

INTERNATIONAL TOWER HILL MINES LTD.

April 15, 2003

Securities and Exchange Commission
Office of International Finance
450 - 5th Street, N.W.
Washington, D.C. 20549



03 APR 23 11:17:21

FILE #82-3248

Dear Sirs:

Re: International Tower Hill Mines Ltd. (the "Company")
Quarterly Report for period ended February 28, 2003

SUPPL

Enclosed for your files is a copy of the Company's Quarterly Report for the period ended February 28, 2003, which Report was mailed to the shareholders pursuant to National Policy #41 on April 15, 2003.

Yours truly,

INTERNATIONAL TOWER HILL MINES LTD.

"Anton J. Drescher"

Per:
Anton J. Drescher
President

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British Columbia Securities Commission

BCSC

QUARTERLY AND YEAR END REPORT
BC FORM 51 -901 F
(previously Form 61)

03 APR 23 PM 7:21

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the Securities Act. C) questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

INSTRUCTIONS

This report must be filed by the Exchange Issuers within 60 days of the end of their first, second and third quarters and within 140 days of their year end. "Exchange issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the first, second and third financial quarters:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook Section 1751 are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year

For the financial year end:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year less than or greater than 12 Months should refer to National Policy No. 51 *Changes in Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guidelines AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development Stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issues that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement for disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B. SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Analysis of expenses and deferred costs

Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading "miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification. Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods. Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-1 1, staff considers an issuer to be in the development stage when it is devoting substantially all of its operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. Related party transactions

Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.

3. Summary of securities issued and options granted during the period

Provide the following information for the year-to-date period:

- (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
- (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. employees",) exercise price and expiry date.

4. Summary of securities as at the end of the reporting period

Provide the following information as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion and
- (b) number and recorded value for shares issued and outstanding
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements.

5. List the names of the directors and officers as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. *General Instructions*

- (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
- (b) Focus the discussion on material information, including liquidity, capital resources, known trends, commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.

2. *Description of Business*

Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.

3. *Discussion of Operations and Financial Condition*

Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.

The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.

- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:

- i. the name of the person;
- ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;
- (i) legal proceedings;
- (j) contingent liabilities;
- (k) default under debt or other contractual obligations;
- (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
- (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
- (n) management changes; or
- (o) special resolutions passed by shareholders.

4. *Subsequent Events*

Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.

5. *Financings, Principal Purposes and Milestones*

- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
- (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.

6. *Liquidity and Solvency*

Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 - System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51 -901 F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (Management Discussion) are filed under Document Type: BC Form 51 -901 F (previously Document Type Form 61 (BC)).

Meeting the Form Requirements

BC Form 51 -901 F consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National Instrument 13-101 it is not necessary to reproduce the instructions that are set out in BC Form 51 -901 F. A cover page to the schedules titled BC Form 51 -901 F that includes the issuer details and certificate is all that is required to meet the BC Form 51 -901 F requirements. The form of certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS		FOR THE QUARTER ENDED	DATE OF REPORT
NAME OF ISSUER			YY/MM/DD
International Tower Hill Mines Ltd.		February 28, 2003	03/04/15
ISSUER'S ADDRESS			
837 West Hastings Street, Suite 507			
CITY/PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver, BC	V6C 3N6	(604) 685-5777	(604) 685-1017
CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.	
Anton (Tony) J. Drescher	Director	(604) 685-1017	
CONTACT EMAIL ADDRESS	WEB SITE ADDRESS		
mail@harbourpacific.com	www.towerhillmines.com		

CERTIFICATE

The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED					
		Y	Y	M	M	D	D
▶ "Anton (Tony) J. Drescher"	Anton (Tony) J. Drescher	0	3	0	4	1	5
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED					
		Y	Y	M	M	D	D
▶ "Norman J. Bonin"	Norman J. Bonin	0	3	0	4	1	5

International Tower Hill Mines Ltd.

Consolidated Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

(Unaudited)

February 28, 2003

International Tower Hill Mines Ltd.

Consolidated Financial Statements

February 28, 2003

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International Tower Hill Mines Ltd.
 Consolidated Balance Sheets
 (Expressed in Canadian dollars)
 (Prepared by Management)
 (Unaudited)

	Nine Months February 28, 2003	Year Ended May 31, 2002
Assets		
Current		
Cash and cash equivalents	\$ 219,560	\$ 296,849
Marketable securities (note 3)	37,520	37,520
BC mining exploration tax credit receivable	14,670	14,670
Accounts receivable	1,062	1,304
Prepaid expenses	3,073	1,261
	275,885	351,604
Term deposit (note 4a)	2,500	2,500
Mineral properties (note 4)	1,078,282	1,059,982
	\$ 1,356,667	\$ 1,414,086
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 3,664	\$ 14,433
Due to directors	-	1,500
	3,664	15,933
Share Capital and Deficit		
Share capital (note 5)	3,515,664	3,515,664
Deficit	(2,162,661)	(2,117,511)
	1,353,003	1,398,153
	\$ 1,356,667	\$ 1,414,086

Commitments (note 4)

Approved by the Directors:

“Anton J. Drescher” Director

“Norm J. Bonin” Director

International Tower Hill Mines Ltd.
Consolidated Statement of Deficit
(Expressed in Canadian dollars)
(Prepared by Management)
(Unaudited)

	For the three months ended		For the nine months ended	
	February 28, 2003	February 28, 2002	February 28, 2003	February 28, 2002
Income				
Interest	\$ 1,532	\$ -	\$ 5,138	\$ 10,059
Expenses				
Management fees	7,500	7,500	22,500	22,500
Office and miscellaneous	1,150	890	3,538	3,925
Professional fees	2,464	1,915	8,707	43,274
Rent	1,800	1,800	5,400	5,400
Stock exchange and filing fees	1,013	3,151	4,786	22,345
Transfer agent fees	964	970	3,054	2,640
Travel and promotion	562	974	2,303	1,936
	15,453	17,200	50,288	102,020
Loss from operations	(13,921)	(17,200)	(45,150)	(91,961)
Deficit, beginning of period	(2,148,740)	(2,038,731)	(2,117,511)	(1,963,970)
Deficit, end of period	\$ (2,162,661)	\$ (2,055,931)	\$ (2,162,661)	\$ (2,055,931)
(Loss) per share (note 6)	\$ (0.001)	\$ (0.001)	\$ (0.005)	\$ (0.010)
Weighted average number of shares outstanding	9,012,183	8,882,411	9,012,183	8,882,411

International Tower Hill Mines Ltd.
Consolidated Statements of Cash Flows
 (Expressed in Canadian dollars)
 (Prepared by Management)
 (Unaudited)

	For the three months ended		For the nine months ended	
	February 28, 2003	February 28, 2002	February 28, 2003	February 28, 2002
Cash provided by (used for)				
Operating activities				
(Loss) for the period	\$ (13,921)	\$ (17,200)	\$ (45,150)	\$ (91,961)
Changes in non-cash items:				
Accounts receivable	936	1,534	242	3,061
Accounts payable and accrued liabilities	(7,917)	3,899	(10,769)	2,300
Prepaid expenses	(2,890)	501	(1,812)	2,013
Due to directors	(3,000)	-	(1,500)	-
	(26,792)	(11,266)	(58,989)	(84,587)
Investing activities				
Mineral property	-	-	(18,300)	(38,300)
Mineral property exploration costs	-	(22,034)	-	(43,785)
Proceeds on sale of guaranteed investment	-	-	-	104,072
	-	(22,034)	(18,300)	21,987
(Decrease) in cash and cash equivalents	(26,792)	(33,300)	(77,289)	(62,600)
Cash and cash equivalents, beginning of period	246,352	337,227	296,849	366,527
Cash and cash equivalents, end of period	\$ 219,560	\$ 303,927	\$ 219,560	\$ 303,927

International Tower Hill Mines Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

February 28, 2003

1. Nature of Operations

The Company is in the business of acquiring, exploring and evaluating mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. At February 28, 2003, the Company was in the exploration stage and had interests in properties in British Columbia, Alberta and Quebec, Canada.

The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or disposition thereof.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles.

a) Basis of consolidation

These consolidated financial statements include the accounts of International Tower Hill Mines Ltd. and its wholly owned subsidiary 813034 Alberta Ltd ("813034"), an Alberta corporation.

b) Marketable securities

Marketable securities are valued at the lower of cost or market.

c) Mineral properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

d) Income (loss) per share

Income (loss) per share amounts have been calculated based on the weighted average number of shares outstanding during the year. The weighted average number of shares outstanding during the period was 9,012,183 (2002 – 8,882,411).

The company has retroactively applied the Canadian Institute of Chartered Accountants' new accounting standard for earnings per share calculation and disclosure. Under the new standard, the treasury stock method of calculating fully diluted per share amounts is used whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share options has an immaterial effect in the presented years.

International Tower Hill Mines Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

February 28, 2003

2. Significant Accounting Policies (cont'd)

e) Cash equivalents

The company considers cash equivalents to consist of highly liquid investments with a remaining maturity of six months or less when purchased.

f) Foreign currency translation

Monetary assets and liabilities resulting from foreign currency transactions are translated into Canadian dollars using the year end conversion rates. Acquisition and exploration costs have been translated at the dates of occurrence.

g) Financial instruments

The fair value of cash, guaranteed investment certificates, term deposits, accounts receivable, accounts payable and accrued liabilities and amounts due to directors approximate their carrying value due to the relatively short periods to maturity of these financial instruments.

h) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those reported.

i) Income tax

Income taxes are accounted for using the future income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are likely to be realized. Future income taxes assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

Tax benefits arising from past losses and unused resource pools have not been recorded due to uncertainty regarding their utilization.

j) Joint venture accounting

Where the company's exploration and development activities are conducted with others, the accounts reflect only the company's proportionate interest in such activities.

3. Marketable Securities

	2003	2002
<u>Marum Resources Inc. (market value \$75,040)</u>	<u>\$ 37,520</u>	<u>\$ 37,520</u>

At February 28, 2003 the Company held 469,000 shares of Marum Resources Inc. (2002 – 469,000 shares; market value \$37,520), acquired as part of the investment in the Chinchaga joint venture, with an historical cost of \$51,590.

International Tower Hill Mines Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

February 28, 2003

4. Mineral Properties

Accumulated costs in respect of mineral claims owned, leased or under option, consist of the following:

	Siwash Silver Leases	Chinchaga Project	Torn gat Properties	Fort Vermillion	2003 Total	2002 Total
Acquisition costs						
Beginning balance	\$ 192,500	\$ -	\$ 27,750	\$ 20,000	\$ 240,250	\$ 221,950
Lease costs	12,500	-	5,800	-	18,300	18,300
Ending balance	205,000	-	33,550	20,000	258,550	240,250
Deferred exploration						
Beginning balance	738,937	10	80,785	-	819,732	841,777
Drilling	-	-	-	-	-	26,977
Mapping & sampling	-	-	-	-	-	3,378
Surveying	-	-	-	-	-	13,430
Ending balance	738,937	10	80,785	-	819,732	885,562
Total deferred costs	\$ 943,937	\$ 10	\$ 114,335	\$ 20,000	\$ 1,078,282	\$ 1,125,812

a) Siwash Silver Leases

- i) On October 27, 1987, the Company was granted an option to acquire a 100% interest in certain mineral claims situated in the Similkameen Mining Division of British Columbia.

The agreement required total consideration of \$160,000 to be paid as follows:

\$ 6,000	upon closing (paid);
\$ 4,000	on or before April 3, 1988 (paid);
\$ 10,000	on or before October 3, 1988 (paid);
\$ 10,000	on or before October 3, 1989 (paid); and
\$ 10,000	each subsequent year thereafter until October 3, 2002

On March 18, 1991, an amendment was made to the agreement dated October 27, 1987 to change the payments to be made to the optionor. The amended payments are as follows:

\$10,000 on or before October 3, 1990 (paid)
\$12,500 each subsequent year thereafter until October 3, 2002.
(October 3, 2002 and prior payments were made)

On November 17, 1987, the Company paid \$1,000 to Brenda Mines Ltd. (Brenda) to obtain certain information on this property and gave Brenda the option to provide production financing should the property come into production in the future. The Company has granted Brenda an option to acquire a 51% interest in the property for 90 days following a positive production recommendation by an independent consulting firm. Terms of the option include reimbursing all exploration and feasibility study expenditures incurred to that date up to a total of \$2 million and providing all capital required to bring the property into production. In the event that the property generates a positive cash flow, Brenda will retain 80% of profits until all development capital plus interest has been repaid, at which time proceeds will be distributed based on interest in the project.

International Tower Hill Mines Ltd.
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

February 28, 2003

4. Mineral Properties (cont'd)

If the Company decides to sell any or all of its interest in the property to a third party, it must first offer that interest to Brenda on the same terms and Brenda shall have 60 days to advise the company of its decision.

The Company has pledged a \$2,500 term deposit as reclamation security as required by the Province of British Columbia.

- ii) On September 18, 1996, the Company acquired a 100% interest in certain mineral claims situated adjacent to the Similkameen Mining Division of British Columbia. The purchase price of the claims was \$15,000 (paid) and upon commencement of production of valuable minerals from the claims, the vendor will receive a royalty of 1% of net smelter returns.

During May 2001 and continuing through December 2001, the Company commenced a drilling program on the leases. Total exploration expenses of \$85,237 were incurred during this period, BC mining exploration tax credits of \$2,838 have been received on these expenditures and an additional \$14,670 have been recorded as receivable.

b) Chinchaga Project

On January 29, 1999, the company entered a joint venture agreement with Marum Resources Inc. to explore for diamonds in the Chinchaga area of northern Alberta, Canada. The company must contribute \$300,000 by way of cash or cash equivalents, whereby a maximum contribution of \$100,000 can be made through private placement for shares in Marum Resources Inc. The company will receive 50% interest in Marum's working interest in the three townships of the Chinchaga area.

The agreement required total consideration of \$300,000 to be paid as follows

\$ 150,000	before June 30, 1999 for first 25% interest
\$ 150,000 (amended)	before September 30, 2000 for remaining 25% interest

During 1999, the Company exercised its option to purchase the 1,000,000 private placement units of Marum Resources Inc. for \$100,000 and expended \$50,000 for the development of the Chinchaga project. Each private placement unit contains one common share and one non-transferable share purchase warrant to purchase one additional common share at a price of \$0.12 per share, exercisable for a period of two years from the date of payment for the units. During fiscal 2000 the Company exercised the 1,000,000 warrants and purchased 1,000,000 shares of Marum for \$120,000.

During fiscal 2001, the Company and Marum amended the agreement whereby the Company has now earned its 50% interest in the project through the advance of \$270,000 as detailed above. At May 31, 2002 no further activity had transpired and no adjustments to the joint venture contribution have been recorded. During fiscal 2002, the deferred costs related to the property were written down to a nominal amount as no work is currently planned on the property.

c) Torngat Property

During November 1999, the Company was granted two (2) exploration permits totalling 108.5 square kilometers in northern Quebec, know as the Torngat property. The Company has commenced aerial exploration and surveying of the kimberlite dike area under an arrangement with four other companies whereby common costs are shared. As part of the permits, the Quebec government has agreed to reimburse 50% of exploration expenditures up to a maximum of \$220,000. During fiscal 2001, the Company received \$26,300 in reimbursement for expenses from the Quebec government.

International Tower Hill Mines Ltd.
Notes to the Consolidated Financial Statements
 (Expressed in Canadian dollars)
 (Unaudited)

February 28, 2003

4. Mineral Properties (cont'd)

d) Fort Vermillion Property

During fiscal 2002, the company applied for and received metallic and industrial mineral permits covering 40 sections of land, 9,216 hectares each, in the Province of Alberta.

5. Share Capital

Authorized:

20,000,000 common shares without par value

Issued	2003		2002	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning and end of period	9,012,183	3,515,664	9,012,183	\$ 3,515,664
Balance, beginning and end of period	9,012,183	3,515,664	9,012,183	\$ 3,515,664

6. Earnings Per Share

Fully diluted earnings per share has not been disclosed in 2003 or 2002 as the results are not materially dilutive. The effect of potentially dilutive securities are not included in the calculation of fully diluted earnings per share for fiscal 2003 as the result would be anti-dilutive.

7. Related Party Transactions

During the period the company paid \$ 22,500 (2002 - \$ 22,500) in management fees \$ 803 (2002 - \$909) in professional fees to a company controlled by an individual who is a director of the company.

8. Income Taxes

The Company has resource deduction tax pools of approximately \$2,450,986 available to offset future taxable income.

International Tower Hill Mines Ltd.**Notes to the Consolidated Financial Statements**
(Expressed in Canadian dollars)
(Unaudited)

February 28, 2003

9. Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP")

These financial statements are prepared in accordance with GAAP in Canada, which differed in some respects from GAAP in the United States. The material differences between Canadian and United States GAAP, in respect of these financial statements, are as follows:

a) Mineral property exploration and development

Under United States GAAP, all mineral exploration and development property expenditures are expensed in the year incurred in an exploration stage company until there is substantial evidence that a commercial body of ore has been located. Canadian GAAP allows resource exploration and development property expenditures to be deferred during this process. The effect on the Company's financial statements is summarized below:

	For the periods ended	
	February 28, 2003	February 28, 2002
Consolidated statement of operations and deficit		
Income (loss) for the year under Canadian GAAP	\$ (45,150)	\$ (91,961)
Mineral property exploration and development expenditures	-	(43,785)
United States GAAP	\$ (45,150)	\$ (135,746)
Gain (loss) per share – US GAAP	\$ (0.005)	\$ (0.01)
Consolidated balance sheet		
Assets		
Mineral Properties		
Canadian GAAP	\$ 1,078,282	\$ 1,125,200
Resource property expenditures (cumulative)	(819,732)	(884,950)
United States GAAP	\$ 258,550	\$ 240,250
Deficit		
Canadian GAAP	\$(2,162,661)	\$(2,055,931)
Resource property expenditures (cumulative)	(819,732)	(884,950)
United States GAAP	\$(2,982,393)	\$(2,940,881)

International Tower Hill Mines Ltd.

**Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)**

February 28, 2003

9. Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") continued

b) Marketable Securities

Under United States GAAP, the Company would classify the marketable securities as "Securities available for resale". The carrying value on the balance sheet at February 28, 2003 would be \$75,040 (2002 - \$37,520;) and the unrealized gain (loss) would be posted to shareholder's equity \$37,520 (2002 - \$Nil). There would be no impact on the consolidated statement of operations in 2002, in 2003 the unrealized gain would be posted to shareholder's equity.

c) Income Taxes

Under United States GAAP, the Company would have initially recorded an income tax asset for the benefit of the resource deduction pools and losses carried forward. This asset would have been reduced to \$nil by a valuation allowance.
