



**2019 ANNUAL REPORT TO SHAREHOLDERS**

April 7, 2020

Dear Fellow Shareholders:

On behalf of International Tower Hill Mines Ltd. (“ITH” or the “Company”), I am pleased to provide this update on our Livengood Gold Project. As I write this, we all are becoming impacted by the global pandemic to some degree. Considering the relative strength of the gold market both prior to and extending into this tumultuous period, and as I ponder the extraordinary monetary and fiscal response from governments and central banks around the world that inevitably put fiat currency at risk, I become even more convinced that ITH provides a compelling and somewhat unique investment opportunity. We refer to it as the Livengood advantage, LARGE, as in our 11.5 million ounce gold resource, LOCATION, as on the road system in the middle of a mining district in central Alaska, the 2<sup>nd</sup> largest gold mining state in the United States, and LEVERAGE, to the price of gold. Regarding leverage for example, if we assume 6.8 million ounce production over 23 years, every \$100/ounce increase in the gold price would increase project revenue NPV@5% basis by approximately \$428 million, or approximately \$2.25 per current share.

### ***2019 Summary***

During 2019, the Company continued to evaluate opportunities with the potential for optimizing gold recovery and reducing the costs of building and operating a mine at the Project. Outside engineering consultants were retained to conduct additional metallurgical tests and engineering, including working to optimize the flowsheet. Approximately 2,000 kg of metallurgical composites were processed at SGS Vancouver to evaluate optimum grind size and to determine whether different recovery parameters should be applied to different areas of the orebody. ITH also continued to advance environmental baseline efforts that will be needed to support future permitting.

### ***2020 Plans***

Last month, ITH announced a 2020 budget of \$2.6 million and work program for the year. This program will build upon the previous metallurgical studies and will continue to define and de-risk the project flowsheet. This work will include completion of the final stages of the Phase 12 metallurgical program at SGS Vancouver and will be guided by BBA Inc. The work program will also advance the baseline environmental data collection in critical areas of hydrology and waste rock geochemical characterization, needed to support future permitting, as well as advance community engagement.

The Company had \$6.8 million in working capital as of December 31, 2019. We believe that the appropriately focused work program will allow an opportunity for the gold market to evolve and reward patient investors.

The 2020 Annual General and Special Meeting (the “AGSM”) of shareholders will be held on Wednesday, May 27, 2020 at 8:45 a.m., Alaska Daylight Time, at the Company’s Fairbanks office, located at 506 Gaffney Road, Suite 200, Fairbanks, Alaska, 99701. The Notice of Meeting and Information Circular/Proxy Statement for the AGSM have been sent or otherwise made available to you and, as these documents contain important information, you are encouraged to read them carefully.

**Due to the fact that travel restrictions may preclude you from travelling to the meeting and restrictions on social gathering place constraints on in-person meetings, you are strongly encouraged and advised to submit your proxy by the proxy deadline (9:00 a.m. Alaska Daylight Time / 1:00 p.m. Eastern Daylight Time) on Monday, May 25, 2020 rather than attending the meeting. As a result of travel and gathering restrictions, a dedicated phone line (800-315-6338 or +1-913-904-9376, access code 82800) will be available for shareholders to listen to the meeting.**

Please feel free to contact us through our website at [www.ithmines.com](http://www.ithmines.com) or by calling us at 1-855-428-2825.

Sincerely,

/s/ Karl L. Hanneman

Karl L. Hanneman

Chief Executive Officer

International Tower Hill Mines Ltd.

## **FORWARD LOOKING STATEMENTS**

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This annual report contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. All statements, other than statements of historical fact, included herein, including statements with respect to the ability of the Company to advance the Livengood Project, whether incrementally or at all, the expectation that the proceeds from the March 2018 private placement may fund the Company for several years, the potential development of any mine at Livengood, business and financing plans and business trends are forward-looking statements. Information concerning mineral reserve/resource estimates and the economic analysis thereof contained in the April 2017 NI 43-101 also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered, and the results of mining it, if a mineral deposit were developed and mined. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, proposed, planned, potential and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the inability of the Company to obtain any necessary permits, consents or authorizations required for its activities, the inability of the Company to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties disclosed in the Company’s annual report on Form 10-K filed with the United States Securities and Exchange Commission (the “SEC”) and filed as the Company’s Annual Information Form filed with certain securities commissions in Canada, and other information released by the Company and filed with the appropriate regulatory agencies. All of the Company’s Canadian public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and its United States public disclosure filings may be accessed via [www.sec.gov](http://www.sec.gov), and readers are urged to review these materials, including the latest technical report filed with respect to the Company’s Livengood property.

### **Cautionary Note Regarding References to Resources and Reserves**

National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource and reserve estimates contained in or incorporated by reference in this annual report have been prepared in accordance with NI 43-101 and the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resource and Mineral Reserves, adopted by the CIM Council on May 10, 2014 (the “CIM Standards”) as they may be amended from time to time by the CIM.

United States shareholders are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements and terminology of the SEC set forth in the SEC’s Industry Guide 7 (“SEC Industry Guide 7”). Accordingly, the Company’s disclosures regarding mineralization may not be comparable to similar information disclosed by companies subject to SEC Industry Guide 7. Without limiting the foregoing, while the terms “mineral resources”, “inferred mineral resources”, “indicated mineral resources” and “measured mineral resources” are recognized and required by NI 43-101 and the CIM Standards, they are not recognized by the SEC and are not permitted to be used in documents filed with the SEC by companies subject to SEC Industry Guide 7.

Mineral resources which are not mineral reserves do not have demonstrated economic viability, and investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves. The estimated resources for the Livengood Project include “inferred mineral resources” that have a great amount of uncertainty as to their existence, and are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that such inferred mineral resources at the Livengood Project will ever be realized. Further, it cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility study, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant “reserves” as in-place tonnage and grade without reference to unit amounts. The term “contained ounces” is not permitted under the rules of SEC Industry Guide 7. In addition, the NI 43-101 and CIM Standards definition of a “reserve” differs from the definition in SEC Industry Guide 7. In SEC Industry Guide 7, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, and a “final” or “bankable” feasibility study is required to report reserves, the three-year historical price is used in any reserve or cash flow analysis of designated reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

## **TOTAL SHAREHOLDER RETURN PERFORMANCE**

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The Total Shareholder Return Performance graph can be found at page 26 of the Company’s Information Circular/Proxy Statement prepared in connection with the AGSM.

## DIRECTORS AND OFFICERS

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### BOARD OF DIRECTORS

**Marcelo Kim, Chair**  
*Chair and Partner, Paulson & Co.*

**Stephen A. Lang**  
*Lead Independent Director and  
Former President and CEO,  
Centerra Gold Inc.*

**Damola Adamolekun**  
*Vice President, Paulson & Co.*

**Anton J. Drescher**  
*President, Harbour Pacific Capital  
Corp.*

**Karl L. Hanneman**  
*CEO, International Tower Hill  
Mines Ltd.*

**Stuart A. Harshaw**  
*Formerly V.P. of Ontario  
Operations, Vale Ltd.*

**Thomas S. Weng**  
*Co-Founding Partner, Alta Capital  
Partners*

### EXECUTIVE OFFICERS

**Karl L. Hanneman**  
*Chief Executive Officer*

**David A. Cross**  
*Chief Financial Officer*

### CORPORATE INFORMATION

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#### OFFICE LOCATIONS:

##### **VANCOUVER HEAD OFFICE**

1177 West Hastings Street  
Suite 2300  
Vancouver, British Columbia  
Canada V6E 2K3  
Phone: 604-683-6332  
Fax: 604-408-7499  
Toll Free: 855-208-4642

##### **FAIRBANKS OFFICE**

506 Gaffney Road, Suite 200  
Fairbanks, Alaska  
USA 99701  
Phone: 907-328-2800  
Toll Free: 855-428-2825

#### INVESTOR RELATIONS

Copies of International Tower Hill  
Mines Ltd.'s Annual Report are  
available at no charge. Please direct  
requests and other investor relations  
questions to:

International Tower Hill Mines Ltd.  
*Attention: Investor Relations*  
506 Gaffney Road, Suite 200  
Fairbanks, Alaska  
USA 99701  
Phone: 855-428-2825

#### TRANSFER AGENT AND REGISTRAR

##### **Computershare Investor Services Inc.**

510 Burrard Street, 3rd Floor  
Vancouver, British Columbia  
Canada V6C 3B9  
Phone: 604-661-9400  
Fax: 604-661-9549

#### AUDITORS

##### **Davidson & Company LLP**

1200 – 609 Granville Street  
P.O. Box 10372  
Vancouver, British Columbia  
Canada V7Y 1G6

#### CORPORATE COUNSEL

##### **CANADA:**

McCarthy Tétrault LLP  
Suite 2400 - 745 Thurlow Street  
Vancouver, British Columbia  
Canada V6E 0C5

##### **U.S.:**

Hogan Lovells US LLP  
1601 Wewatta Street  
Suite 900  
Denver, Colorado  
USA 80202

#### STOCK EXCHANGE LISTING

NYSE American  
Symbol: **THM**  
TSX  
Symbol: **ITH**

#### ANNUAL MEETING

Wednesday, May 27, 2020  
8:45 a.m. Alaska Daylight Time  
506 Gaffney Road, Suite 200  
Fairbanks, Alaska  
USA 99701



1177 West Hastings Street  
Suite 2300  
Vancouver, British Columbia  
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[www.ithmines.com](http://www.ithmines.com)