

INTERNATIONAL TOWER HILL MINES LTD
Form 6-K
January 14, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6 - K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of the *Securities Exchange Act of 1934*

For the month of January 2005

Commission File No. 0-31096

INTERNATIONAL TOWER HILL MINES LTD.

Registrant's Name

#507, 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6

Address of principal executive office

Indicate by check mark whether the registrant files or will file annual reports under the cover Form 20-F or Form 40-F

Form 20-F _____

Form 40-F _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the *Securities Exchange Act of 1934*

Yes _____ No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Documents Included as Part of this Report

Exhibit No.

Document

99.1

Unaudited financial statements for the six months ended November 30th, 2004.

992.

Management Discussion & Analysis

99.3

Form 52-109FT2 CEO, as required by Canadian regulators

99.4

Form 52-102FT2 CFO, as required by Canadian regulators

SIGNATURES

Pursuant to the requirements of the *Securities Exchange Act of 1934*, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONAL TOWER HILL MINES LTD.

(Registrant)

By

/s/ Anton J. Drescher

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Anton J. Drescher,

President

Date January 13th, 2005

Exhibit 99.1

International Tower Hill Mines Ltd.

Consolidated Financial Statements

(Expressed in Canadian dollars)

November 30, 2004

International Tower Hill Mines Ltd.

Consolidated Financial Statements

November 30, 2004

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International Tower Hill Mines Ltd.**Consolidated Statement of Operations and Deficit**

(Expressed in Canadian dollars)

	For the three months ended		For the six months ended	
	November 30,	November 30,	November 30,	November 30,
	2004	2003	2004	2003
Income				
Interest	\$ 5	\$ 1,079	\$ 5	\$ 2,607
Expenses				
Management fees	15,000	7,500	30,000	15,000
Office and miscellaneous	2,117	2,691	2,405	3,257
Professional fees	2,990	2,067	11,300	6,072
Rent	1,800	1,800	3,600	3,600
Stock exchange and filing fees	1,228	2,440	4,996	5,968
Transfer agent fees	1,187	1,529	2,487	2,498
Travel and promotion	238	-	238	868
	24,560	18,027	55,026	37,263
Other				
Gain on sale of marketable securities	9,140	-	9,140	-
Loss from operations	(15,415)	(16,948)	(45,881)	(34,656)
Deficit, beginning of period	(2,450,285)	(2,193,197)	(2,419,819)	(2,175,489)
Deficit, end of period	\$ (2,465,700)	\$ (2,210,145)	\$ (2,465,700)	\$ (2,210,145)
(Loss) per share (note 2)	\$ (0.001)	\$ (0.001)	\$ (0.005)	\$ (0.003)
	9,012,183	9,012,183	9,012,183	9,012,183

**Weighted average number of shares
outstanding**

Liabilities

Current

Accounts payable and accrued liabilities	\$	15,067	\$	68,886
Due to a shareholder		1,500		-
		16,567		68,886

Share Capital and Deficit

Share capital (Note 5)		3,515,664		3,515,664
Deficit		(2,465,700)		(2,419,819)
		1,049,964		1,095,845
	\$	1,066,531	\$	1,164,731

International Tower Hill Mines Ltd.**Consolidated Statements of Cash Flows**

(Expressed in Canadian dollars)

	For the three months ended		For the six months ended	
	November 30,	November 30,	November 30,	November 30,
	2004	2003	2004	2003
Cash provided by (used for)				
Operating activities				
(Loss) for the period	\$ (15,415)	\$ (16,948)	\$ (45,881)	\$ (34,656)
Gain on sale of marketable securities	(9,140)	-	(9,140)	-
Changes in non-cash items:				
Accounts receivable	3,670	180	1,308	1,371
Accounts payable and accrued liabilities	(42,202)	(7,068)	(53,819)	(4,458)
Prepaid expenses	698	986	1,404	3,014
Drilling advance	-	-	30,000	-
Due to directors	1,500	-	1,500	-
	(60,889)	(22,850)	(74,628)	(34,729)
Investing activities				
Mineral property	-	-	(12,760)	-
Mineral property exploration costs	-	(1,150)	(69,866)	(1,150)
Proceeds on sale of marketable securities	46,660	-	46,660	-
	46,660	(1,150)	(35,966)	(1,150)
(Decrease) in cash and cash equivalents	(14,229)	(24,000)	(110,594)	(35,879)
Cash and cash equivalents, beginning of period	14,815	190,833	111,180	202,712

Cash and cash equivalents, end of period	\$ 586	\$ 166,833	\$ 586	\$ 166,833
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International Tower Hill Mines Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

November 30, 2004

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 November 30, 2004, 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)

Cash equivalents

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

a)

Marketable securities

Marketable securities are valued at the lower of cost or market. During the period, the Company disposed all of its shares.

d)

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.

International Tower Hill Mines Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

(Unaudited)

November 30, 2004

1.

Significant Accounting Policies *(continued)*

a)

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.

f)

Income (loss) per share

Income (loss) per share amounts have been calculated based on the weighted average number of shares outstanding during the period. The weighted average number of shares outstanding during the period was 9,012,183 (2003 9,012,183).

The Company uses the treasury stock method of calculating fully diluted per share amounts 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.

a)

Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise, only available information pertinent to fair value has been disclosed.

a)

Estimates

The preparation of financial statements in conformity with Canadian 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.

b)

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.

International Tower Hill Mines Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

(Unaudited)

November 30, 2004

1.

Significant Accounting Policies *(continued)*

a)

Stock based compensation

Effective June 1, 2003, the Company adopted, on a prospective basis, the recommendations of the Canadian Institute of Chartered Accountants with respect to the recognition, measurement, and disclosure of stock-based compensation and other stock based payments. Under this policy the Company has elected to value stock-based compensation granted at the fair value as determined using the Black-Scholes option valuation model.

b)

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.

1.

Marketable Securities

	2004		2003
Marum Resources Inc.	\$ -		\$ 37,520

At November 30, 2004 the Company disposed all of 469,000 shares of Marum Resources Inc. (2003 469,000 shares; market value \$37,520), acquired as part of the investment in the Chinchaga Project joint venture, with a historical cost of \$51,590.

2.

Mineral Properties

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

	Siwash Silver Leases	2004 Total	2003 Total
Acquisition costs			
Beginning balance	\$ 205,000	\$ 205,000	\$ 258,550
Lease costs	12,760	12,760	-
Ending balance	217,760	217,760	258,550

International Tower Hill Mines Ltd.**Notes to the Consolidated Financial Statements****(Expressed in Canadian dollars)****(Prepared by Management)****(Unaudited)****November 30, 2004****4.****Mineral Properties** *(continued)*

	Siwash Silver Leases	2004 Total <i>Deferred exploration</i>	2003 Total <i>Deferred exploration</i>
Beginning balance	764,907	764,907	839,732
Assay and sampling	3,120	3,120	-
Drilling	51,052	51,052	-
Miscellaneous	-	-	1,150
Geological assessment report	6,150	6,150	-
Surveying	9,544	9,544	-
Ending balance	834,773	834,773	840,882
Total deferred costs	\$1,052,533	\$ 1,052,533	\$ 1,099,432

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 in annual instalments of \$12,500 all of which have been paid.

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.

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.

International Tower Hill Mines Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

(Unaudited)

November 30, 2004

4.

Mineral Properties *(continued)*

i)

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

ii)

The Company staked an additional 99 Claims in the Similkameen Mining Division of British Columbia, at a cost of \$5,730.

a)

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 committed to contribute \$300,000 by way of cash or cash equivalents, whereby a maximum contribution of \$100,000 could be made through private

placement for shares in Marum Resources Inc. The Company would receive a 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 had earned its 50% interest in the project through the advance of \$270,000 as detailed above. During fiscal 2002, the deferred costs related to the property were written down to a nominal amount, and in the year May 31, 2004 the balance was written-off.

c)

Torngat Property

During November 1999, the Company was granted two (2) exploration permits totalling 108.5 square kilometers in northern Quebec, known 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 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. During the year end May 31, 2004, the deferred costs related to the property were written off as no work is currently planned on the property.

International Tower Hill Mines Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

(Unaudited)

November 30, 2004

4.

Mineral Properties *(continued)*

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. During May 31, 2004, the deferred costs related to the property were written off as no work is currently planned on the property.

5.

Share Capital

Authorized:

20,000,000 common shares without par value

	2004		2003	
	Number of Shares	Amount	Number of Shares	Amount
Issued				
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 2004 or 2003 as the results are anti-dilutive.

7.