



Suite 1920
1188 West Georgia St.
Vancouver, BC
Canada V6E 4A2

TEL 604.683.6332
FAX 604.408.7499
www.ithmines.com
TSX: ITH | NYSE-A: THM

AMENDED ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED
MAY 31, 2010

November 2, 2010

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PRELIMINARY NOTES

Documents Incorporated by Reference

Incorporated by reference into this Annual Information Form (“AIF”) are the following documents:

- (a) Consolidated Audited Financial Statements of the Company for the year ended May 31, 2010 (“Financial Statements”);
- (b) Management Discussion and Analysis of the Company for the year ended May 31, 2010 dated August 23, 2010 (“MD&A”);
- (c) Management Information Circular dated October 12, 2010 in respect of the 2010 Annual General Meeting (“2010 Information Circular”);
- (d) Management Information Circular dated July 9, 2010 in respect of a special general meeting of the shareholders of the Company held on August 12, 2010 (“2010 Information Circular”) and
- (e) Technical report dated November 1, 2010 entitled “November 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” by Tim Carew (P.Geo), William Pennstrom Jr. M.A. (QPMMSA), John Bell (ProfGradIMMM) and Quinton de Klerk (AUSIMM) (the “Livengood Report”)

copies of each of which may be obtained online from SEDAR at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

All financial information in this AIF is prepared in accordance with generally accepted accounting principles in Canada.

Date of Information

All information in this AIF is as of May 31, 2010 unless otherwise indicated.

Currency and Exchange Rates

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated. The Company’s accounts are maintained in Canadian dollars and the Company’s financial statements are prepared in accordance with generally accepted accounting principles in Canada. All references to “U.S. dollars”, “USD” or to “US\$” are to United States dollars.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods

based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

Canadian Dollars to U.S. Dollars	Year Ended May 31		
	2010	2009	2008
Rate at end of period	0.9558	0.9123	1.0058
Average rate for period	0.9405	0.8649	0.9860
High for period	1.0039	0.9987	1.0905
Low for period	0.8580	0.7692	0.9298

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

1 mile = 1.609 kilometres

1 acre = 0.405 hectares

2,204.62 pounds = 1 metric ton = 1 tonne

2000 pounds (1 short ton) = 0.907 tonnes

1 ounce (troy) = 31.103 grams

1 ounce (troy)/ton = 34.2857 grams/tonne

Terms used and not defined in this AIF that are defined in National Instrument 51-102 “Continuous Disclosure Obligations” shall bear that definition. Other definitions are set out in National Instrument 14-101 “Definitions”.

Forward-Looking Statements

This AIF contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Information concerning mineral resource estimates also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and specifically in respect of the Livengood project;
- the potential for the expansion of the estimated resources at Livengood;
- the potential for a production decision concerning, and any production at, the Livengood project;
- the completion of a Pre-feasibility Study for the Livengood project;
- the potential for higher grade mineralization to form the basis for a starter pit component in any production scenario at Livengood;
- the potential low strip ratio of the Livengood deposit being amenable for low cost open pit mining that could support a high production rate and economies of scale;
- the potential for cost savings due to the high gravity concentration component of some of the Livengood mineralization;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's ongoing exploration program at Livengood;
- the Company's estimates of the quality and quantity of the resources at its mineral properties;
- the timing and cost of the planned future exploration programs at Livengood, and the timing of the receipt of results therefrom;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the results of the Preliminary Assessment as described under "Narrative Description of the Business - Material Mineral Projects – Livengood Project, Alaska"; and
- the ability of the Company to continue to refine the project economics for the Livengood project, including by increasing proposed production and shortening the proposed mine life.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to identify one or more economic deposits on its properties, 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 Company's inability to obtain any necessary permits, consents or authorizations required for its activities, 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 identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this AIF. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of gold;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration and potential development program at Livengood;
- conditions in the financial markets generally;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favourable terms in connection with not only its ongoing exploration program at Livengood but also in connection with the completion of its pre-feasibility study and in connection with any feasibility study that may be commissioned;
- the Company's ability to attract and retain key staff, particularly in connection with the carrying out of a feasibility study and the development of any mine at Livengood;
- the accuracy of the Company's resource estimates (including with respect to size and grade) and the geological, operational and price assumptions on which these are based;
- the timing of the ability to commence and complete the planned work at Livengood;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs at Livengood and the Company's ability to comply with such terms on a safe and cost-effective basis;
- the ongoing relations of the Company with its underlying lessors and the applicable regulatory agencies;
- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole;
- the continued development of and potential construction of any mine at the Livengood property not requiring consents, approvals, authorizations or permits that are materially different from those identified to date by the Company; and
- the timetables for the completion of a pre-feasibility study at Livengood and for any feasibility study that may be commissioned.

In addition, in carrying out the Preliminary Assessment with respect to the Livengood project, as described under "Narrative Description of the Business - Material Mineral Properties – Livengood Project, Alaska" a number of assumptions have been made, which are more particularly described in that section.

These forward looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Caution Regarding Adjacent or Similar Mineral Properties

This AIF contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises US investors that the mining guidelines of the US Securities and Exchange Commission (the “SEC”) set forth in the SEC’s Industry Guide 7 (“SEC Industry Guide 7”) strictly prohibit information of this type in documents filed with the SEC. As a foreign private issuer preparing this AIF pursuant to Canadian disclosure requirements under the Canada-U.S. Multi-Jurisdictional Disclosure System, this AIF is not subject to the requirements of SEC Industry Guide 7. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company’s properties.

Caution Regarding Reference to Resources and Reserves

National Instrument 43-101 Standards of Disclosure of 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 reserve and resource estimates contained in or incorporated by reference in this AIF 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 November 14, 2004 (the “CIM Standards”) as they may be amended from time to time by the CIM.

United States investors are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements and terminology set forth in 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 US investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. 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. 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. See “Glossary of Terms”.

Glossary of Terms

The following is a glossary of certain mining terms used in this Annual Information Form.

“ adit ”	A passage driven horizontally into a mountainside providing access to a mineral deposit from the surface of the working of a mine
“ Ag ”	Silver
“ alteration ”	Changes in the chemical or mineralogical composition of a rock, generally produced by weathering or hydrothermal solutions
“ anomalous ”	Departing from the expected or normal
“ anomaly ”	A geological feature, especially in the subsurface, distinguished by geological, geophysical or geochemical means, which is different from the general surroundings and is often of potential economic value
“ As ”	Arsenic
“ Au ”	Gold
“ basalt ”	A dark coloured igneous rock, commonly extrusive – the fine grained equivalent of gabbro
“ batholith ”	A large, generally discordant plutonic mass that has more than 100 square kilometres of surface exposure and no known floor
“ biotite ”	A common rock forming mineral of the mica group
“ Board ”	The board of directors of ITH
“ breccia ”	Angular broken rock fragments held together by a mineral cement or a fine-grained matrix
“ BCBCA ”	<i>Business Corporations Act</i> (British Columbia), ITH’s governing statute
“ chert ”	A hard, dense microcrystalline or cryptocrystalline sedimentary rock, consisting chiefly of interlocking crystals of quartz less than about 30 microns in diameter
“ chip sample ”	A series of small pieces of ore or rock taken at regular intervals across a vein or exposure
“ CIP ”	“Carbon-in-pulp” - a method of recovering gold and silver from pregnant cyanide solutions by adsorbing the precious metals to granules of activated carbon, which are typically ground up coconut shells.
“ clastic ”	Pertaining to a rock or sediment composed principally of fragments derived from pre-existing rocks or minerals and transported some distance from their places of origin; also said of the texture of such a rock
“ cm ”	Centimetres

“Common Shares”	The common shares without par value in the capital stock of ITH as the same are constituted on the date hereof
“conglomerate”	A coarse grained clastic sedimentary rock, composed of rounded to sub-angular fragments larger than 2mm in diameter set in a fine-grained matrix of sand or silt, and commonly cemented by calcium carbonate, iron oxide, silica or hardened clay
“Corvus”	Corvus Gold Inc., a wholly owned subsidiary of ITH subsisting under the laws of British Columbia
“Cu”	Copper
“cutoff grade”	The lowest grade of mineralized material that qualifies as ore in a given deposit, that is, material of the lowest assay value that is included in a resource/reserve estimate
“deformation”	A general term for the processes of folding, faulting, shearing, compression, or extension of rocks as a result of various earth forces
“deposit”	A mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing reserves or ore, unless final legal, technical and economic factors are resolved
“diamond drill”	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter
“dip”	The angle that a stratum or any planar feature makes with the horizontal, measured perpendicular to the strike and in the vertical plane
“dike”	A tabular body of igneous rock that cuts across the structure of adjacent rocks or cuts massive rocks
“Director”	A member of the Board of Directors of ITH
“disseminated”	Fine particles of mineral dispersed throughout the enclosing rock
“distal”	Said of an ore deposit formed at a considerable distance (e.g. tens of kilometres) from the volcanic source from which its constituents have been derived
“drift”	A horizontal tunnel driven along or parallel to the strike of the orebody, for the extraction or exploration of minerals
“epigenetic”	Said of a mineral deposit of origin later than that of the enclosing rocks

“epithermal”	Said of a hydrothermal mineral deposit formed within about 1 kilometre of the earth’s surface and in the temperature range of 50-200° C, occurring mainly as veins
“executive officer”	When used in relation to any issuer (including the Company) means an individual who is: <ul style="list-style-type: none">(a) a chair, vice chair or president;(b) a vice-president in charge of a principal business unit, division or function, including sales, finance or production; or(c) performing a policy-making function in respect of the issuer
“exsolved”	Said of a substance that has undergone “exsolution”, being the process of the separation of an initially homogenous solution into at least two different crystalline minerals without the addition or removal of any materials – usually occurs upon cooling
“felsic”	An igneous rock having abundant light coloured minerals, also, applied to those minerals (quartz, feldspars, feldspathoids, muscovite) as a group
“footwall”	The mass of rock beneath a fault, orebody or mine working; especially the wall rock beneath an inclined vein or fault
“g/t”	Grams per metric tonne
“gabbro”	A group of dark coloured, basic intrusive igneous rocks – the approximate intrusive equivalent of basalt
“gneiss”	A foliated rock formed by regional metamorphism, in which bands or lenticles of granular materials alternate with bands or lenticles of minerals with flaky or elongate prismatic habit – mineral composition is not an essential factor in its definition
“grab sample”	A sample composed of one or more pieces of rock, collected from a mineralized zone that, when analyzed, do not represent a particular width of mineralization nor necessarily the true mineral concentration of any larger portion of a mineralized zone
“grade”	To contain a particular quantity of ore or mineral, relative to other constituents, in a specified quantity of rock
“hanging wall”	The overlying side of an orebody, fault or mine working; especially the wall rock above an inclined vein or fault
“heap leaching”	A method of recovering minerals from ore whereby crushed rock is stacked on a non-porous liner and an appropriate chemical solution is sprayed on the top of the pile (the “heap”) and allowed to percolate down through the crushed rock, dissolving the desired mineral(s) as it does so. The chemical solution is then collected from the base of the heap and is treated to remove the dissolved mineral(s)

“host”	A rock or mineral that is older than rocks or minerals introduced into it or formed within it
“host rock”	A body of rock serving as a host for other rocks or for mineral deposits, or any rock in which ore deposits occur
“hydrothermal”	A term pertaining to hot aqueous solutions of magmatic origin which may transport metals and minerals in solution
“ITH”	International Tower Hill Mines Ltd., a company subsisting under the laws of British Columbia
“intrusion”	The process of the emplacement of magma in pre-existing rock, magmatic activity. Also, the igneous rock mass so formed
“intrusive”	Of or pertaining to intrusion, both the process and the rock so formed
“km”	Kilometres
“m”	Metres
“mm”	Millimetres
“mafic”	Said of an igneous rock composed chiefly of dark, ferromagnesian minerals, also, said of those minerals
“magma”	Naturally occurring molten rock material, generated within the earth and capable of intrusion and extrusion, from which igneous rocks have been derived through solidification and related processes
“magmatic”	Of, or pertaining to, or derived from, magma
“massive”	Said of a mineral deposit, especially of sulphides, characterized by a great concentration of ore in one place, as opposed to a disseminated or veinlike deposit
“mesothermal”	Said of a hydrothermal mineral deposit formed at considerable depth and in the temperature range of 200 - 300° Centigrade, also, said of that environment
“metallogeny”	The study of the genesis of mineral deposits, with emphasis on their relationship in space and time to regional petrographic and tectonic features of the earth’s crust
“Moz”	Million ounces
“mineral reserve”	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined and processed

“mineral resource”	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The term “mineral resource” covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which mineral reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase “reasonable prospects for economic extraction” implies a judgement by a qualified person (as that term is defined in NI 43-101) in respect of the technical and economic factors likely to influence the prospect of economic extraction. A mineral resource is an inventory of mineralization that, under realistically assumed and justifiable technical and economic conditions, might become economically extractable
“mineralization”	The concentration of metals and their chemical compounds within a body of rock
“National Instrument 43-101”/ “NI 43-101”	National Instrument 43-101 of the Canadian Securities Administrators entitled “Standards of Disclosure for Mineral Projects”
“NSR”	Net smelter return
“NYSE-A”	NYSE Amex Equities (formerly, the American Stock Exchange)
“ophiolite”	An assemblage of mafic and ultramafic igneous rocks ranging from spilite and basalt to gabbro and peridotite, and always derived from them by later metamorphism, whose origin is associated with an early phase of the development of a geosyncline
“orogeny”	The process of natural mountain building, which may be studied as a tectonic structural event, as a geographical event and a chronological event, in that orogenic events cause distinctive structural phenomena and related tectonic activity, affect certain regions of rocks and crust and happen within a time frame
“outcrop”	That portion of a geologic formation or structure that appears at the surface of the earth; also, bedrock that is covered by surficial deposits such as alluvium
“plunge”	The inclination of a fold axis or other linear feature, measured in the vertical plane
“PPB” or “ppb”	Parts per billion
“PPM or “ppm”	Parts per million
“pyroclastic”	Pertaining to clastic rock material formed by volcanic explosion or aerial expulsion from a volcanic vent; also, pertaining to rock texture of explosive origin

“quartzite”	A granoblastic metamorphic rock consisting mainly of quartz, formed by recrystallization of sandstone by regional or thermal metamorphism
“Raven Gold”	Raven Gold Alaska Inc., a wholly owned subsidiary of Corvus subsisting under the laws of Alaska
“relict texture”	In mineral deposits, an original texture that remains after total or partial replacement
“reverse circulation drilling”	A method of drilling whereby rock cuttings generated by the drill bit are flushed up from the bit face to the surface through the drill rods by air or drilling fluids for collection and analysis
“Sb”	Antimony
“schist”	A strongly foliated crystalline rock, formed by dynamic metamorphism, that has well developed parallelism of more than 50% of the minerals present
“sedimentary”	Pertaining to or containing sediment (typically, solid fragmental material transported and deposited by wind, water or ice that forms in layers in loose unconsolidated form), or formed by its deposition
“shear zone”	A tabular zone of rock that has been crushed and brecciated by many parallel fractures due to shear strain (often mineralized by ore-forming solutions)
“silicification”	The introduction of, or replacement by, silica (especially in the form of fine-grained quartz, chalcedony or opal) which may fill pores and replace existing minerals (<i>adj.</i> : silicified)
“sill”	A tabular igneous intrusion that parallels the planar structure of the surrounding rock
“stock”	An igneous intrusion that is less than 100 square kilometres in surface exposure, is usually but not always discordant, and resembles a batholith except in size
“stockwork”	A mineral deposit consisting of a three-dimensional network of irregular veinlets closely enough spaced that the whole mass can be mined
“strike”	The direction taken by a structural surface
“tabular”	Said of a feature having two dimensions that are much larger or longer than the third, or of a geomorphic feature having a flat surface, such as a plateau
“Talon Alaska”	Talon Gold Alaska, Inc., a wholly owned subsidiary of ITH subsisting under the laws of Alaska
“Talon Gold”	Talon Gold (US) LLC, a wholly owned subsidiary of Talon Alaska subsisting under the laws of Colorado
“Talon Nevada”	Talon Gold Nevada Inc., a wholly owned subsidiary of ITH subsisting under the laws of Nevada

“tectonic”	Pertaining to the forces involved in, or the resulting structures of, tectonics
“tectonics”	A branch of geology dealing with the broad architecture of the outer part of the earth, that is, the major structural or deformational features and their relations, origin and historical evolution
“terrane”	A term applied to a rock or group of rocks and to the area in which they crop out
“tuff”	A general term for all consolidated pyroclastic rocks
“thrust sheet”	The body of rock above a large-scale thrust fault whose surface is horizontal or very gently dipping
“TSX”	Toronto Stock Exchange
“TSXV”	TSX Venture Exchange
“ultramafic”	Said of an igneous rock composed chiefly of mafic minerals
“vein”	An epigenetic mineral filling of a fault or other fracture, in tabular or sheetlike form, often with the associated replacement of the host rock; also, a mineral deposit of this form and origin
“volcaniclastic”	Pertaining to a clastic rock containing volcanic material in whatever proportion, and without regard to its origin or environment

ITEM 3: CORPORATE STRUCTURE

Name, Address and Incorporation

ITH was incorporated under the *Company Act* (British Columbia) under the name “Ashnola Mining Company Ltd.” on May 26, 1978. ITH’s name was changed to “Tower Hill Mines Ltd.” on June 1, 1988, and subsequently changed to “International Tower Hill Mines Ltd.” on March 15, 1991. ITH has been transitioned under, and is now governed by, the BCBCA. On October 11, 2005, ITH filed a transition application under the BCBCA, reflecting the adoption by the shareholders, on October 29, 2004, of a new form of Articles to govern the affairs of ITH in substitution for the original articles adopted under the old *Company Act* (B.C.) and reflecting the increased flexibility available to companies under the BCBCA. A copy of the new Articles is available on SEDAR at www.sedar.com. On November 15, 2005, the shareholders resolved to amend the Articles to increase the authorized capital from 20,000,000 common shares without par value to 500,000,000 common shares without par value. A Notice of Articles in respect of such increase was filed on April 20, 2006, at which time such increase in authorized capital became effective.

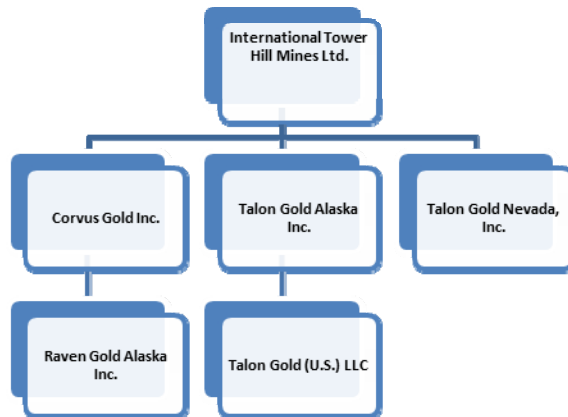
The head office and principal business address of ITH is located at Suite 1920 – 1188 West Georgia Street, Vancouver, British Columbia, CANADA V6E 4A23, and its registered and records office is located at Suite 2300, Four Bentall Centre, 1055 Dunsmuir Street, P.O. Box 49122, Vancouver, B.C. V7X 1J1.

Intercorporate Relationships

ITH has five material subsidiaries:

- (a) Talon Alaska, a corporation incorporated in Alaska on June 27, 2006, which holds all of the Company’s Alaskan properties and is 100% owned by ITH;
- (b) Talon Gold, a limited liability company formed in Colorado on June 27, 2006, which carries on all of the Company’s mineral exploration operations and is wholly owned by Talon Alaska;
- (c) Talon Nevada, a corporation incorporated in Nevada on April 9, 2007, which holds all of the Company’s properties in Nevada and is 100% owned by ITH;
- (d) Corvus, a company incorporated in British Columbia on April 13, 2010 for the purposes of the proposed corporate spinout transaction described herein and presently 100% owned by ITH; and
- (e) Raven Gold, a corporation incorporated in Alaska on July 2, 2009 for the purposes of the proposed corporate spinout transaction described herein and presently 100% owned by Corvus.

The following corporate chart sets forth all of ITH's material subsidiaries:



Throughout this AIF references to the “Company” refer to ITH and its consolidated subsidiaries, Talon Alaska, Talon Gold, Talon Nevada, Corvus and Raven Gold. References to ITH refer to ITH alone.

ITEM 4: GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral properties. The Company currently holds or has the right to acquire interests in a number of mineral properties in Alaska and Nevada, USA. The Company is in the exploration stage as its properties have not yet reached commercial production and none of its properties is beyond the preliminary exploration stage. All work presently planned by the Company is directed at defining mineralization and increasing understanding of the characteristics of, and economics of, that mineralization. **Other than on the Livengood, Terra, LMS and Mayflower (North Bullfrog) properties, there are currently no identified mineral resources, and there are no mineral reserves, on any of the Company's mineral properties.**

Since current management assumed control of ITH in mid-2006, the Company has focussed primarily on the acquisition and exploration of mineral properties in Alaska and, more recently, in Nevada. During the financial years ended May 31, 2007, 2008 and 2009, the Company has acquired by staking, purchase, lease or option (primarily from AngloGold Ashanti (U.S.A.) Exploration Inc. (“AngloGold”) in a transaction which closed on August 4, 2006) interests in a number of mineral properties in Alaska (Livengood, Terra, LMS, BMP, Chisna, Coffee Dome, West Tanana, Gilles, West Pogo, Caribou, Blackshell and South Estelle) and Nevada (North Bullfrog and Painted Hills) that it believes have the potential to host large precious or base metal deposits. Some of these, such as the Painted Hills, Gilles, West Tanana, Caribou and Blackshell properties have, in light of disappointing exploration results, since been dropped or returned to the respective optionors or lessors, and the associated costs written off while others, such as the South Estelle property, have been sold. Since early 2008, the Company's primary focus has been the exploration and advancement of its Livengood project in Alaska and the majority of its resources have been directed to that end. To this end, ITH has undertaken a spin-out arrangement transaction to transfer all of its properties other than Livengood to Corvus and, after such transaction is completed, the sole mineral property held by ITH will be the Livengood Project.

All of the Company's currently proposed exploration is under the jurisdiction of the States of Alaska or Nevada.

In Alaska, low impact, initial stage surface exploration such as stream sediment, soil and rock chip sampling do not require any permits. The State of Alaska requires an APMA (Alaska Placer Mining

Application) exploration permit for all substantial surface disturbances such as trenching, road building and drilling. These permits are also reviewed by related state and federal agencies that can comment and require specific changes to the proposed work plans to minimize impacts on the environment. The permitting process for significant disturbances generally requires 30 days for processing and all work must be bonded. The Company currently has all necessary permits with respect to its exploration activities in Alaska. Although the Company has never had an issue with the timely processing of APMA permits there can be no assurances that delays in permit approval will not occur. Due to the northern climate, exploration work in some areas of Alaska can be limited due to excessive snow cover and cold temperatures. In general, surface sampling work is limited to May through September and surface drilling from March through November, although some locations afford opportunities for year round exploration operations and others, such as wetland areas, may only be explored while frozen in the winter. Mining is conducted in a number of locations in Alaska on a year round basis, both open pit and underground.

In Nevada, as in Alaska, initial stage surface exploration does not require any permits. Notice-level exploration permits (less than 5 acres of disturbance) are required, and in place (through the U.S. Bureau of Land Management) for the North Bullfrog Projects to allow for drilling. In general, exploration activities in Nevada can be carried out on a year-round basis, although some such activities may be adversely affected by the winter climate. Mining is conducted in Nevada on a year round basis, both open pit and underground.

Currently, there are no environmental regulations in either Alaska or Nevada that impact the Company because it is still in the exploration stage. Reclamation work, that is, work done to restore the property to its original state, is minimal because the Company's operations have virtually no environmental impact. The Company's required remedial environmental reclamation work typically consists of slashing underbrush so that wildlife movement is not hampered and basic re-seeding operations.

On May 14, 2010, the Board unanimously approved a proposal to undertake a spin-out transaction to segregate the Company's assets into two separate and highly focused companies. Under the terms of the transaction, the Company will retain all assets relating to the Livengood gold project in Alaska, together with approximately CAD 41 million in working capital. Corvus, a newly incorporated British Columbia company, will hold all of the Company's other existing Alaska and Nevada assets and have approximately CAD 3.3 million in working capital. The transaction is intended to maximize value for ITH's shareholders by creating a new exploration focused company that will work to advance the Company's current advanced to early stage exploration properties (four in Alaska and one in Nevada). Corvus will also actively seek out and acquire new prospects. The Company will concentrate on moving the flagship Livengood project towards feasibility and a potential production decision.

Corvus will initially hold four advanced to early stage projects in Alaska and the North Bullfrog project in Nevada. The primary focus of Corvus will be to leverage its exploration expertise to discover major new gold deposits. Furthermore, Corvus will seek to build a non-operator gold producer with significant carried interests and royalty exposure. To meet this objective, the Company has joint ventured the four Alaskan projects to be transferred to Corvus and anticipates that these projects will have over CAD 8 million in partner funded work taking place in 2010. Corvus will also receive from ITH a 100% interest in the North Bullfrog project in Nevada, which has a number of high priority, bulk tonnage and high-grade vein targets to be addressed with a 10,000 metre drill program scheduled to be carried out by Corvus in Fall 2010. Corvus anticipates adding quality projects to its portfolio to which it can add significant value through exploration.

The proposed transaction will be implemented through a plan of arrangement under the BCBCA. On August 12, 2010, the ITH shareholders voted 99.85% in favour of approving the plan of arrangement,

and on August 20, 2010, the Supreme Court of British Columbia granted the final order approving the plan of arrangement. The transaction is anticipated to become effective on or about August 26, 2010.

Corvus has received the conditional approval of the TSX to list the common shares of Corvus on the TSX. Listing of the common shares is subject to the completion of the arrangement spin-out and compliance with all of the TSX requirements, including receipt by the TSX of all required documentation, by October 26, 2010.

Since June 1, 2009, being the commencement of the Company's last completed fiscal year, the Company has not entered into any significant acquisitions for which disclosure is required under Part 8 of National Instrument 51-102.

ITEM 5: NARRATIVE DESCRIPTION OF THE BUSINESS

General

Summary

The Company currently holds, or has rights to acquire, interests (ranging from 70% to 100%) in several mineral properties (subject, in certain cases, to NSR royalties payable to the original property vendors/lessors) in Alaska and Nevada (Figures 1 and 2). The Company is in the process of evaluating such properties through exploration programs. In all cases, the objective is to evaluate the potential of the subject property and to determine if spending additional funds is warranted (in which case, an appropriate program to advance the property to the next decision point will be formulated and, depending upon available funds, implemented) or not (in which case the property may be offered for option/joint venture or returned to the optionor/lessor). As discussed herein, the Company will be spinning out all of its mineral properties (other than the Livengood Project, Alaska) to Corvus. Following the completion of such spin-out, the Company will focus entirely on the Livengood Project, Alaska.

The Company considers that the Livengood Project, located approximately 115 kilometres north of Fairbanks, Alaska is its only material mineral property at the present time. The progress on, and results of, work programs on the Company's material mineral property is set out in the Mineral Projects section of this AIF.

The Company is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor do any of its current properties (with the exception of the Terra and LMS properties in Alaska which have inferred resources and the Livengood property in Alaska and the Mayflower (North Bullfrog) property in Nevada, which have indicated and inferred resources) have any known or identified mineral resources or mineral reserves. The Company does not propose any method of production at this time.

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs and accounting. Since commencing its current operations in mid 2006, the Company has found that it can locate and retain such employees and consultants and believes it will continue to be able to do so.

All of the raw materials the Company requires to carry on its business are readily available through normal supply or business contracting channels in Canada and the United States. Since commencing current operations in mid 2006, the Company has been able to secure the appropriate personnel, equipment and supplies required to conduct its contemplated programs. While it has experienced difficulty in procuring some equipment – for example, drill equipment – or services – for example, experienced drillers and timely assay laboratory services - in previous years, the recent overall slowdown in the mineral exploration business has resulted in more equipment and services being made available on a timely basis. As a result, the Company does not believe that it will experience any shortages of required personnel, equipment or supplies in the foreseeable future.

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. At the present time, the significant demand for minerals in some countries (notably China) is driving increased base metal commodity prices, and a fear of coming inflation and economic uncertainty are driving higher gold prices, but it is difficult to assess how long such demand may continue.

The Company's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. Rather, the Company's ability to continue making the holding, assessment, lease and option payments necessary to maintain its interest in its mineral projects is of primary concern. The Company does not presently anticipate any difficulties in this regard in the current financial year.

It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

As of August 23, 2010, ITH had one part-time employee and Talon Gold had eight full-time employees. The Company also relies upon consultants and contractors to carry on many of its activities and, in particular, to supervise work programs on its mineral properties. However, as ITH expands its activities, it may choose to hire additional employees rather than relying on consultants.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against ITH, nor is ITH aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by ITH within the three most recently completed financial years or completed or currently proposed for the current financial year.

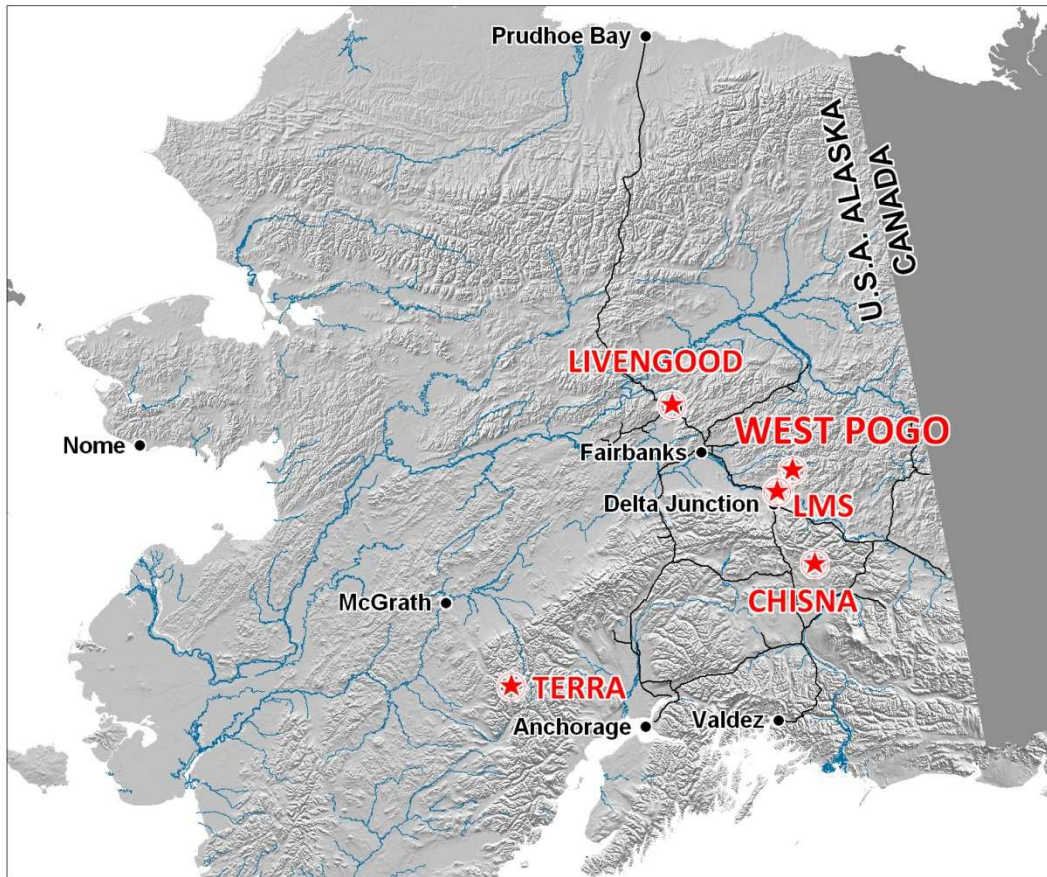


Figure 1: Location of the Company's Alaska Projects

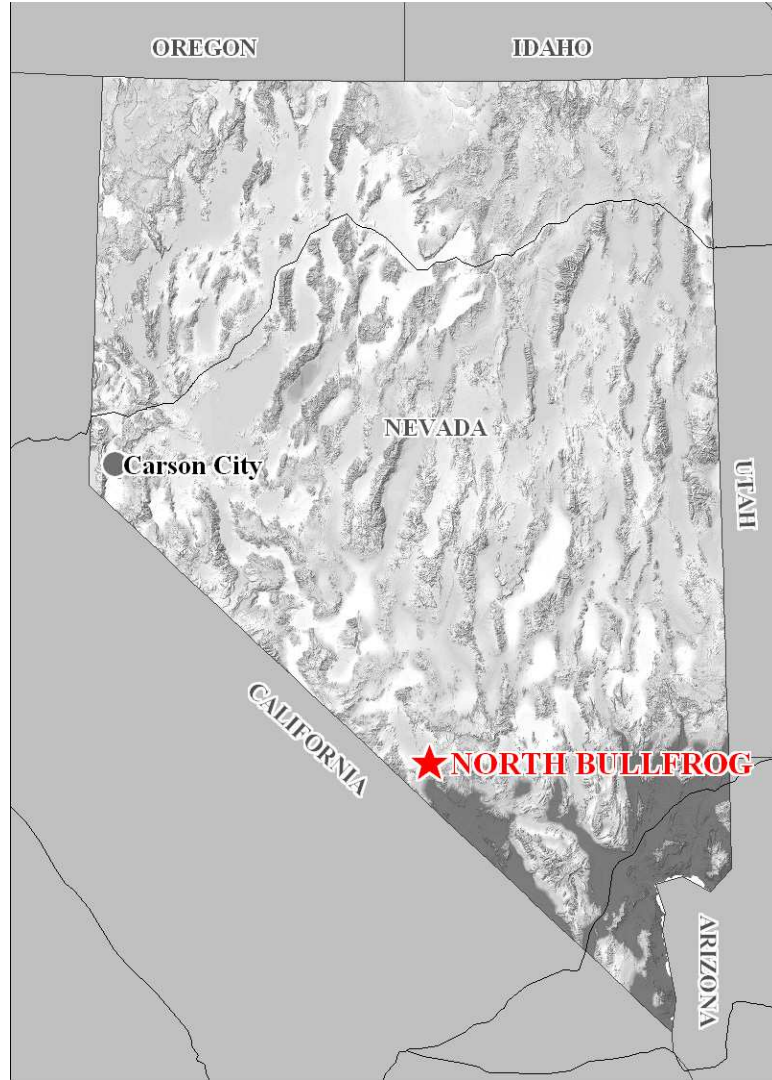


Figure 2: Location of the Company's Nevada Project

Reorganizations

There have been no reorganizations of or involving ITH within the three most recently completed financial years. ITH has proposed a reorganization of its business and assets as described under “Item 4 – General Development of the Business”. The 2010 Information Circular, which provides information concerning the proposed spin-out of Corvus by way of corporate arrangement under the BCBCA, is specifically incorporated by reference herein, and readers are referred to the 2010 Information Circular for a complete description of the proposed spin-out transaction and details of each of the Company and Corvus following the completion thereof.

The proposed spin-out transaction was approved by the shareholders of ITH on August 12, 2010, and the final order of the Supreme Court of British Columbia approving the plan of arrangement under the BCBCA to implement the transaction was received on August 20, 2010. The effective date of the spin-out transaction will be August 26, 2010 and that the common shares of Corvus will commence trading on the TSX on August 30, 2010.

Following the completion of the spin-out arrangement, Talon Alaska and Talon Gold will be the only subsidiaries of ITH, and Raven Gold and Talon Nevada will be the only subsidiaries of Corvus.

Social or Environmental Policies

ITH has created a Sustainable Development Committee (“SDC”), which has adopted a formal charter. The overall purpose of the SDC is to assist the Board in fulfilling its oversight responsibilities with respect to the Board’s and the Company’s continuing commitment to improving the environment and ensuring that the Company’s activities are carried out, and that its facilities are operated and maintained, in a safe, sustainable and environmentally sound manner. The primary function of the Committee is to monitor, review and provide oversight with respect to the Company’s policies, standards, accountabilities and programs relative to health, safety, community relations and environmental-related matters. Further, the SDC is to advise the Board and make recommendations for the Board’s consideration regarding health, safety, community relations and environmental-related issues. In particular, the SDC is to consider and advise the Board with respect to current standards of sustainable development for projects and activities such as those of the Company, particularly with a view to ensuring that the Company’s business is run in a manner, and its projects are operated and developed, so as to

achieve the ideals and reflect the following principles of sustainable development:

- (a) living within environmental limits,
- (b) ensuring a strong, healthy and just society,
- (c) achieving a sustainable economy,
- (d) using sound science responsibly, and

promoting good governance. The SDC is also responsible for monitoring the activities of the Company in connection with the initial and ongoing interaction between the Company’s activities, operations and personnel and the communities in which the Company’s projects and related activities are located, with a view to ensuring that management develops and follows appropriate policies and activities to enhance the relationship between the Company and its personnel and the communities in which it operates and reflect the principles of sustainable development in that regard.

Although not set out in a specific policy, the Company strives to be a positive influence in the local communities where its mineral projects are located, not only by contributing to the welfare of such communities through donations of money and supplies, as appropriate, but also through hiring, when appropriate, local workers to assist in ongoing exploration programs. The Company considers that building and maintaining strong relationships with such communities is fundamental to its ability to continue to operate in such regions and to assist in the eventual development (if any) of mining operations in such regions, and it attaches considerable importance to commencing and fostering them from the beginning of its involvement in any particular area.

ITH has also adopted a Code of Business Conduct and Ethics, which provides, among other things, that ITH is committed to complying with all laws and governmental regulations applicable to its activities and, specifically, to maintaining a safe and healthy work environment and conducting its activities in full compliance with all applicable environmental laws.

Risk Factors

In addition to those risk factors discussed elsewhere in this AIF, the Company is subject to the following risk factors:

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural

resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Other than the Livengood, Terra, LMS and Mayflower (North Bullfrog) properties, which have estimated inferred and/or indicated resources identified, there are no known resources, and there are no known reserves, on any of the Company's properties. The majority of exploration projects do not result in the discovery of commercially mineable deposits of ore. Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as a commercial mineable ore body which can be legally and economically exploited.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. The Company's long-term viability and profitability depend, in large part, upon the market price of metals which have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals produced from the Company's properties will be such that any such deposits can be mined at a profit.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Claims under Agreements: The agreements pursuant to which the Company has the right to acquire interests in a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to make all payments and complete all expenditure obligations under its various property acquisition agreements. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Proposed Amendments to the United States General Mining Law of 1872: In recent years, the United States Congress has considered a number of proposed amendments to the U.S. *General Mining Law of 1872* ("Mining Law"). If adopted, such legislation, among other things, could impose royalties on mineral production from unpatented mining claims located on United States federal lands, result in the denial of permits to mine after the expenditure of significant funds for exploration and development, reduce estimates of mineral reserves and reduce the amount of future exploration and development

activity on United States federal lands, all of which could have a material and adverse affect on the Company's cash flow, results of operations and financial condition.

Uncertainties Relating to Unpatented Mining Claims: Many of the Company's mineral properties comprise federal unpatented mining claims in the United States. There is a risk that a portion of the Company's unpatented mining claims could be determined to be invalid, in which case the Company could lose the right to mine any minerals contained within those mining claims. Unpatented mining claims are created and maintained in accordance with the Mining Law. Unpatented mining claims are unique to United States property interests, and are generally considered to be subject to greater title risk than other real property interests due to the validity of unpatented mining claims often being uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the Mining Law. Unpatented mining claims are always subject to possible challenges of third parties or contests by the United States federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. Title to the unpatented mining claims may also be affected by undetected defects such as unregistered agreements or transfers. The Company has not obtained full title opinions for the majority of its mineral properties. Not all the mineral properties in which the Company has an interest have been surveyed, and their actual extent and location may be in doubt.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the courts can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

No Assurance of Profitability: The Company has no history of production or earnings and due to the nature of its business there can be no assurance that the Company will be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. All of the Company's properties are in the exploration stage and the Company has not defined or delineated any proven or probable reserves on any of its properties. None of the Company's properties are currently under development. Continued exploration of its existing properties and the future development of any properties found to be economically feasible, will require significant funds. The only present source of funds available to the Company is through the sale of its equity shares, short-term, high-cost borrowing or the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings, short-term borrowing or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The Company cannot predict whether or not such legislation, policies or controls, as presently in effect, will remain so, and any changes therein (for example, significant new royalties or taxes), which are completely outside the control of the Company, may materially adversely affect to ability of the Company to continue its planned business within any such jurisdictions.

Recent market events and conditions: From 2007 into 2010, the U.S. credit markets have experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems have led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions caused a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

While these conditions appear to have improved slightly in 2010, unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to it or at all.

General economic conditions: The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect our growth and profitability. Specifically:

- The global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity
- the volatility of gold and other base metal prices may impact the Company's future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs
- the devaluation and volatility of global stock markets impacts the valuation of the Common Shares, which may impact the Company's ability to raise funds through the issuance of Common Shares

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's existing shareholders: The Company may require additional equity financing be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into Common Shares would result in dilution, possibly substantial, to present and prospective holders of Common Shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and revisions to mine plans, if any, in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities such as fuel, rubber and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a significant effect on the Company's profitability.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability of the Company to enter into strategic alliances through a combination of one or more joint ventures, mergers or acquisition transactions; and (ii) the ability to attract and retain additional key personnel in exploration, mine development, sales, marketing, technical support and finance. These and

other factors will require the use of outside suppliers as well as the talents and efforts of the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend. The Company has relied and may continue to rely, upon consultants and others for operating expertise.

Currency Fluctuations: The Company maintains its accounts in Canadian and U.S. dollars, making it subject to foreign currency fluctuations. Such fluctuations may materially affect the Company's financial position and results.

Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Exploration and Mining Risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Environmental Restrictions: The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Regulatory Requirements: The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and

post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited Experience with Development-Stage Mining Operations: The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Estimates of Mineral Reserves and Resources and Production Risks: The mineral resource estimates included in this AIF are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource or mineral reserve estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the Company's estimates. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have a material adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described in this AIF should not be interpreted as assurances of mine life or of the profitability of future operations. Estimated mineral resources and mineral reserves may have to be re-estimated based on changes in applicable commodity prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource or mineral reserve estimates. Market price fluctuations for gold, silver or base metals, increased production costs or reduced recovery rates or other factors may render any particular reserves uneconomical or unprofitable to develop at a particular site or sites. A reduction in estimated reserves could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Enforcement of Civil Liabilities: As substantially all of the assets of the Company and its subsidiaries are located outside of Canada, and certain of the directors and officers of ITH are resident outside of Canada, it may be difficult or impossible to enforce judgements granted by a court in Canada against the assets of the Company or the directors and officers of ITH residing outside of Canada.

Mining Industry is Intensely Competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower, drill rigs and helicopters. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

ITH may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in Common Shares that are U.S. taxpayers: Investors in Common Shares that are U.S. taxpayers should be aware that ITH believes that it has been in prior years, and expects it will be in the current year, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If ITH is or becomes a PFIC, generally any gain recognized on the sale of the Common Shares and any "excess distributions" (as specifically defined) paid on the Common Shares must be ratably allocated to each day in a U.S. taxpayer's holding period for the Common Shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the Common Shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to ITH generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of ITH's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by ITH. U.S. taxpayers should be aware, however, that there can be no assurance that ITH will satisfy record keeping requirements under the QEF rules or that ITH will supply U.S. taxpayers with required information under the QEF rules, in event that ITH is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if ITH is a PFIC and the Common Shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which ITH is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the Common Shares.

Material Mineral Projects

Livengood Project, Alaska

Information in this AIF regarding the Livengood project is based on information provided by the Livengood Report. The Livengood Report provides documentation of the geological, operational, and resource estimation procedures that have been undertaken by the Company as it continues to advance the Livengood Project. The following summary is from the Livengood Report and the detailed disclosure in the Livengood Report is incorporated into this AIF by reference. Readers are encouraged to review the entire Livengood Report, which is filed on SEDAR at www.sedar.com.

1.1 Introduction

The Livengood project is now in transition from an exploration project to undertaking a Pre-feasibility Study. As part of this shift to prefeasibility assessment, a Preliminary Assessment (“PA”) was performed to evaluate preliminary project concepts including possible mineralization processing methods, estimates of capital and operating costs, and preliminary pit design scenarios, with respect to the resource estimate prepared on data to May 31, 2010 and reported in a previous technical report released in June, 2010.

Individual sections of the Livengood Report were prepared by Qualified Persons representing different technical specialties. Mr. Timothy Carew (P.Geo) of Reserva International, LLC of Reno, NV was responsible for the geologic description and compilation of the report, and also for the resource evaluation. William Pennstrom (Metallurgical Engineer) of Pennstrom Consulting Inc. of Denver, Colorado was responsible for the metallurgical section of the report and for the financial analysis. R. John Bell (Civil Engineer) of MTB Project Management Professionals, Inc. of Denver, Colorado was responsible for the costing review and preparation of the capital cost estimates. Quinton de Klerk (Mining Engineer) of Cube Consulting Pty Ltd. of Perth, Australia was responsible for open pit optimization and production scheduling.

Field investigations at the Livengood property continue, with a total of 7 drilling rigs working at the site during the Summer 2010 Program. The focus of the work has been expanded to include environmental baseline data collection, geotechnical data collection for design, site alternative assessment for project infrastructure location and groundwater hydrogeological testing in support of the Pre-feasibility Study. Drilling activities have been expanded to include district exploration and site condemnation, as well as continuing the resource definition and infill drilling at Money Knob. The geologic database supporting the Livengood Report is the 434 diamond and reverse circulation holes that had been drilled on the property to May 31, 2010, and provided the basis for reporting an in-situ gold resource estimated and presented in the June 2010 technical report.

The Livengood Report is the tenth in a series of technical reports and the ninth in support of resource estimates regularly updated as new drill information has become available. The Livengood Report also describes prefeasibility concepts including possible mineralization processing methods, estimates of capital and operating cost, and preliminary pit design scenarios along with the geological and resource estimation procedures that have been undertaken by the Company. The currently reported resource estimate includes material in the SW Zone and between the Core and Sunshine zones as determined by drilling data through May 31, 2010. It does not include drill results from the Company’s 2010 Summer drill program that is currently in progress.

The Livengood Report updates the June, 2010 technical report with the addition of information related to the results of the PA. The PA is based on the resource estimate completed in June 2010. The new information presented in the Livengood Report is based on interpretations of the geologic data, metallurgical data and in-situ resource model data presented in the June 2010 report to support the development of pre-conceptual configurations of the potential mining project alternatives for mineralization at Money Knob. The project configurations that are the basis of the PA are for a heap leach only mining project and a combined heap leaching and milling project using gravity/flotation pre-concentration with Carbon-in-Leach leaching of the concentrates. Other processing alternatives are being considered and will be the subject of trade-off studies conducted as part of Pre-feasibility Study investigations that began in June 2010.

A group of cost, process recovery and production rate assumptions were created from the existing data as the basis for the PA analysis being reported in the Livengood Report. The assumptions were used with the June 2010 in-situ resource model to generate preliminary open pit mine designs and production

schedules using incremental revenue optimization. Two open pit designs were considered: (1) an open pit constrained to the oxidized portion of the deposit, with relatively high drill data density (the heap leach only case) and (2) an unconstrained open pit that was revenue optimized with respect to the cost and gold recovery assumptions defined for the study (heap leach with gravity/flotation mill case).

Operating and capital cost estimates were generated for the two project configurations and were used, in conjunction with mining and processing schedules, to generate preliminary projections of financial performance. The preliminary financial performance was variable across the different alternatives analyzed and presented in more detail in Section 1.9, but in all cases the project showed positive financial performance at a long term gold price of US \$950 per gold ounce or higher.

1.2 Description and Location

The Livengood property is located approximately 115 km northwest of Fairbanks, Alaska in the Tolovana mining district within the Tintina Gold Belt. The project area is centered on a local high point named Money Knob. This feature and the adjoining ridge lines have been considered by many to be the lode gold source for the Livengood placer deposits which lie in the adjacent valley to the north where they have been actively mined since 1914 with production of more than 500,000 ounces of gold.

The Company controls 100% of its ~125 square kilometre Livengood land package, which is made up of 115 Alaska State mining claims, fee simple land leased from the Alaska Mental Health Land Trust, and four leases with private holders of state and federal patented and unpatented mining and placer claims.

1.3 History

The property has been prospected and explored by several companies and private individuals since the 1970's. Geochemical surveys by Cambior in 2000 and AngloGold Ashanti (U.S.A.) Exploration Inc. ("AGA") in 2003 and 2004 outlined a 1.6 x 0.8 km area with anomalous gold in soil. Scattered anomalous samples continue along strike for an additional 2 km to the northeast and 1.6 km to the southwest. Eight reverse circulation holes were drilled by AGA in 2003 and a further 4 diamond core holes were drilled in 2004 to evaluate this anomaly. Favourable results from these holes revealed wide intervals of gold mineralization (BAF-7: 138.7m @ 1.07 g/t Au; MK-04-03: 55.3m @ 0.51 g/t Au) along with lesser intervals over a broad area. Over the past 4 years, exploration by the Company through its wholly owned Alaskan subsidiary, Talon Gold Alaska, Inc., has been aimed at assessing this area of mineralization through drilling diamond core and reverse circulation holes.

More recently, technical studies have been performed to generate metallurgical data for process definition, to generate preliminary open pit designs, and to develop pre-conceptual information on the location and capacities of potential tailings, waste and heap leaching facilities. Pre-conceptual project configurations have been generated from these studies which have been used as the basis for the projected operating and capital cost estimation. A PA for a large, open pit mining project was generated for the project concepts to guide the Company as it carries out the current Pre-feasibility Study.

1.4 Geology and Mineralization

Rocks at Livengood are part of the Livengood Terrane, an east-west belt, approximately 240 km long, consisting of tectonically interleaved assemblages of various ages. These assemblages include the Amy Creek Assemblage, which is a sequence of latest Proterozoic and early Paleozoic basalt, mudstone, chert, dolomite, and limestone. In thrust contact above the Amy Creek Assemblage lies an early Cambrian ophiolite sequence of mafic and ultramafic sea floor rocks. Structurally above these rocks lies a sequence of Devonian shale, siltstone, conglomerate, volcanic, and volcanoclastic rocks which are the dominant

host to the mineralization currently under exploration at Livengood. The Devonian assemblage is overthrust by more Cambrian ophiolite rocks. All of these rocks are intruded by Cretaceous multiphase monzonite, diorite, and syenite stocks, dikes, and sills. Gold mineralization is believed to be related to this intrusive event.

Gold mineralization occurs in two styles: as multistage fine quartz veins occurring in all lithologies (commonly in or near intrusive dikes and sills), and as diffuse mineralization within volcanic, intrusive, sedimentary, and mafic-ultramafic rocks without a clear quartz vein association. Four principal stages of alteration are currently recognized. These are an early biotite stage followed by albite-black quartz, followed by a sericite-quartz, and finally a carbonate stage. Arsenopyrite apparently has been introduced during all stages, and gold correlates strongly with arsenopyrite, but it is not clear whether gold was introduced during all four stages or preferentially during one or more stages.

Mineralization is interpreted to be intrusion-related, consistent with other gold deposits of the Tintina Gold Belt, and has a similar As-Sb geochemical association. Mineralization is controlled partly by lithologic units, but thrust-fold architecture is apparently key to providing pathways for magma (dikes and sills) and hydrothermal fluid.

Local fault and contact limits to mineralization have been identified, but overall the deposit has not been closed off in any direction. The current resource and area drilled covers the most significant portion of the area with anomalous gold in surface soil samples, but still represents only about 25% of the total anomaly area.

1.5 Exploration, Drilling and Sampling

The Company has conducted drilling campaigns on the Livengood property since 2006. These programs initially identified mineralization in the Core Zone and then identified the Northeast, Sunshine, and Southwest zones through step out drilling and drill testing of areas with anomalous values in surface soil samples.

Nearly all drill holes at Money Knob have been drilled in a northerly direction at an inclination of -50 degrees in order to best intercept the south dipping structures and mineralized zones as close to perpendicular as possible. A few holes have been drilled in other directions to test other features and aspects of mineralization. Most holes have been spaced at 75m along lines 75m apart. A few holes are more closely spaced.

Diamond core holes represent approximately 10% of the total number of holes drilled. Core is recovered using triple tube techniques to ensure good recovery (>95%) and confidence in core orientation. The core is oriented using the ACT system and/or the EZ Mark tool.

Reverse circulation (“RC”) holes are bored and cased for the upper 0-30m to prevent downhole contamination and to help keep the hole open for ease of drilling at greater depths. Recovery of sample material from RC holes is done via a cyclone and dry or wet splitter according to conditions. Sample chips are collected over the course of each five-foot interval and captured for a primary sample, an equivalent secondary sample (“Met” sample) and a third batch of chips for logging purposes.

Drill hole locations are determined by sub-meter differential GPS surveys at the drill collar. Initial azimuth of drill hole collars is measured using a tripod mounted transit compass in conjunction with a laser alignment device mounted on the hole collar.

Down hole surveys of core and reverse circulation drill holes are completed using a Gyro-Shot survey instrument manufactured by Icefield Tools Corporation. Results of surveys and duplicate tests show normal minor deviation in azimuth and inclination for drill holes.

All RC samples are “logged in” on site, analyzed with a field portable Thermo Fisher Scientific NITON XRF before being sealed in super sacks, and delivered to ALS Chemex in Fairbanks for preparation. All core samples are initially logged at the drill rig for recovery, oriented features, RQD, and basic geologic features. More thorough logging and core mark-up is done at the Livengood camp. Core is sawed in half and bagged according to geologic intervals up to 1.5m and sealed in super sacks for delivery to ALS Chemex in Fairbanks.

Samples are analyzed by standard 50g fire assay for the gold determinations. All core samples and select RC drilling samples are also submitted for multi-element ICP-MS analyses using a 4 acid digestion technique. All RC samples are analyzed on site for trace elements using a Thermo Fisher Scientific NITON portable XRF before shipment to the laboratory.

1.6 Quality Assurance/Quality Control and Data Verification

The QA/QC program implemented by the Company meets or exceeds industry standards. A QA/QC program includes insertion of blanks and standards (1/10 samples) and duplicates (1/20 samples). Blanks help assess the presence of any contamination that might be introduced by analytical equipment and help calibrate the low end of the assay detection limits. Commercial standards are used to assess the accuracy of the analyses. Duplicates help assess the homogeneity of the sample material and the overall sample variance. The Company has undertaken rigorous protocols to assure accurate and precise results. Among other methods, weights are tracked throughout the various steps performed in the laboratory to minimize and track errors.

Core and RC check samples have been collected during each drilling campaign by a Qualified Person. Results from these samples, as well as blanks and standards included, are consistent with the Company’s initial results. This includes a similar increase in variance for samples at higher grades, a pattern consistent with nugget effect. No systematic high or low bias has been observed. Additional RC check samples were collected by Mr. Carew in 2010, including blanks and standards. The results for these samples are pending at this time.

Data entry and database validation procedures have been checked and found to conform to industry practices. Procedures are in place to minimize data entry errors. These include pre-numbered, pre-tagged, bar-coded bags, and bar-coded data entry methods which relate all information to sample and drill interval information. Likewise, data validation checks are run on all information used in the geologic modeling and resource estimation process. Database entries for a random sample (10%) of drillholes used for the resource estimate were checked against the original Assay Certificates by Mr. Carew and the error rate was found to be within acceptable limits.

1.7 Mineral Processing and Metallurgical Testing

Metallurgical test work indicates that the Money Knob mineralization would be suitable for the two treatment options considered: oxidized, near surface mineralized material that could be treated by Carbon in Column (“CIC”) cyanide leaching (for example, heap leaching); and deeper, sulphide zones that will require Carbon in Leach (“CIL”) cyanide leaching approaches. Both the oxidized and sulphide zones have substantial free gold that can be recovered by gravity concentration, and gold associated with sulphide minerals in the deeper zones can be concentrated by flotation techniques.

Project concepts envision a heap leaching operation to address the near surface oxidized mineralization. This heap leaching operation would be followed by the expansion of the mine to the deeper, sulphide mineralization and construction of a gravity/flotation mill with CIL leaching of concentrates. The scheduling of the mine expansion and mill construction has been examined for different production rates and circumstances.

Test work undertaken to date is designed to determine optimal processes using combined methods. This work involves studies to determine chemical and physical characteristics of the mineralization and metallurgical response to process treatment parameters according to mineralization type. Test work includes assessment of grindability, abrasiveness, optimal particle size for downstream treatment, and response to leach, flotation, or gravity recoveries as a function of oxidation and lithology. Previous work completed was sufficient to enable an estimate of heap leach recoverable gold for a portion of the mineralization as reported in the October 2009 technical report. The additional work on gold recovery from gravity, carbon in pulp (“CIP”), CIL, and flotation methods is on-going with the initial results presented in this report providing the basis to estimate gold recovery from the mill process.

Key findings to date include the following points:

- Most Livengood mineralization can be considered moderately soft to moderately hard with an average Bond Ball Work index of 15.8 ranging from 11.1 to 19.1.
- The majority of mineralization types are considered non-abrasive with an average abrasion index of 0.0809 and a range of 0.0023 to 0.2872.
- All Livengood mineralization responds to cyanide leaching to some degree.
- Some unoxidized mineralization with organic carbon has “active” or “preg-robbing” carbon.
- Leach times and gravity concentration indicate that some mineralization contains coarse gold.
- Gold recovery exceeded 90% at 10 mesh for some mineralization.
- Gold recovery improved for some mineralization with finer grinding.
- Gold recovery for various leach tests suggests that organic carbon is present in varying degrees in some mineralized materials, particularly in unoxidized mineralization.
- Carbon in Leach bottle roll tests indicate an average 84% recovery for the Sunshine Zone.
- Gold with sulfide is not classified as refractory mineralization.
- Combined gravity and flotation produced, on average, 90% recovery of gold.
- Conventional milling using gravity recovery combined with intensive Carbon in Leach leaching of gravity recovered gold concentrate achieved gold recoveries averaging 86%.

Metallurgical testing is on-going to confirm initial conclusions on process flow sheets and assumed process recoveries. A series of tests that simulate the mill flow sheet assumed for gravity/flotation with

CIL leaching of concentrates are in progress. These tests focus on the main components of the mill feed where achieving the current process recovery assumptions will require an improvement in the leach recovery over current test results. Further column leach testing is planned to begin in Q4 2010 and in Q1 of 2011 to verify heap leach assumptions. Column leach composite samples are being developed at a 1/2 inch top size from existing core, and PQ size core that is being produced in Q3 2010 will be used to develop 1 1/2 inch top size column tests. Trenching for a bulk sample to test run-of-mine size material in large columns is planned for Q4 2010.

1.8 Resource Estimation

The Livengood Report presents a resource estimate updated from the March 2010 estimate by incorporating data from an additional 64 drill holes. The resource model was constructed using Gemcom GEMS[®] and the Stanford GSLIB (Geostatistical Software Library) MIK post processing routine. The resource was estimated using Multiple Indicator Kriging techniques.

Model parameters include, among others, two oxidation indicators and a single lithology indicator for each minor lithology. A three-dimensionally defined lithology model, based on interpretations by Company geologists, was used to code the rock type block model. A three-dimensionally defined probability grade shell (0.1 g/t) was used to constrain the gold estimation. Gold contained within each block was estimated using nine indicator thresholds. The block model was tagged with the geologic model using a block majority coding method. Because there are significant grade discontinuities at lithologic contacts, hard boundaries were used between each of the lithologic units so that data for each lithology was used only for that unit.

A summary of the estimated in-situ mineral resource is presented below (**Table 1.1**) for cutoff grades of 0.3 (the assumed cutoff utilized in the PA), 0.5, and 0.7 g/t gold.

Model validation checks include global bias check, visual validation, and swath plots. In all cases, the model appears to be unbiased and fairly represent the drilling data.

TABLE Error! No text of specified style in document.
RESOURCE ESTIMATION SUMMARY
JUNE 2010

Classification	Au Cutoff (g/t)	Tonnes (millions)	Au (g/t)	Million Ounces Au
Indicated	0.30	789	0.62	15.7
Inferred	0.30	229	0.55	4.9
Indicated	0.50	409	0.83	10.9
Inferred	0.50	94	0.79	2.4
Indicated	0.70	202	1.07	6.9
Inferred	0.70	40	1.06	1.4

Based on the study herein reported, delineated mineralization of the Livengood Deposit is classified as a resource according to the following definitions from National Instrument 43-101 and from CIM (2005):

"In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and

Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended.”

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

The current basis of project information is not sufficient to convert the in-situ mineral resources to mineral reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability.

It is important to note that, compared to the March 2010 resource estimate, the estimated tonnage has increased in the Indicated category and has decreased in the Inferred category for all cutoff grades shown (0.30, 0.50, and 0.70 g/t gold). This change was due to addition of newly defined estimated resources in the SW Zone and between the Core and Sunshine Zones.

As part of the Company's quality assurance program, it commissioned an independent review of the resource estimation methodology. The review supports the MIK approach to estimation, but suggests that the block panel size and SMU size should be larger for the currently spaced drill grid and that the currently used 10m composite length should be reduced to 3m. In addition, the review also recommends reducing the size of the search neighbourhood selected for the estimation. Using these recommendations, an alternative resource calculation was made. Overall tonnes and grade compare favourably where the two models have a common volume. The Company model contains material estimated as projected below current drilling which was not present in the alternative calculation. This material is primarily from the Inferred category. The Company believes their understanding of geology and mineralization allows this projection but is testing the extrapolation in the Summer 2010 drill program.

1.9 Pre-feasibility and Preliminary Assessment

The Company initiated pre-feasibility studies in June of 2010 in order to determine the most effective mine development strategy. A PA of alternative project configurations was performed to provide guidance in the Pre-feasibility Study, the results of which are incorporated in the Livengood report. The PA evaluated both the mining of the oxide portion of the deposit, and the expansion of the mining into the deeper, sulphide portion of the deposit. Two processing configurations were addressed:

1. Open pit mining of the oxide portion of the Money Knob with processing limited to heap leach only; and
2. Open pit mining of both the oxide and sulphide zones with a combination of heap leaching and mill processing (gravity and flotation concentration with CIL). Heap leach processing

will allow production of approximately 40% of the currently estimated mineable resource.

The PA is preliminary in nature, and is based on technical and economic assumptions which will be evaluated in the Pre-feasibility Study. The PA is based on the Livengood in-situ resource model (June, 2010) which consists of material in both the indicated and inferred classification. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them. The current basis of project information is not sufficient to convert the in-situ mineral resources to mineral reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the PA will be realized. The PA results are only intended as an initial, first-pass review of the potential project economics based on preliminary information.

The Heap Leach Only project configuration was evaluated using the following approach:

- heap leach metallurgical recovery assumptions and operating cost estimates were used in conjunction with the in-situ resource model to select an open pit mining shell using revenue optimization;
- the pit shell optimization was constrained to the oxidized portion of the deposit by assigning zero metallurgical recovery to the deeper, sulphide zone;
- an open pit design was developed from the open pit mining shell which considered access ramps, mining losses and increased waste required for an actual mining geometry;
- a production schedule for mining recoverable mineralization above 0.3 g/t cut-off grade, recoverable gold production and waste material was developed assuming mineralization production rate of 100 ktpd;
- capital costs were estimated for a project physical configuration that considered equipment, the location of the open pit and potential sites for waste dumps, heap leach pad and the process facility; and
- a financial model was created for the production schedule, capital cost estimate and schedule, and estimated operating costs to project the financial performance of the heap leach only project configuration.

Key statistics for the analysis of the Heap Leach Only project configuration are listed in **Table 1.2**.

All costs are 2010 USD, with no escalation. A long term gold price of US \$950 per ounce has been used for the financial performance projection, which is consistent with current outlooks and price levels averaged over the past 3 years. The projected performance of the Heap Leach Only configuration at US \$950 is relatively strong, with an IRR of 26.9% and a Net Present Value (NPV) at 5% discount rate of US \$579 M. Sensitivity of the financial performance was evaluated for a long term gold price between US \$750 and US \$1500 per ounce. The sensitivity to gold price indicates that the financial performance weakens quickly at gold prices below the long term assumption, dropping to an IRR of 6.5% and an NPV@5% of US \$34M for a gold price assumption of US \$750. Alternatively, at higher gold price assumptions, the financial performance increases substantially with the IRR increasing to 43.5% for an increase of gold price to US \$1150. Sensitivity of financial performance to assumed processing

recoveries was also high, but performance was less sensitive to changes in operating and capital costs assumed.

**TABLE 1.2
KEY STATISTICS FOR THE LIVENGOOD HEAP LEACH ONLY PROJECT CONFIGURATION**

Parameter		Heap Leach Only
Long Term Gold Price	\$US/oz	\$950
IRR	%	26.9%
NPV @0.0%	k \$US	\$ 915,338
NPV @5.0%	k \$US	\$ 579,103
NPV @7.5%	k \$US	\$ 455,882
NPV @10.0%	k \$US	\$ 354,531
Initial Capex	k \$US	\$ 679,851
Deferred Capex	k \$US	-
Sustaining Capex	k \$US	\$ 153,482
Life of Mine (LOM)	years	7.1
LOM mineralization production	Mt	259.3
Mined grade at 0.3 g/t gold cut -off grade	g/t	0.62
Contained gold mined	koz	5,177
Estimated LOM gold production	koz	3,648
Cash operating cost	\$US/oz	\$486
Total cost	\$US/oz	\$704
Stripping ratio	Waste:ore	1.10
Assumed LOM heap leach gold recovery	%	70.5%

Full exploitation of the Livengood resource will require the addition of a mill process which would allow extraction of the deeper, sulphide zones. A project configuration incorporating a heap leach processing facility and a mill using gravity and flotation concentration with CIL for recovery of the gold from concentrates was evaluated at two different mill throughput assumptions. The combination heap leach and mill was evaluated using the following approach:

- heap leach and milling metallurgical recovery assumptions, and operating cost estimates were used in conjunction with the in-situ resource model to select an open pit mining shell using revenue optimization;
- the optimization process was only constrained by the recovery and cost assumptions for the different lithologic units;
- an open pit design was developed from the open pit mining shell which considered access ramps, mining losses and increased waste required for an actual mining geometry;
- two production schedules for mining recoverable mineralization above a 0.3 g/t gold cut-off grade, recoverable gold production and waste material were developed assuming an

initial mineralization production rate of 100 ktpd for the heap leaching and the two mill throughputs of approximately 54 ktpd and 100 ktpd;

- following mill startup, the mining rate was set to maintain the mill production rate, with the heap leach production varying accordingly;
- capital costs were estimated for a project physical configuration that considered equipment, the location of the open pit and potential sites for waste dumps, heap leach pad and the process facility; and
- a financial model was created for the production schedule, capital cost estimate and schedule, and estimated operating costs to project the financial performance of the combined heap leach and mill project configuration.

Key statistics for the analysis of the combined Heap Leach and Mill project configuration at the two different mill throughputs are listed in **Table 1.3**.

Internal rates of return for the Heap Leach and Mill configuration are lower for both mill throughput assumptions at 15.4% and 18.5%, for the 50ktpd and 100ktpd throughputs, respectively. This is due to the larger investment required for construction of the mill and the longer mine life. However, the NPV@5% is greater for the combination Heap Leach and Mill project configurations at US \$813 M for the 50 ktpd mill throughput and US \$1,112 M for the 100 ktpd mill throughput. The greater NPV reflects the substantially greater gold production due to exploitation of the deeper, sulphide zones.

Sensitivity to gold price assumption is similar to the Heap Leach Only project configuration, with the IRR dropping to a -0.8% and 1.3% (50 ktpd/100ktpd throughput) for a decrease in gold price assumption to US \$750. Increasing the gold price assumption illustrates the substantial leverage of the Livengood Project to the gold price, where a US \$200 price increase (to US \$1150 per ounce) increases the IRR to 29.2% and 32.6% (50 ktpd/100 ktpd mill throughput), respectively. Financial performance was also highly sensitive to process recovery assumptions, but was less sensitive to changes in operating and cost assumptions.

The Company plans to focus on the development of the heap leaching operation in the oxidized zone, however, it recognizes that significant potential value would remain to be exploited and that construction of a mill would be required to exploit the full potential of Money Knob mineralization. The Company will conduct a two phase Pre-feasibility Study with the projected completion of Phase I - Heap Leach Operation in July 2011. A second phase, with projected completion in December 2011, will address the requirements for eventual addition of a mill to the project configuration. This two phase approach is required to assure that designs and decisions made for the Heap Leach Only operation do not adversely impact the potential for the addition of a mill.

**TABLE 1.3
KEY STATISTICS FOR THE LIVENGOOD HEAP LEACH
AND MILL PROJECT CONFIGURATION**

Parameter		Heap Leach and 50 ktpd Mill	Heap Leach and 100 ktpd Mill
Long Term Gold Price	\$US/oz	\$950	\$950
IRR	%	15.4%	18.5%
NPV @0.0%	k \$US	\$ 1,982,082	\$ 2,236,376
NPV @5.0%	k \$US	\$ 813,143	\$ 1,112,868
NPV @7.5%	k \$US	\$ 495,034	\$ 759,768
NPV @10.0%	k \$US	\$ 275,370	\$ 496,163
Initial Capex	k \$US	\$ 635,631	\$ 682,839
Deferred Capex	k \$US	\$ 750,214	\$ 1,026,658
Sustaining Capex	k \$US	\$ 503,596	\$ 578,476
Life of Mine (LOM)	years	21	13
LOM mineralization production	Mt	648.3	648.3
Mined grade at 0.3 g/t gold cut-off grade	g/t	0.65	0.65
Contained gold mined	koz	13,625	13,625
Estimated LOM gold production	koz	10,580	10,580
Cash operating cost	\$US/oz	\$ 560	\$534
Total cost	\$US/oz	\$ 739	\$ 734
Stripping ratio	Waste:ore	1.07	1.07
LOM mill gold recovery	%	81.3%	81.3%
LOM leach gold recovery	%	72.6%	72.6%

Site drilling operations will be expanded to include condemnation and geotechnical investigations for the Pre-feasibility Study. Metallurgical testing for Phase I will consist of additional column leach tests at 1/2 inch, 1.5 inch and run-of-mine top sizes that are scheduled to begin in October 2010. Engineering studies required to support the Phase I Pre-feasibility Study are:

- Metallurgical engineer to design the CIC process plant (out for tender);
- Site location, geotechnical assessment and design of the heap leach pad, waste dumps and water storage facilities (underway);
- Site infrastructure, reticulation and road corridor placement and design (to be defined);
- Geotechnical design of pit slopes (to be defined);
- Open pit design and mining production scheduling (underway);
- Open pit dewatering, site water balance and storage requirements (underway); and

- Construction cost and production operating cost estimation (to be defined).

1.10 Conclusions

It is concluded that a substantial gold resource has been identified at Money Knob and the surrounding area. Dedicated drilling has continuously enlarged the resource over the past several years. Current metallurgical studies are underway and results indicate that gold is recoverable through heap leach, and combined mill, CIP, CIL, gravity, and flotation techniques. Continuation of planned and in-progress metallurgical and mineralization processing studies will enable assessment of the best material processing and gold recovery techniques. As results for this work are completed, new cost estimates that incorporate optimized gold recovery techniques will be used for a more comprehensive development plan and economic assessment. At this stage in the evaluation, and based on the results of the PA, the Livengood Report concludes that mineralization at Money Knob merits continued engineering, economic assessment and planning to proceed on that basis.

1.11 Recommendations

The Livengood project is now in transition from an exploration project to a Pre-feasibility Study. In support of this, the Company has added senior staff. Exploration of the Livengood project should continue with the aim of completing the current Pre-feasibility Study. The Company plans to drill 50,000 m in 2010 to accomplish this goal, and will continue field operations into the deep winter season. The proposed program is an appropriate amount of drilling for the needs of the project and the time available in the field season. Activities that will help advance the project in this direction include those listed below:

- conduct groundwater hydrogeologic characterization for both regional and open pit groundwater modeling;
- develop a regional groundwater model and site water balance;
- develop geotechnical data to support pit slope designs;
- perform site alternatives assessments to identify locations for tailings, waste, heap leach, mill and water storage facilities;
- perform condemnation drilling and geotechnical investigations at potential facilities sites;
- verify metallurgical recovery assumptions by conducting expanded metallurgical testing;
- perform comminution studies to provide a basis for crushing and grinding design;
- develop detailed metallurgical process flow sheets and perform process trade-off studies and mill design;
- perform air quality and weather monitoring studies;
- develop engineering designs of process plant facilities;
- perform environmental baseline data collection, wetlands surveys and water quality surveys;

- develop community engagement strategy;
- develop permitting strategy;
- continue step out drilling to identify the extent of mineralization;
- focus infill drilling on areas where Inferred resource blocks can be converted to Indicated resource blocks laterally and at depth;
- drill close spaced holes to define a variographic cross;
- complete Phase I of the Pre-feasibility Study for a heap leaching operation; and
- complete Phase II of the Pre-feasibility Study to identify the potential schedule for mill construction and the milling project design.

The Company plans expenditures of approximately \$37.5 million dollars in 2011 for the continuation of exploration, definition and condemnation drilling, and for technical studies to produce the Pre-feasibility Study. This expenditure is further subdivided into \$21M for completion of Phase I of the Pre-feasibility Study on the heap leaching operation by mid-year and then an additional \$16.5M for the completion of Phase II of the Pre-feasibility Study to investigate the inclusion of a mill in the project. This budget will be allocated to drilling, geological and geotechnical analysis of the deposit, metallurgical and comminution studies, facilities site planning, environmental and social base line studies, and project component design. The budget is significant, but appropriate for the studies and drilling planned and feasible within the time allocated.

The authors of the Livengood report recommend implementation of this program in order to accomplish the Company's goal of advancing the Livengood project.

Planned Activities

The Livengood Summer 2010 drill program began June 1st and is scheduled to complete 50,000 metres of resource expansion and development directed drilling. The program is focused on converting resources to the measured and indicated categories through infill drilling, as well as step-out resource expansion and testing of "new deposit" exploration targets within the overall district. Significantly, the project continues to expand as a new area of interest to the southwest of the Core Zone, named the "Olive Zone", has been identified. The Company is currently operating five drills at Livengood (three RC and two core rigs) and anticipates adding a sixth in the near future.

The 2010 infill drilling program is a key component in the Livengood pre-feasibility study, and has three main goals: (1) to convert the bulk of the current estimated resource in the mine plan from the indicated and inferred categories to the measured and indicated categories, respectively, (2) to better define the higher grade areas of the deposit, and (3) to extend the deposit at depth, because many of the existing drill holes have ended in mineralization. This work is being completed with a combination of core and RC drilling (two core rigs and two RC drills).

The Company will be continuing to address a large mine development program directed at advancing the Livengood project towards a production decision and the securing of necessary mining permits. The next step in this process is the initiation of a full scale pre-feasibility/mine development study which the Company has now commenced. In addition to the ongoing resource expansion program,

a detailed metallurgical study of the milling and heap leach potential of the Livengood deposit is underway as well as baseline environmental studies needed for future mine permitting.

Subsequent Events

The proposed spin-out transaction pursuant to the plan of arrangement among the Company, its shareholders and Corvus detailed under “Narrative Description of the Business – General – Reorganizations” was completed on August 26, 2010 and the common shares of Corvus commenced trading on the TSX on August 30, 2010. Under the terms of the transaction, the Company retained all assets relating to the Livengood gold project in Alaska, together with approximately \$33 million in working capital. Corvus received all of the Company’s other existing Alaska and Nevada assets, together with approximately \$3.3 million in working capital.

On September 28, 2010 the Company announced that it had entered into an agreement with an underwriter (the “Underwriter”) pursuant to which the Underwriter has agreed to purchase, on a bought deal basis, pursuant to a Canadian short form prospectus (the “Canadian Public Offering”), 10,400,000 common shares of the Company (the “Common Shares”) at a price of \$6.25 per Common Share for gross proceeds of \$65,000,000. In addition, the Company will grant the Underwriter an over-allotment option to purchase up to that number of additional Common Shares equal to 15% of the Common Shares sold pursuant to the Canadian Public Offering (maximum of 1,560,000 Common Shares), exercisable for a period of up to 30 days from the closing of the Canadian Public Offering (for additional gross proceeds of up to \$9,750,000). The Underwriter will receive a cash commission of 5% of the gross proceeds raised under the Canadian Public Offering.

In addition, the Company will concurrently offer up to 4,900,000 common shares (the “Private Placement Common Shares” and together with the Common Shares, the “Offered Securities”) at a price of \$6.25 per Private Placement Common Share through a non-brokered private placement (the “Private Placement”) for gross proceeds of up to \$30,625,000. All Private Placement Common Shares issued will be subject to resale restrictions in Canada and the United States.

The closing of the Public Offering is subject to certain conditions including, but not limited to, the completion of satisfactory due diligence by the Underwriter and the acceptance/approval of the TSX and the NYSE Amex. The Private Placement is also subject to the acceptance/approval of the TSX and the NYSE Amex and is expected to close concurrently with the Canadian Public Offering.

The Company intends to use the net proceeds from the two financings for continued work on its Livengood Gold project in Alaska and for general working capital purposes.

The Offered Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”) or any applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) or persons in the United States absent registration or an applicable exemption from such registration requirements.

ITEM 6: DIVIDENDS

There are no restrictions which prevent ITH from paying dividends. ITH has not paid any dividends in the last three fiscal years. ITH has no present intention of paying any dividends, as it anticipates that all available funds will be invested to finance the growth of its business. The Board will determine if and when dividends should be declared and paid in the future, based on ITH’s financial position at the relevant time.

ITEM 7: DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of ITH is 500,000,000 Common Shares, of which 66,117,922 were issued as at May 31, 2010 and 67,228,222 were issued as at August 23, 2010. The holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders, with each Common Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Common Shares are entitled to dividends if, as and when declared by the Board. The Common Shares are entitled, upon liquidation, dissolution or winding up of ITH, to receive the remaining assets of ITH available for distribution to shareholders.

Shareholders' Rights Plan

On August 25, 2009, the Board adopted a Shareholders' Rights Plan ("SRP"), to become effective at 12:01 a.m. on August 26, 2009, subject to shareholder approval being obtained on or before February 26, 2010 (obtained on October 15, 2009).

The purpose of the SRP is to provide shareholders and the Board with adequate time to consider and evaluate any unsolicited bid made for the Company, to provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid, to encourage the fair treatment of shareholders in connection with any take-over bid for the Company and to ensure that any proposed transaction is in the best interests of the Company's shareholders.

The rights issued under the SRP will become exercisable only if a person, together with its affiliates, associates and joint actors, acquires or announces its intention to acquire beneficial ownership of shares which, when aggregated with its current holdings, total 20% or more of the Company's outstanding Common Shares (determined in the manner set out in the Shareholder Rights Plan), other than by a Permitted Bid. Permitted Bids must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, among other conditions, must remain open for 60 days. If a take-over bid does not meet the Permitted Bid requirements of the SRP, the rights will entitle shareholders, other than any shareholder or shareholders making the take-over bid, to purchase additional Common Shares at a substantial discount to the market price of the Common Shares at that time.

Constraints

There are no constraints imposed on the ownership of Common Shares to ensure that ITH has any required level of Canadian ownership.

ITEM 8: MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX (symbol "ITH"), on the NYSE-A (symbol "THM"), and on the Frankfurt Stock Exchange (symbol "IW9").

Trading Price and Volume

The following table provides information as to the high, low and closing prices of the Common Shares on the TSX from December 1, 2009, and on the TSXV prior to that date, during the 12 months of the most recently completed financial year and the 3 months since the most recent financial year end, as well as the volume of shares traded for each month:

TSX/TSX Venture Exchange

<i>Month</i>	<i>High (\$)</i>	<i>Low (\$)</i>	<i>Volume</i>
August 1 to 23, 2010	6.69	6.05	2,462,036

<i>Month</i>	<i>High (\$)</i>	<i>Low (\$)</i>	<i>Volume</i>
July, 2010	7.00	6.05	2,146,412
June, 2010	7.65	6.42	2,773,856
May, 2010	7.68	6.55	4,094,587
April, 2010	7.83	5.85	4,958,149
March, 2010	7.30	5.67	7,326,666
February, 2010	7.20	5.88	5,814,805
January, 2010	8.35	6.40	7,289,104
December, 2009	8.15	6.85	13,920,064
November, 2009	8.00	5.00	6,771,702
October, 2009	6.14	4.12	6,443,195
September, 2009	4.88	3.26	2,953,979
August, 2009	3.87	3.12	3,406,262
July, 2009	3.74	2.81	3,324,460
June, 2009	4.00	3.19	2,857,098

ITEM 9: ESCROWED SECURITIES

There are no securities of the Company subject to escrow or subject to any contractual restrictions on transfer.

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The names, positions or offices held with ITH, province/state and country of residence, and principal occupation over the last five years of the Directors and executive officers of ITH, as at the date of this AIF, are as follows:

Name, Position and Province/State and Country of Residence⁽¹⁾	Principal Occupation During the Past 5 Years⁽¹⁾	Period of Service as an Officer or Director⁽²⁾
Jeffrey A. Pontius⁽⁷⁾ President and Chief Executive Officer Colorado, USA	Geologist; President and CEO of the Company since September, 2006; previously North American Exploration Manager and also a Director of Anglo American (USA) Exploration Inc., 1999 to 2006.	President and CEO since September 22, 2006
Hendrik van Alphen⁽⁵⁾⁽⁷⁾ Chairman of the Board, Director British Columbia, Canada	Businessman; President of Cardero Resource Corp, 1999 to present; President of Wealth Minerals Ltd., 2006 to present.	Director since September 22, 2006 Chairman since September 22, 2006

Name, Position and Province/State and Country of Residence ⁽¹⁾	Principal Occupation During the Past 5 Years ⁽¹⁾	Period of Service as an Officer or Director ⁽²⁾
Anton J. Drescher ⁽⁵⁾⁽⁶⁾⁽⁸⁾ Director British Columbia, Canada	Businessman, Certified Management Accountant; President, Harbour Pacific Capital Corp. (private management company) since 1998; President, Westpoint Management Consultants Limited (private management company) since 1979, Director of Dorato Resources Inc. (public natural resource company), 1996 – 2008, Director of Trevali Resources Corp. (public natural resources company) since 2007.	Director since August, 1991 President, 1991 – September 22, 2006
Rowland Perkins ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁸⁾ Director Alberta, Canada	Businessman; President and director of e-Backup Inc. (private company providing public online backup services) since 2001; director, USA Video Interactive Corporation (public company providing electronic anti-piracy systems) since 2005.	Director since June, 1999
Ronald Sheardown ⁽⁴⁾⁽⁸⁾ Director Alaska, USA	Geologist; President Greatland Exploration, Inc. (private geological consulting/mineral exploration company) over past 5 years.	Director since May 23, 2007
Michael Bartlett ⁽³⁾⁽⁸⁾ Director Florida, USA	Businessman; President, Leisure Capital & Management Inc. (private business consulting company) since 1989; director, Wealth Minerals Ltd. (public natural resource company), since January 31, 2000.	Director since May 23, 2007
Steve Aaker ⁽⁴⁾⁽⁷⁾⁽⁸⁾ Director Colorado, USA	Geologist; Chief of U.S. Operations, Franco-Nevada Corporation (public natural resources royalty company) since 2007; previously, Group Executive, Newmont Capital Limited 2002 to 2007; Vice-President of Franco-Nevada Mining Corporation Limited (public natural resources royalty company), 1989 - 2002	Director since March 12, 2009
Daniel A. Carriere ⁽⁷⁾ Director British Columbia, Canada	Businessman; Previously, Senior Vice President, Corriente Resources Inc. (public natural resources company) 1996 – 2010; Director, ID Biomedical Inc. (public biomedical company) 1995 - 2005	Director since April 14, 2010
Timothy J. Haddon Director Colorado, USA	Mining Engineer; President, International Natural Resource Management Co. (private mining industry consulting service provider); Chair, Anatolia Minerals Development Ltd. (public natural resources company) since 2002; Lead Director, Thompson Creek Metals Company Inc. (a mineral exploration and development company) since 2007; previously, President & CEO, Archangel Diamond Corporation, 1997 – 2002 and CEO, Amax Gold (public natural resource company) 1989-1993.	Director since April 14, 2010

Name, Position and Province/State and Country of Residence ⁽¹⁾	Principal Occupation During the Past 5 Years ⁽¹⁾	Period of Service as an Officer or Director ⁽²⁾
Lawrence W. Talbot ⁽⁷⁾ Vice-President and General Counsel British Columbia, Canada	Barrister and Solicitor; Owner, Lawrence W. Talbot Law Corporation (law firm) since July 1, 2006, previously Partner, Gowling Lafleur Henderson LLP (law firm), April 2000 to July 2006, director, Cardero Resource Corp. (public mineral exploration company) since April, 2003, director and secretary, Excellon Resources Inc. (public natural resources company) 1993 to April, 2008.	Vice-President & General Counsel since September 22, 2006
Michael W. Kinley, C.A. Chief Financial Officer British Columbia, Canada	Chartered Accountant; President, Winslow Associates Management & Communications Inc. (private consulting firm) 1973 to present; Chief Financial Officer of Wealth Minerals Ltd. since August, 2005, Dorato Resources Inc. since July 2008, Trevali Resources Corp. since July, 2008 and Cardero Resource Corp. since January 2006 (all public natural resource companies); Director, Indico Resources Ltd. since May, 2006 (public natural resource company); President, GFK Resources Ltd. since March 1997 (public natural resource company).	Chief Financial Officer since September 22, 2006
Carl Brechtel Chief Operating Officer Colorado, USA	Professional Engineer; Chief Operating Officer of the Company since January, 2010; previously, various positions with AngloGold Ashanti Limited over past 12 years.	Chief Operating Officer since January 12, 2010
Russell B. Myers Vice-President, Exploration Colorado, USA	Geologist; Vice-President, Exploration of the Company since September, 2006, previously, senior geologist, AngloGold Ashanti (USA) Exploration Inc. since 2000.	Vice-President, Exploration since September 22, 2006
Quentin Mai Vice-President, Corporate Communications British Columbia, Canada	Businessman; Manager, Corporate Communications, of Cardero Resource Corp. (public natural resource company) since 2004; President, Quatloo Investment Management Inc. (private investor relations firm) since 2004, previously, Vice-President, Business Development, Capital Alliance Group, 2001 - 2004.	Vice-President, Corporate Communications since September 22, 2006

Notes:

1. The information as to place of residence and principal occupation, not being within the knowledge of ITH, has been furnished by the respective Directors individually.
2. All directorships expire at the next Annual General Meeting of the shareholders of ITH (which must be held before December 31, 2010). All officers hold office at the pleasure of the Board.
3. Denotes member of the Audit Committee.
4. Denotes member of the Compensation Committee.
5. Denotes member of the Sustainable Development Committee.
6. Denotes member of the Corporate Governance and Nominating Committee.
7. Denotes member of the Mergers and Acquisitions Committee.

8. Denotes member of the Special Committee.

ITH does not currently have any committees other than the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Sustainable Development Committee, the Mergers and Acquisitions Committee and the Special Committee.

As at August 23, 2010, ITH's Directors and executive officers, as a group, beneficially hold a total of 3,521,817 Common Shares, directly or indirectly, representing 5.23% of the 67,228,222 issued Common Shares. ITH's Directors and executive officers, as a group, also hold the following incentive stock options to purchase up to the following numbers of Common Shares until the dates shown:

- (a) 625,000 Common Shares exercisable at \$2.66 per Common Share until March 12, 2011;
- (b) 740,000 Common Shares exercisable at \$3.15 per Common Share until May 20, 2011;
- (c) 250,000 Common Shares exercisable at \$7.95 per Common Share until January 12, 2012;
- (d) 2,300,000 Common Shares exercisable at \$7.34 per Common Share until April 14, 2012; and
- (e) 1,100,000 Common Shares exercisable at \$6.57 per Common Share until August 19, 2012.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

- 1. No Director or executive officer of ITH is, as at the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including ITH) that:
 - (a) was subject to an order that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, except as follows:
 - (i) Michael W. Kinley, the Chief Financial Officer of the Company, was the President and Director of Abstract Enterprises Corp. (he resigned in 2005), which was the subject of a British Columbia Securities Commission ("BCSC") cease trade order on July 10, 2002 for failure to file financial statements (a similar order was issued by the Alberta Securities Commission ("ASC")) and was delisted on June 20, 2003,
 - (ii) Michael W. Kinley, the Chief Financial Officer of the Company, is the President, Chief Executive Officer and a Director of GFK Resources Ltd. (formerly "Noise Media Inc."), which was the subject of a BCSC cease trade order on January 28, 2003 for failure to file financial statements (a similar ASC order was also issued). The Company was subsequently transferred to the NEX Board. The cease trade order was revoked on December 8, 2006, the company having filed a reactivation application in accordance with applicable policies,
 - (iii) Michael Bartlett, a director of the Company, was President and a director of Creative Entertainment Technologies Inc. ("Creative"). On May 29, 2002 a cease trade order was issued against Creative for failure by Creative to file its financial statements for the year ended December 31, 2001, and such cease trade order remains in effect. Creative was delisted from the TSXV on November 14, 2002. Mr. Bartlett resigned as a director and officer of Creative in 2002.

- (iv) Michael Bartlett, a director of the Company, was President, CEO and a director of Battery & Wireless Solutions Inc. (“B&W”). On May 9, 2006, a cease trade order was issued against B&W for failure to file its financial statements for the year ended December 31, 2005, and such cease trade order remains in effect. A similar cease trade order was issued in October 2000 (failure to file interim financial statements) and was revoked in February 2002. Mr. Bartlett resigned as a director and officer of B&W in 2006; or
- (b) was subject to an order that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes hereof, the term “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

2. No Director or executive officer of ITH, or a shareholder holding a sufficient number of securities of ITH to affect materially the control of ITH:

- (a) is, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including ITH) that, while such person was acting in such capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the Director, executive officer or shareholder, except as follows:
 - (i) Michael Bartlett, a director of the Company, was President and a director of Creative. On July 24, 2002, Creative filed for Chapter 7 bankruptcy in the US Bankruptcy Court in California. Mr. Bartlett is unaware of the current status of such bankruptcy. Mr. Bartlett resigned as a director and officer of Creative in 2002, and
 - (ii) Michael Bartlett, a director of the Company, was Chief Executive Officer, President and a director of B&W. In 2006, B&W filed for protection from its creditors under the Companies’ Creditors Arrangement Act (Canada). Mr.

Bartlett is unaware of the outcome of such proceedings. Mr. Bartlett resigned as a director and officer of B&W in 2006.

3. No Director or executive officer of ITH, or a shareholder holding a sufficient number of securities of ITH to affect materially the control of ITH, has been subject to:
 - (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Certain Directors and officers of ITH are directors, officers and/or shareholders of other private and publicly listed companies, including companies that engage in mineral exploration and development and companies that hold Common Shares or other securities of ITH. To the extent that such other companies may participate in or be affected by ventures involving ITH, these Directors and officers of ITH may have conflicting interests in negotiating, settling and approving the terms of such ventures. Conflicts of interest affecting the Directors and officers of ITH will be governed by ITH's "Code of Business Conduct and Ethics", the Articles of ITH, the provisions of the BCBCA and other applicable laws and relevant stock exchange policies and requirements. In the event that such a conflict of interest arises at a meeting of the Directors, a Director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises.

ITEM 11: PROMOTERS

ITH does not presently have, and has not within the two most recently completed fiscal years or the current fiscal year had, any promoters.

ITEM 12: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not currently, and has not since June 1, 2009 (being the commencement of the Company's last competed financial year) been, a party to any legal proceedings, nor is any of the Company's properties presently, or has, since June 1, 2009 (being the commencement of the Company's last competed financial year), any of the Company's properties been, subject to any legal proceedings.

Regulatory Actions

There have not been any:

1. penalties or sanctions imposed against ITH by a court relating to securities legislation or by a securities regulatory authority during the financial year ended May 31, 2010;
2. any other penalties or sanctions imposed against ITH by a court relating to securities legislation or by a securities regulatory authority that would likely be considered important to a reasonable investor making an investment decision; or
3. settlement agreements entered into by ITH before a court relating to securities legislation or with a securities regulatory authority during the financial year ended May 31, 2010.

ITEM 13: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No:

1. Director or executive officer of the Company;
2. any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Common Shares; or
3. any associate or affiliate of any of the persons or companies referred to in paragraphs 1 or 2,

has, during any of the fiscal years ended May 31, 2008, 2009 or 2010, or during the current fiscal year, had any material interest, direct or indirect, in any transaction that has materially affected, or will materially affect, the Company, except for:

1. Pursuant to an Asset Purchase and Sale and Indemnity Agreement dated June 30, 2006, as amended on July 26, 2006 (collectively, the "AngloGold Agreement") among ITH, AngloGold and Talon Alaska, the Company acquired all of AngloGold's interest in a portfolio of seven mineral exploration projects in Alaska (referred to as the Livengood, Coffee Dome, Chisna, Blackshell, Gilles, West Pogo and Caribou properties) (the "Sale Properties"), together with a comprehensive database (with respect to both the Sale Properties and the extensive exploration work carried out by AngloGold in Alaska) and certain personal property (together with the Sale Properties, the "Assets"), in consideration of the issuance to AngloGold of 5,997,295 Common Shares, representing approximately 19.99% of the issued and outstanding Common Shares following the closing of the acquisition and two private placement financings raising an aggregate of \$11,479,348. AngloGold has the right to maintain its percentage equity interest in the Common Shares, on an ongoing basis, provided that such right will terminate if AngloGold's interest falls below 10% at any time after January 1, 2009. As a result of this transaction, AngloGold became an "insider" of ITH pursuant to applicable Canadian securities legislation. As further consideration for the transfer of the Assets, Talon Alaska granted to AngloGold a 90-day right of first offer with respect to the Sale Properties and any additional mineral properties in which Talon Alaska acquires an interest and which interest it proposes to farm out or otherwise dispose of. If AngloGold's equity interest in ITH is reduced to less than 10%, then this right of first offer will terminate. In addition, the Company agreed to indemnify AngloGold from and against any liabilities related to the Sale Properties, to assume obligations with respect to all underlying agreements, holding costs, property taxes and government rentals and all permitting and bonding requirements related to the Sale Properties. The Company also agreed to purchase the Sale Properties on an "as is", where is" basis and to assume responsibility and indemnify AngloGold for all environmental liabilities.

On the closing of the acquisition of the Assets, the Company entered into option/joint venture agreements with AngloGold with respect to two additional mineral projects in Alaska held by AngloGold, referred to as the LMS and Terra properties (the "Optioned Properties").

With respect to the LMS property, the Company has the right to earn a 60% interest by incurring aggregate exploration expenditures of USD 3.0 million within four years, of which the Company committed to incur minimum exploration expenditures of USD 1.0 million during the 2006 calendar year and, in order to maintain the option, of USD 750,000 during the 2007 calendar year. Upon the Company having earned its 60% interest in the LMS property, AngloGold will have the right to re-acquire a 20% interest (for an aggregate 60% interest) and become manager of the joint venture by incurring a further USD 4.0 million in exploration expenditures over a further two years.

With respect to the Terra property, the Company has the right to earn a 60% interest by incurring aggregate exploration expenditures of USD 3.0 million within four years, of which the Company has committed to incur minimum exploration expenditures of USD 500,000 during the 2006 calendar year and, in order to maintain the option, of USD 750,000 during the 2007 calendar year. Upon the Company having earned its 60% interest in the Terra property, AngloGold will have the right to re-acquire a 20% interest (for an aggregate 60% interest) and become manager of the joint venture by incurring a further USD 4.0 million in exploration expenditures over a further two years. The Company has earned its 60% interest, and AngloGold has elected not to re-acquire a 20% interest.

In either case, following the parties having earned their final respective interests, each party will be required to contribute its pro rata share of further expenditures or its interest in the property will be diluted. A party that is diluted to 10% or less will have its interest converted to a 2% net smelter return royalty.

AngloGold funded the property and exploration program expenditures on the Sale Properties and the Optioned Properties from July 1, 2006 until the closing of the Acquisition on August 4, 2006 and, as required by the AngloGold Agreement, the Company reimbursed AngloGold for all such expenditures in the aggregate amount of USD 478,093.

To July 1, 2006, AngloGold had incurred approximately USD 1.4 million in acquisition costs and exploration expenditures on the Sale Properties and approximately USD 2.4 million in acquisition costs and exploration expenditures on the Optioned Properties.

2. On August 4, 2006, ITH completed a non-brokered private placement of 7,999,718 units (each, a "Unit") at a price of \$0.56 per Unit for gross proceeds of \$4,479,842 (approximately USD 3.975 million). Each Unit consisted of one Common Share and one-half of a transferable common share purchase warrant. Each whole warrant (each, a "Warrant") entitled the holder, on exercise, to purchase an additional Common Share at a price of \$1.00 until August 4, 2008. Cardero Resource Corp., a public company headquartered in Vancouver, B.C., purchased 4,000,000 Units in this placement. As a consequence of participating in this placement, Cardero became an "insider" of ITH pursuant to applicable Canadian securities legislation. On August 4, 2008, Cardero exercised all of its 2,000,000 Warrants and acquired an additional 2,000,000 Common Shares. As a consequence of the issuance of additional Common Shares by ITH, and sales by Cardero of Common Shares, Cardero is no longer an insider of ITH.
3. On June 6, 2008, ITH and Talon Alaska entered into a purchase agreement with AngloGold to acquire all of the interest of AngloGold in the Terra and LMS projects in Alaska, plus certain other AngloGold rights. The purchase agreement encompasses all royalties and residual rights held by AngloGold in the Terra and LMS properties, as well as AngloGold's first refusal rights on transactions involving the West Pogo and Gilles properties held by the Company (and originally acquired from AngloGold).

Under the terms of the purchase agreement, Talon Alaska acquired all of the right, title and interest of AngloGold in the Terra and LMS projects (including AngloGold's right of first offer on any disposition thereof by the Company). In addition, AngloGold also relinquished its right of first offer on two of the Company's other 100% owned projects, being the West Pogo project (which is situated on the western boundary of the Pogo Joint Venture land package) and the Gilles project (which is located along the Pogo mine road, 25 kilometres southwest of the West Pogo property). The total purchase price was \$751,500, which was satisfied by the issuance of an

aggregate of 450,000 Common Shares (valued, for this purpose, at \$1.67 per share). The transaction closed on November 24, 2008.

4. On July 9, 2009, AngloGold exercised its “top-up” right to maintain its 13.2907% equity interest in ITH. AngloGold’s equity interest had been diluted by virtue of ITH’s issuance of Common Shares since January 1, 2009, principally due to the exercise of 7,753,385 warrants, broker options and broker warrants in May, 2009. The “top-up” provision, contained in the June 30, 2006 purchase agreement among AngloGold, ITH and Talon Alaska pursuant to which the Company acquired AngloGold’s Alaskan assets (including the Company’s flagship Livengood property), gives AngloGold the right, twice a year, to maintain its then current equity ownership percentage in the Company on an ongoing basis thereby avoiding dilution as a result of the issuance of Common Shares by the Company in connection with property payments or warrant or option exercises. AngloGold also has a separate right to participate in any equity financings by ITH up to its then pre-financing percentage equity interest.

As a consequence of AngloGold’s election to exercise its “top-up” right, ITH sold to AngloGold, on a private placement basis, an aggregate of 1,218,283 Common Shares at a price of \$2.68 per share (reflecting the closing price of the Common Shares on the TSXV on July 9, 2009 of \$3.15 less the maximum discount (15%), as required by the provisions of the “top-up” right) for gross proceeds of \$3,264,998. The private placement closed on August 25, 2009.

5. On February 10, 2010, AngloGold exercised its “top-up” right to maintain its 13.2907% equity interest in ITH. As a consequence, ITH sold to AngloGold, on a private placement basis, an aggregate of 67,965 common shares at a price of \$5.38 per share (reflecting the 5 day volume-weighted average price of the Common Shares on the TSX preceding February 10, 2010 less the maximum allowable discount (15%), as required by the provisions of the “top-up” right) for gross proceeds of CAD 365,651.17. The private placement closed on March 26, 2010.
6. On April 6, 2010, the Company issued an aggregate of 664,210 common shares for aggregate gross proceeds of CAD 3,985,260 to AngloGold under its preferential right to participate in a private placement of an aggregate of 5,000,000 shares in accordance with its current equity interest in the Company. The price paid by AngloGold (\$6.00) was the same as the other arm’s length placees who participated in the placement.
7. On August 12, 2010, AngloGold exercised its “top-up” right to maintain its 13.2907% equity interest in ITH. As a consequence, ITH will sell to AngloGold, on a private placement basis, an aggregate of 415,041 common shares at a price of \$5.26 per share (reflecting the 5 day volume-weighted average price of the Company’s common shares on the TSX preceding August 12, 2010 of \$6.18 less the maximum allowable discount (15%), as required by the provisions of the “top-up” right) for gross proceeds of \$2,183,115.66. The private placement is subject to execution of formal documentation and the acceptance for filing thereof by the TSX and NYSE-Amex on behalf of the Company, and is anticipated to close after August 25, 2010.

ITEM 14: TRANSFER AGENT AND REGISTRAR

The Company’s co-transfer agents and registrars are Computershare Investor Services Inc. in Canada and Computershare Trust Company N.A. in the United States. Transfers may be effected at, and registration facilities are maintained in British Columbia, Canada at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

ITEM 15: MATERIAL CONTRACTS

There are no material contracts that have been entered into by the Company other than in the ordinary course of the Company's business of mineral property evaluation, acquisition and divestiture and exploration, including raising the funding therefor, since June 1, 2009 (being the commencement of the Company's most recently completed financial year) that are still in effect, other than:

1. Shareholder Rights' Plan Agreement dated August 25, 2009 between ITH and Computershare Investor Services Inc. pursuant to which ITH issued the rights pursuant to the SRP.
2. Arrangement Agreement made as of July 8, 2010 between ITH and Corvus pursuant to which ITH and Corvus agreed to carry out the spin-out arrangement transaction described under "Item 5 – Narrative Description of the Business – Corporate Reorganizations".

ITEM 16: NAMES AND INTERESTS OF EXPERTS

Names and Interests of Experts

The following are the persons or companies:

1. who were named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by ITH during, or relating to, the fiscal year ending May 31, 2010, being ITH's most recently completed financial year; and
2. whose profession or business gives authority to the statement, report or valuation made by the person or company:
 - (a) MacKay LLP, Chartered Accountants:
 - (i) provided an auditor's report dated August 6, 2009 in respect of the Company's financial statements for the years ended May 31, 2009 and 2008, and
 - (ii) provided an auditor's report dated August 13, 2009 in respect of the Company's financial statements for the years ended May 31, 2010 and 2009 and incorporated by reference into this AIF.

MacKay LLP is independent in accordance with the auditors' rules of professional conduct in British Columbia;

- (b) Paul D. Klipfel, Ph.D, CPG (AIPG), a "qualified person" for the purposes of NI 43-101, is the author responsible for the preparation of:
 - (i) the technical report entitled "Summary Report on The Terra Gold Project, McGrath District, Alaska" dated June 15, 2010, other than section 17 thereof, filed on SEDAR on July 15, 2010,
 - (ii) the technical report entitled "Summary Report on the LMS Gold Project, Goodpaster District, Alaska" dated June 15, 2010, other than section 17 thereof, filed on SEDAR on July 15, 2010,
 - (iii) the technical report entitled "July 2009 Summary Report on the Livengood Project, Tolovana District, Alaska" dated July 31, 2009, other than sections 16 and 17 thereof, filed on SEDAR on August 11, 2009;

- (iv) the technical report entitled “October 2009 Summary Report on the Livengood Project, Tolovana District, Alaska” dated October 31, 2009, other than sections 16 and 17 thereof, filed on SEDAR on November 27, 2009;
- (v) the technical report entitled “March 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” dated March 16, 2010, other than sections 16 and 17 thereof, filed on SEDAR on April 23, 2010; and
- (vi) the technical report entitled “June 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” dated June 25, 2010, other than sections 16 and 17 thereof, filed on SEDAR on July 15, 2010.

Mr. Klipfel holds less than 1% of the outstanding Common Shares;

- (c) Gary H. Giroux, P.Eng. (B.C.), a “qualified person” for the purposes of NI 43-101, is the author responsible for the preparation of:
 - (i) section 17 of the technical report entitled “Summary Report on The Terra Gold Project, McGrath District, Alaska” dated June 15, 2010, filed on SEDAR on July 15, 2010,
 - (ii) section 17 of the technical report entitled “Summary Report on the LMS Gold Project, Goodpaster District, Alaska” dated June 15, 2010, filed on SEDAR on July 15, 2010,
 - (iii) section 17 of the technical report entitled “Summary Report on the North Bullfrog Project and Resource at Mayflower, Bullfrog Mining District, Nye County, Nevada” dated June 30, 2010, filed on SEDAR on July 15, 2010.

Mr. Giroux holds less than 1% of the outstanding Common Shares;

- (d) Roger C. Steininger, Ph.D., CPG, a “qualified person” for the purposes of NI 43-101, is the author responsible for the preparation of the technical report entitled “Summary Report on the North Bullfrog Project and Resource at Mayflower, Bullfrog Mining District, Nye County, Nevada” dated June 30, 2010, except section 17 thereof, and filed on SEDAR on July 15, 2010. Mr. Steininger holds less than 1% of the outstanding Common Shares;
- (e) Tracy E. Barnes, P.E., a “qualified person” for the purposes of NI 43-101, is the author responsible for the preparation of section 17 of the technical report entitled “July 2009 Summary Report on the Livengood Project, Tolovana District, Alaska” dated July 31, 2009, incorporated by reference into this AIF. Mr. Barnes holds less than 1% of the outstanding Common Shares;
- (f) William Pennstrom, Jr. a “qualified person” for the purposes of NI 43-101, is the author responsible for the preparation of:
 - (i) section 16 of the technical report entitled “July 2009 Summary Report on the Livengood Project, Tolovana District, Alaska” dated July 31, 2009, filed on SEDAR on August 11, 2009;

- (ii) section 16 of the technical report entitled “October 2009 Summary Report on the Livengood Project, Tolovana District, Alaska” dated October 31, 2009, filed on SEDAR on November 27, 2009;
- (iii) section 16 of the technical report entitled “March 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” dated March 16, 2010, filed on SEDAR on April 23, 2010; and
- (iv) section 16 of the technical report entitled “June 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” dated June 25, 2010, filed on SEDAR on July 15, 2010.

Mr. Pennstrom holds less than 1% of the outstanding Common Shares;

- (g) Tim Carew, P.Geo., a “qualified person” for the purposes of NI 43-101, is the author responsible for the preparation of:
 - (i) section 17 of the technical report entitled “October 2009 Summary Report on the Livengood Project, Tolovana District, Alaska” dated October 31, 2009, filed on SEDAR on November 27, 2009;
 - (ii) section 17 of the technical report entitled “March 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” dated March 16, 2010, filed on SEDAR on April 23, 2010; and
 - (iii) section 17 of the technical report entitled “June 2010 Summary Report on the Livengood Project, Tolovana District, Alaska” dated June 25, 2010, filed on SEDAR on July 15, 2010.

Mr. Carew holds less than 1% of the outstanding Common Shares; and

- (h) Christopher N.A. Taylor, P.Geo., a “qualified person” for the purposes of NI 43-101, is the author responsible for the preparation of the technical report entitled “Technical Report on the Chisna Copper Gold Project, Chistochina Mining District, South-Central Alaska” dated June 22, 2010, and filed on SEDAR on July 15, 2010. Mr. Taylor holds less than 1% of the outstanding Common Shares.

ITEM 17: ADDITIONAL INFORMATION

Audit Committee Information

Under National Instrument 52-110 – Audit Committees (“NI 52-110”), companies that are required to file an Annual Information Form are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to ITH is provided in Schedule “A”.

Additional Information

Additional information relating to ITH may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of ITH's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Information Circular. Additional financial information is available in ITH's comparative audited consolidated financial statements, together with the auditor's report thereon, and the related Management Discussion and Analysis for its most recently completed fiscal year ended May 31, 2010.

A copy of this AIF, the Information Circular, the Financial Statements and the MD&A, as well as any interim statements from the past fiscal year) may be found on the SEDAR website at www.sedar.com or be obtained upon request from the Vice-President & General Counsel of ITH. A reasonable fee for copying may be charged if the request is made by a person who is not a registered security holder of ITH.

Schedule “A”

Audit Committee Information

The Audit Committee’s Charter

The following is the text of the current Charter for ITH’s Audit Committee:

**“INTERNATIONAL TOWER HILL MINES LTD.
AUDIT COMMITTEE CHARTER**

(Adopted by the Board of Directors on September 22, 2006 and amended on June 28, 2007)

ARTICLE 1 - PURPOSE

The overall purpose of the Audit Committee (the “Committee”) is to:

- (a) ensure that the management of International Tower Hill Mines Ltd. (the “Company”) has designed and implemented an effective system of internal financial controls for reviewing and reporting on the Company’s financial statements;
- (b) oversee, review and report on the integrity of the Company’s financial disclosure and reporting;
- (c) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts; and
- (d) be directly responsible for:
 - (i) the selection of a firm of external auditors to be proposed for election as the external auditors of the Company,
 - (ii) the oversight of the work of the Company’s external auditors, and
 - (iii) subject to the grant by the shareholders of the authority to do so, if required, fixing the compensation of the external auditors of the Company.

ARTICLE 2 - COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1 The Committee will consist of at least three members of the Board of Directors (the “Board”), all of whom will be “independent¹” and “unrelated directors²” of the Company

¹ Whether a director is “independent” will be determined in accordance with all applicable laws and regulations, including the applicable securities laws of Canada and the United States and the regulations and policies of any stock exchange or quotation system on which the Company’s securities are listed or quoted.

² “unrelated director” means a director who is: (a) not a member of management and is free from any interest and any business, family or other relationship which could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the issuer, other than interests and relationships arising solely from holdings in the issuer, (b) not currently, or has not been within the last three years, an officer, employee of or material service provider to the issuer or any of its subsidiaries or affiliates; and (c) not a director (or similarly situated individual) officer, employee or significant shareholder of an entity that has a material business relationship with the issuer. A chair or vice chair of the board of directors who is not a member of management is not, for that reason alone, a related director.

within the meaning of all applicable legal and regulatory requirements (except in the circumstances, and only to the extent, permitted by all applicable legal and regulatory requirements).

- 2.2 All of the members of the Committee will be “financially literate”, at least one member of the Committee will have accounting or related financial expertise (i.e. able to analyze and interpret a full set of financial statements, including the notes thereto, in accordance with generally accepted accounting principles) and at least one member of the Committee will be a “financial expert” within the meaning of the rules and forms adopted by the Securities and Exchange Commission (except in the circumstances, and only to the extent, permitted by all applicable legal and regulatory requirements).
- 2.3 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, will appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 2.4 Unless the Board has appointed a chair of the Committee, the members of the Committee will elect a chair from among their number.
- 2.5 The Committee will select an individual to act as secretary for the Committee, who will be either:
 - (a) a member of the Committee other than the chair, or
 - (b) another individual who is not a member of the management of the Company.
- 2.6 The quorum for meetings will be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. Decisions by the Committee will be by the affirmative vote of a majority of the members of the Committee, or by consent resolutions in writing signed by each member of the Committee.
- 2.7 The Committee will have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- 2.8 Meetings of the Committee will be conducted as follows:
 - (a) the Committee will meet:
 - (i) at least quarterly, and
 - (ii) may meet as many additional times:
 - A. as deemed necessary or appropriate by the Committee,
 - B. upon request by any member of the Committee, the Chief Executive Officer, the Chief Financial Officer or the external auditors,

³ An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally compatible to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

- in each case at such times and at such locations as may be determined by the Committee or the chair of the Committee. Except in respect of a regularly scheduled meeting of the Committee, notice of such meeting, together with a proposed agenda, will be delivered to each member of the Committee not less than forty-eight (48) hours prior to the proposed meeting time (which notice may be waived by all of the members of the Committee); and
- (b) the external auditors and management representatives will be invited to attend as necessary in the discretion of the Committee.
- 2.9 The internal accounting staff, any external accounting consultant(s) and the external auditors will have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in, or consultant of, the Company as it deems necessary, and any employee of, or consultant to, the Company may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
- 2.10 The Committee may, in its sole discretion, retain, at the expense of the Company, such legal, financial or other advisors or consultants as it may deem necessary or advisable in order to properly and fully perform its duties and responsibilities hereunder.

ARTICLE 3 - DUTIES AND RESPONSIBILITIES

- 3.1 The overall duties and responsibilities of the Committee will be as follows:
- (a) be directly responsible for:
 - (i) the selection of a firm of external auditors to be proposed for election as the external auditors of the Company,
 - (ii) the oversight of the work of the Company's external auditors, and
 - (iii) subject to the grant by the shareholders of the authority to do so, if required, fixing the compensation of the external auditors of the Company;
 - (b) to review with the management of the Company (and, in the case of the annual audited statements, with the external auditors) the annual audited consolidated and unaudited consolidated quarterly financial statements, including the notes thereto, to ensure that such statements present fairly the financial position of the Company and the results of its operations and, if appropriate, to recommend to the Board as to the approval of any such financial statements;
 - (c) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements;
 - (d) to establish and maintain a direct line of communication with the Company's internal accounting staff and any external accounting consultant(s) and assess their performance;
 - (e) to ensure that the management of the Company has designed, implemented and is maintaining an effective and appropriate system of internal financial controls; and
 - (f) to report regularly to the Board on the fulfilment of its duties and responsibilities.

3.2 The duties and responsibilities of the Committee as they relate to the external auditors will be as follows:

- (a) to select a firm of external auditors to be proposed by management of the Company to the shareholders for election by the shareholders as the external auditors for the Company, and to verify the independence of such proposed external auditors;
- (b) to review and approve the fee, scope and timing of the annual and any other audit performed by the external auditors;
- (c) to review and evaluate the qualifications, performance and independence of the lead partner of the external auditors of the Company;
- (d) to discuss with management of the Company the timing and process for implementing the rotation of the lead audit partner and the reviewing partners of the external auditors of the Company;
- (e) to obtain confirmation from the external auditors of the Company that they will report directly to the Committee;
- (f) to obtain confirmation from the external auditors of the company that they will report in a timely matter to the Committee all critical accounting policies and practices to be used, all alternative accounting policies and practices, the ramifications of each of such accounting policies and practices and the accounting policy and practice preferred by the external auditors of the Company, for the financial information of the Company within applicable generally accepted accounting principles (“GAAP”) which have been discussed with management of the Company and will provide a copy of all material written communications between the external auditors of the Company and management of the Company including, without limitation, any management letter or schedule of unadjusted differences;
- (g) obtain confirmation from the external auditors of the Company that they will ensure that all reports filed under the United States Securities Exchange Act of 1934, as amended, which contain financial statements required to be prepared in accordance with Canadian GAAP and/or are reconciled to, United States GAAP, reflect all material correcting adjustments identified by the external auditors of the Company;
- (h) to review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors of the Company;
- (i) to review and pre-approve all non-audit services to be provided to the Company (or any of its subsidiaries) by the external auditors, provided that such pre-approval authority may be delegated by the Committee to any member of the Committee who is “independent” and “unrelated” on the condition that any such pre-approval must be presented to the Committee at its first schedule meeting following any such approval;

- (j) review the audit plan of the external auditors prior to the commencement of the audit;
- (k) to review with the external auditors, upon completion of their annual audit:
 - (i) the contents of their report,
 - (ii) the scope and quality of the audit work performed,
 - (iii) the adequacy of the Company's financial and accounting personnel,
 - (iv) the co-operation received from the Company's personnel and any external consultants during the audit,
 - (v) the scope and nature of the internal resources used,
 - (vi) any significant transactions outside of the normal business of the Company,
 - (vii) any significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems, and
 - (viii) the non-audit services provided by the external auditors during the year under audit;
- (l) to discuss with the external auditors not just the acceptability, but also the quality, of the Company's accounting principles; and
- (m) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3.3 The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal accounting, the use of and services provided by any external accounting consultant(s), insurance, information services and systems and financial controls, management reporting and risk management, and to ensure that the Company maintains:
 - (i) the necessary books, records and accounts in reasonable detail to accurately and fairly reflect the Company's financial transactions,
 - (ii) effective internal control systems, and
 - (iii) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud;
- (b) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and

- (ii) the confidential, anonymous submission by employees or any external consultants of the Company of concerns regarding questionable accounting or auditing matters;
- (c) to periodically review this policy and recommend to the Board any changes which the Committee may deem appropriate;
- (d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company;
- (e) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal accounting staff, by any external accounting consultant(s) or by the external auditors have been implemented;
- (f) assist in the preparation of any internal control report by management, which provides that management of the Company is responsible for establishing and maintaining an adequate control structure and procedures for financial reporting by the Company, assessing the effectiveness of such control structure and procedures, and ensuring that the external auditors of the Company attest to, and report on, the assessment of such control structure and procedures by management of the Company;
- (g) assist the Chief Executive Officer and the Chief Financial Officer of the Company in their assessment of the effectiveness of the Company's internal control over financial reporting and in determining whether there has been any material change in the Company's internal control over financial reporting which has materially affected or could materially affect such internal control subsequent to the date of the evaluation; and
- (h) assist the Chief Executive Officer and the Chief Financial Officer of the Company in identifying and addressing any significant deficiencies or material weaknesses in the design or operation of the Company's internal control over financial information and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

3.4 The Committee is also charged with the responsibility to:

- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form (if any);
 - (iii) any quarterly or annual management discussion and analysis;
 - (iv) prospectuses; and
 - (v) other public reports requiring approval by the Board,

- and report to the Board with respect thereto including, without limitation, as to the approval (or otherwise) thereof by the Board;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated annual and interim financial statements, including any press releases with respect thereto;
 - (d) ensure that the Company discloses in the periodic reports of the Company, as appropriate, whether at least one member of the Committee is a "financial expert" within the meaning of the rules and forms adopted by the Securities and Exchange Commission;
 - (e) ensure that all non-audit services approved by or on behalf of the Committee are disclosed in the periodic reports of the Company;
 - (f) ensure that each annual report and, to the extent required by any applicable legal or regulatory requirement, any quarterly report of the Company includes disclosure with respect to all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities which may have a current or future effect on the Company in accordance with all applicable legal and regulatory requirements;
 - (g) ensure that all financial statements and other financial information, including pro forma financial information, included in any report filed by the Company with any regulatory authority or contained in any public disclosure or press release of the Company is presented in a manner which does not contain a material misstatement or omission and reconciles the pro forma information contained therein to Canadian GAAP, and if appropriate, reconciles such pro forma information contained therein to United States GAAP, and which otherwise complies with all applicable legal and regulatory requirements;
 - (h) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (i) review and report on the integrity of the Company's consolidated financial statements;
 - (j) review the minutes of any audit committee meeting of any subsidiaries of the Company;
 - (k) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (l) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and

- (m) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board within a reasonable time following each annual general meeting of shareholders.

3.5 The Committee shall have the authority to determine:

- (a) subject to the grant by the shareholders of the authority to do so, if required, the compensation to be received by the external auditors of the Company in connection with all audit services, and non-audit services, to be performed by the auditors;
- (b) the compensation to be received by any legal, financial or other advisors or consultants engaged by the Committee to assist it in performing its duties and responsibilities hereunder; and
- (c) the appropriate funding for the ordinary administrative expenses of the Committee.

ARTICLE 4 – GENERAL

4.1 The Committee will:

- (a) prepare any report or other disclosure, including any recommendation of the Committee, required by any applicable legal or regulatory requirement to be included in the annual proxy or information circular of the Company;
- (b) review this Charter at least annually and recommend any changes herein to the Board;
- (c) report the activities of the Committee to the Board on a regular basis and make such recommendations thereto as the Committee may deem necessary or appropriate; and
- (d) prepare and review with the Board an annual performance evaluation of the Committee, which performance evaluation must compare the performance of the Committee with the requirements of this Charter and be conducted in such manner as the Committee deems appropriate. Such report to the Board may be in such form as the Committee determines, which may include being in the form of an oral report by the chair of the Committee or by another member of the Committee designated by the Committee to make such report.

4.2 No member of the Committee will receive any compensation from the Company, other than fees for being a director of the Company, or a member of a committee of the Board.

4.3 In addition to the foregoing, the Committee will perform such other duties as may be assigned to it by the Board from time to time or as may be required by any applicable stock exchanges, regulatory authorities or legislation.”

Composition of the Audit Committee

ITH’s Audit Committee is made up of the following directors:

<u>Name</u>	<u>Independent (Y/N)</u>	<u>Status</u>
Anton J. Drescher (Chair)	Independent	Financially Literate

Rowland Perkins	Independent	Financially Literate
Ronald Sheardown	Independent	Financially Literate

A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.

An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education And Experience

The experience and education of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is as follows:

Anton J Drescher: Mr. Drescher has been Chief Financial Officer and a director of USA Video Interactive Corp., a public company listed for trading on the TSXV and the OTC Bulletin Board, since December 1994, which company is involved in streaming video and video-on-demand. He has also, since 1996; President of Westpoint Management Consultants Limited, a private company engaged in tax and accounting consulting for business reorganizations since 1979; and President of Harbour Pacific Capital Corp., a private British Columbia company involved in regulatory filings for businesses in Canada, since 1998. Mr. Drescher has been a Certified Management Accountant since 1981.

Ronald Sheardown: Mr. Sheardown is the president of Greatland Exploration, Ltd. and has been involved in Alaskan and Canadian exploration for over 50 years, with discoveries such as the co-discovery (with Murray Watts) of the Mary River Iron Ore Deposit of Baffinland Iron Mines Limited to his credit. In addition, Mr. Sheardown was part of the team that discovered the Asbestos Hill and Raglan deposits in Quebec and the Black Angel mine in Greenland. More recently, he has served as a technical advisor to Rudnik Matrosova (a division of Norilsk Nickel) on the development of the Natalka deposit in eastern Russia. Mr. Sheardown has also held a number of important positions within the State of Alaska and various mining related organizations. Mr. Sheardown has been a director of a number of public companies similar to ITH and, in such roles, he has had experience with the review and understanding of the accounting principles relevant to the financial statements of public natural resource companies.

Rowland Perkins: Mr. Perkins has been the President and a director of eBackup Inc. from 2001 to present. Previously, he was the Marketing Manager of Intellisave Datavaults Inc. (Securinet Inc.) from 1999 to 2000. Mr. Perkins has also served as a director of USA Video Interactive Corporation since January 2005. In connection with these activities, Mr. Perkins has had extensive experience in reviewing, interpreting and assessing financial statements and the underlying accounting principles, and has been involved in the development and analysis of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since June 1, 2009 (being the commencement of its most recently completed financial year) has ITH relied on the exemptions in the following sections of NI 52-110:

1. Section 2.4 (De Minimis Non-audit Services);
2. Section 3.2 (Initial Public Offerings);
3. Section 3.3(2) (Controlled Companies);
4. Section 3.4 (Events Outside Control of Member);
5. Section 3.5 (Death, Disability or Resignation of Audit Committee Member);

6. Section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances);
7. Section 3.8 (Acquisition of Financial Literacy); or
8. an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since June 1, 2009, being the commencement of ITH's most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of ITH's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by ITH. Such advance approval authority may be delegated by the Audit Committee to any member of the Audit Committee who is "independent" and "unrelated" on the condition that any such pre-approval must be presented to the Audit Committee at its first scheduled meeting following any such approval. To date, such authority has not been so delegated.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
May 31, 2010	\$49,500	\$29,500	\$9,500	\$Nil
May 31, 2009	\$35,000	\$5,100	\$6,000	\$Nil

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees". The work performed in 2009 consisted of the review of public filings and responding to due diligence questions from the applicable underwriters in connection with the Company's 2009 bought deal financing. The work performed in 2010 consisted of procedures with regard to annual and interim financial statements and pro-forma financial statements for the purpose of the Corvus spin-out transaction.

(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. The work performed was assistance in the preparation and review of ITH's Canadian and United States tax returns.

(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".