



2020 ANNUAL REPORT TO SHAREHOLDERS

April 6, 2021

Dear Fellow Shareholders:

On behalf of International Tower Hill Mines Ltd. (“ITH” or the “Company”), I am pleased to report that during 2020 the Company embarked on a new phase of engineering on the large, highly-levered, and long-life gold asset at our Livengood Gold Project. The Company engaged BBA, Inc. as its lead consultant and retained Whittle Consulting, Resource Modeling, Inc., Resource Development Associates, Easton Process Consulting, and NewFields Companies, LLC to prepare an updated pre-feasibility study (“PFS”) that will further de-risk the project in advance of permitting. The comprehensive study will incorporate new metallurgical results, resource modelling, and other work that has been completed since the previous NI 43-101 report was completed. The Company is expected to release the results of the PFS and the associated NI 43-101 Technical Report in October 2021.

In October 2020, the Company announced that it had raised the full \$10.3 million available pursuant to an At-The-Market (“ATM”) Offering with B. Riley. The Company issued a total of 7,334,513 common shares at an average price of \$1.40 for gross proceeds of \$10.3 million, with the net proceeds of the Offering to be used for working capital and general corporate purposes, including the completion of the previously announced PFS. With each of our three largest shareholders of Paulson & Co. Inc., Sprott Asset Management USA, Inc., and Electrum Strategic Opportunities Fund II L.P. taking their pro-rata share and our fourth largest shareholder electing to increase its participation by several times its pro-rata share, the Company continues to benefit from an exemplary and strong shareholder base that understands the pure-play optionality that the Livengood asset provides.

On January 12, 2021, the Company announced a 2021 budget of \$5.6 million, of which the key element is the completion of the PFS. 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. With \$12.7 million in working capital as of December 31, 2020, the Company is well financed to complete the 2021 work and provide an excellent runway to advance the project beyond the PFS in the best manner for shareholders.

We are now more than a year into the global pandemic and the monetary and fiscal response from the United States government has been no less than astounding. While the injected liquidity has led to higher equity prices in the short run, the evolving entitlement expectations of the population and the inevitable compounding burden of government debt puts fiat currencies at great risk over the long term. ITH offers a somewhat unique investment vehicle for investors who seek to diversify against this risk. ITH is a simple, pure gold opportunity, owning the single large gold asset at Livengood with an 11.5-million-ounce resource in a safe jurisdiction. The deposit is on the paved highway system, close to grid power, in the heart of a mining district in central Alaska that was selected by the State of Alaska for its mineral potential. The excellent environmental, permitting, and operating records of our nearby neighbors, the Kinross Fort Knox mine and the Northern Star Pogo mine, which together have produced more than 12 million ounces, demonstrates that the permitting system works in this “Golden Heart” of Alaska. Livengood remains well positioned to capitalize on strong gold markets.

The 2021 Annual General and Special Meeting (the “AGSM”) of shareholders will be held on Tuesday, May 25, 2021 at 9:00 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 Thursday, May 20, 2021 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 68561) will be available for shareholders to listen to the meeting.

On behalf of the Company, I thank you for being a shareholder. Please feel free to contact us through our website at 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

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 and its United States public disclosure filings may be accessed via 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

The Total Shareholder Return Performance graph can be found at page 28 of the Company’s Information Circular/Proxy Statement prepared in connection with the AGSM.

DIRECTORS AND OFFICERS

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.*

Christopher Papagianis
Partner, 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

OFFICE LOCATIONS:

VANCOUVER HEAD OFFICE

Suite 2710 - 200 Granville Street
Vancouver, British Columbia
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Phone: 604-683-6332
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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

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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

Tuesday, May 25, 2021

9:00 a.m. Alaska Daylight Time

506 Gaffney Road, Suite 200

Fairbanks, Alaska

USA 99701



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www.ithmines.com