of $250,000 upon making a positive production decision, payable $125,000 within 120 days of the decision and $125,000 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. As of September 30, 2013, the Company has paid $68,000 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. DERIVATIVE LIABILITY

During 2011, the Company acquired certain mining claims and related rights in the vicinity of the Livengood Gold Project located near Fairbanks, Alaska. The aggregate consideration for the claims and rights was $13,500,000 in cash plus an additional contingent payment based on the five-year average daily gold price ("Average Gold Price") from the date of the acquisition. The contingent payment will equal $23,148 for every dollar that the Average Gold Price exceeds $720 per troy ounce. If the Average Gold Price is less than $720, there will be no additional contingent payment.

At initial recognition on December 13, 2011 the derivative liability was valued at $23,100,000. The key assumption used in the valuation of the derivative is the estimate of the future Average Gold Price. The estimate of the future Average Gold Price was determined using a forward curve on future gold prices as published by the CME Group. The CME Group represents the merger of the Chicago Mercantile Exchange (CME), the Chicago Board of Trade (CBOT), the New York Mercantile Exchange (NYMEX) and its commodity exchange division, Commodity Exchange, Inc. (COMEX). Using this forward curve, the Company estimated an Average Gold Price based on actual gold prices to September 30, 2013 and projected gold prices from September 30, 2013 to the end of the five year period in December 2016 of $1,441 per ounce of gold.

The fair value of the derivative liability and the estimated Average Gold Price are as follows:

	Fair Value	Average Gold Price ($/oz.)
Derivative value at December 31, 2012	$ 22,400,000	$ 1,688
Unrealized (gain) loss for the period	(5,700,000)	
Derivative value at September 30, 2013	$ 16,700,000	$ 1,441

6. SHARE CAPITAL

Authorized
500,000,000 common shares without par value. At September 30, 2013 and December 31, 2012 there were 98,068,638 shares issued and outstanding.

Stock options
The Company has adopted an incentive stock option plan (the "2006 Plan"). The essential elements of the 2006 Plan provide that the aggregate number of common shares of the Company's capital stock that may be made issuable pursuant to options granted under the 2006 Plan 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 2006 Plan will have a maximum term of ten years. The exercise price of options granted under the 2006 Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted under applicable stock exchange policies), or such other price as may be agreed to by the Company and

accepted by the Toronto Stock Exchange. Options granted under the 2006 Plan vest immediately, unless otherwise determined by the directors of the Company at the date of grant.

On March 14, 2013, the Company granted incentive stock options to certain officers, employees and consultants of the Company to purchase an aggregate of 613,000 common shares in the capital stock of the Company. The options are exercisable on or before March 14, 2018 at a price of C$2.18 per share and will vest as to 204,328 shares on March 14, 2013; 204,328 shares on March 14, 2014; and the balance on March 14, 2015.

A summary of the status of the stock option plan as of September 30, 2013, and December 31, 2012 and changes is presented below:

	Nine Months Ended September 30, 2013		**Year Ended December 31, 2012**	
	Number of Options	Weighted Average Exercise Price (C$)	Number of Options	Weighted Average Exercise Price (C$)
Balance, beginning of the period	8,570,000	$ 4.73	7,215,000	$ 7.48
Granted	613,000	$ 2.18	6,380,000	$ 3.26
Exercised	-	$ -	-	$ -
Expired	(1,040,000)	$ 7.78	(4,050,000)	$ 7.16
Cancelled	(1,100,000)	$ 8.27	(975,000)	$ 5.42
Forfeited	(300,000)	$ 3.17	-	$ -
Balance, end of the period	6,743,000	$ 3.52	8,570,000	$ 4.73

The weighted average remaining life of options outstanding at September 30, 2013 was 3.86 years.

Stock options outstanding are as follows:

	September 30, 2013			**December 31, 2012**		
Expiry Date	Exercise Price (C$)	Number of Options	Exercisable	Exercise Price (C$)	Number of Options	Exercisable
January 10, 2013	-	-	-	$ 9.15	190,000	190,000
July 28, 2013	-	-	-	$ 7.47	950,000	950,000
May 9, 2016	-	-	-	$ 8.35	1,000,000	666,666
August 23, 2016	$ 8.07	600,000	600,000	$ 8.07	600,000	400,000
November 15, 2016	$ 5.64	100,000	66,666	$ 5.64	100,000	66,666
January 9, 2017	$ 4.60	30,000	20,000	$ 4.60	30,000	10,000
August 24, 2017	$ 3.17	4,400,000	2,933,321	$ 3.17	4,700,000	1,566,655
September 19, 2017	$ 2.91	1,000,000	666,666	$ 2.91	1,000,000	333,333
March 14, 2018	$ 2.18	613,000	204,328	-	-	-
		6,743,000	4,490,981		8,570,000	4,183,320

A summary of the non-vested options as of September 30, 2013 and changes during the nine months ended September 30, 2013 is as follows:

Non-vested options:	Number of options	Weighted average grant-date fair value (C$)
Outstanding at December 31, 2012	4,386,680	$ 2.05
Granted	613,000	0.50
Vested	(2,547,660)	2.27
Forfeited	(200,001)	1.61
Outstanding at September 30, 2013	2,252,019	$ 1.41

At September 30, 2013 there was unrecognized compensation expense of C$1,424,476 related to non-vested options outstanding. The cost is expected to be recognized over a weighted-average remaining period of approximately 0.92 years.

Share-based payments
During the nine month period ended September 30, 2013, the Company granted an aggregate of 613,000 stock options with a fair value of C$304,585 calculated using the Black-Scholes option pricing model. Share-based payment charges for the nine months ended September 30, 2013 totaled $3,654,224.

During the nine month period ended September 30, 2012, the Company granted an aggregate of 6,380,000 stock options with a fair value of C$10,688,119 calculated using the Black-Scholes option pricing model. Share-based payment charges for the nine months ended September 30, 2012 totaled $7,184,159.

The following weighted average assumptions were used for the Black-Scholes option pricing model calculations:

	September 30, 2013	**December 31, 2012**
Expected life of options	4 years	4 years
Risk-free interest rate	1.29%	1.32%
Annualized volatility	59.48%	67.68%
Dividend rate	0.00%	0.00%
Exercise price (C$)	$2.18	$3.26

The expected volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

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**
September 30, 2013			
Capitalized acquisition costs	$ -	$ 55,173,564	$ 55,173,564
Property and equipment	12,564	60,788	73,352
Current assets	15,661,511	1,706,502	17,368,013
Total assets	15,674,075	56,940,854	72,614,929
December 31, 2012			
Capitalized acquisition costs	$ -	$ 55,173,564	$ 55,173,564
Property and equipment	14,317	75,397	89,714
Current assets	29,046,485	2,377,581	31,424,066
Total assets	$ 29,060,802	$ 57,626,542	$ 86,687,344

Three months ended	**September 30, 2013**	**September 30, 2012**
Net loss for the period – Canada	$ (1,430,485)	$ (5,346,486)
Net loss for the period - United States	(2,694,276)	(19,687,294)
Net loss for the period	$ (4,124,761)	$ (25,033,780)

Nine months ended	**September 30, 2013**	**September 30, 2012**
Net loss for the period – Canada	$ (4,369,867)	$ (8,690,609)
Net loss for the period - United States	(4,460,226)	(40,694,456)
Net loss for the period	$ (8,830,093)	$ (49,385,065)

8. COMMITMENTS

The following table discloses, as of September 30, 2013, the Company's contractual obligations including optional mineral property payments and work commitments and committed office and equipment lease obligations. Under the terms of the Company's mineral property purchase agreements, mineral leases and the terms of the unpatented mineral claims held by it, 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 expenditures, 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 no other lease purchase or royalty buyout options:

	Payments Due by Year							
	2013	2014	2015	2016	2017	2018	2019 and beyond	Total
Livengood Property Purchase[(1)]	$ -	$ -	$ -	$ 16,700,000	$ -	$ -	$ -	$ 16,700,000
Mineral Property Leases[(2)]	-	401,236	405,979	410,794	415,681	425,641	430,676	2,490,007
Mining Claim Government Fees	54,810	89,110	89,110	89,110	89,110	89,110	89,110	589,470
Office and Equipment Lease Obligations	55,554	206,263	78,960	362	362	362	362	342,225
Total	$ 110,364	$ 696,609	$ 574,049	$ 17,200,266	$ 505,153	$ 515,113	$ 520,148	$ 20,121,702

1. The amount payable in December 2016 of $16,700,000 represents the fair value of the Company's derivative liability as at September 30, 2013 and will be revalued at each subsequent reporting period. See note 5.
2. Does not include required work expenditures, as it is assumed that the required expenditure level is significantly below the work for which 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.

9. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended September 30, 2013	**Nine months ended September 30, 2012**
Income taxes paid	$ -	$ 150,282