Corvus Gold Inc.

(An Exploration Stage Company)

Interim Consolidated Financial Statements
(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

August 31, 2010

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August 31, 2010 **Page**

Interim Unaudited Consolidated Financial Statements

Interim Unaudited Consolidated Balance Sheets	1
Interim Unaudited Consolidated Statements of Operations, Comprehensive Loss and Deficit	2
Interim Unaudited Consolidated Statements of Cash Flows	3
Notes to the Interim Unaudited Consolidated Financial Statements	4-28

CORVUS GOLD INC.
(An Exploration Stage Company)
Interim Consolidated Balance Sheets
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	August 31, 2010	May 31, 2010
ASSETS		
Current		
Cash	$ 4,426,221	$ -
Accounts receivable	199	97
Prepaid expenses	3,200	13,566
	4,429,620	13,663
Mineral properties (note 5)	12,569,020	12,245,690
	$ 16,998,640	$ 12,259,353
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 837,134	$ 46,959
Due to related party (note 9)	38,018	-
	875,152	46,959
SHARE CAPITAL AND DEFICIT		
Share capital (note 6)	20,622,821	1
Contributed surplus (note 6)	6,662,577	22,437,849
Deficit	(11,161,911)	(10,225,456)
	16,123,487	12,212,394
	$ 16,998,639	$ 12,259,353

Plan of Arrangement and Transfer of Assets (note 1)
Nature and continuance of operations (note 2)
Subsequent event (note 12)

Approved on behalf of the Directors:

"Jeff Pontius" **Director**

"Anton Drescher" **Director**

See accompanying notes to the interim unaudited consolidated financial statements

CORVUS GOLD INC.
(An Exploration Stage Company)
Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit
Three months ended August 31
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

		2010		2009
Administrative expenses				
Administration (note 9)	$	1,780	$	2,603
Charitable donations		5,413		2,108
Consulting (notes 7 and 9)		265,721		50,526
Insurance		10,099		9,858
Investor relations (notes 7 and 9)		130,737		28,028
Office		7,395		9,860
Professional fees (notes 7 and 9)		40,741		45,776
Property investigation		291		55
Regulatory		3,816		3,305
Rent (note 9)		5,302		8,814
Telephone		2,418		1,447
Travel		5,625		16,128
Wages and benefits (notes 7 and 9)		475,318		58,678
		(954,656)		(237,186)
Other item				
Gain (loss) on foreign exchange		18,201		(1,516)
Loss and comprehensive loss for the period		(936,455)		(238,702)
Deficit, beginning of the period (notes 1 and 6)		(10,225,456)		(6,242,605)
Deficit, end of the period	$	(11,161,911)	$	(6,481,307)
Basic and fully diluted loss per share	$	(0.03)	$	(0.01)
Weighted average number of shares outstanding		33,482,214		28,301,819

See accompanying notes to the interim unaudited consolidated financial statements

CORVUS GOLD INC.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Three months ended August 31
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

		2010		2009
Operating Activities				
Loss and comprehensive loss for the period	$	(936,455)	$	(238,702)
Add items not affecting cash				
Stock-based compensation		756,202		3,642
(Gain) loss on foreign exchange		(18,201)		1,516
Changes in non-cash items:				
Accounts receivable		(102)		-
Accounts payable and accrued liabilities		(38,001)		(13)
Due to related party		38,018		-
Cash used in operating activities		(198,539)		(233,557)
Financing Activities				
Additional funding by ITH		764,512		259,990
Funding provided by ITH under Plan of Arrangement (note 1)		3,300,000		-
Cash provided by financing activities		4,064,512		259,990
Investing Activities				
Recovery (expenditures) on mineral properties		523,927		(25,071)
Cash provided by (used in) investing activities		523,927		(25,071)
Effect of foreign exchange on cash		36,321		(1,362)
Increase in cash		4,426,221		-
Cash, beginning of period		-		-
Cash, end of period	$	4,426,221	$	-
Supplemental cash flow information				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-
Non-cash financing and investing transactions				
Shares issued for mineral property	$	12,392,408	$	-
Prepaid expenses included in mineral property expenditures	$	3,200	$	-
Accounts payable included in mineral property	$	837,000	$	46,844

See accompanying notes to the interim unaudited consolidated financial statements

1. PLAN OF ARRANGEMENT AND TRANSFER OF ASSETS

On August 25, 2010, International Tower Hill Mines Ltd. ("ITH") completed its Plan of Arrangement (the "Arrangement") under the British Columbia Business Corporation Act whereby its other existing Alaska (other than the Livengood project) and Nevada assets would be carved out into a new public company, Corvus Gold Inc. ("Corvus" or the "Company").

The Arrangement was approved by the board of directors of ITH and by among other things, the favourable vote of ITH's shareholders at a special meeting held on August 12, 2010 to approve the Arrangement.

Under the Arrangement, each shareholder of ITH received one Corvus common share for every two ITH common shares held as at the effective date of the Arrangement as a return of capital. ITH transferred its wholly-owned subsidiaries, Raven Gold Alaska Inc. ("Raven Gold"), incorporated in Alaska, United States, and Talon Gold Nevada Inc. ("Talon Nevada"), incorporated in Nevada, United States. Following this transfer and related transactions, there was an indirect spin-out of certain of its mineral properties, Chisna, West Pogo, Terra, LMS, and North Bullfrog (the "Spin-out Properties"), together (the "Nevada and Other Alaska Business").

Corvus' unaudited interim consolidated financial statements reflect the balance sheets, statements of operations, comprehensive loss and deficit and cash flows of the Nevada and Other Alaska Business as if Corvus existed in its present form during the periods reported. The statements of operations, comprehensive loss and deficit for the periods ended August 31, 2010 and 2009, include an allocation of ITH's general and administrative expenses incurred in each of these periods. The allocation of general and administrative expenses was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each period presented as compared to the costs incurred on all mineral properties of ITH in each of these periods. The financial statements have been presented under the continuity of interests basis of accounting with balance sheet amounts based on the amounts recorded by ITH. Management cautions readers of these financial statements, that the allocation of expenses does not necessarily reflect future general and administrative expenses.

The opening deficit of Corvus at June 1, 2009 was calculated by applying the same allocation principles outlined above to the cumulative transactions relating to the Spin-out Properties from the date of acquisition of those mineral properties to May 31, 2009 and includes an allocation of ITH's general and administrative expenses from the date of acquisition of those mineral properties to May 31, 2009. The allocation of general and administrative expense was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each prior year as compared to the costs incurred on all mineral properties of ITH in each of those prior years.

2. NATURE AND CONTINUANCE OF OPERATIONS

Corvus was incorporated on April 13, 2010 under the British Columbia Business Corporation Act.

The Company is an exploration stage entity engaged 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 August 31, 2010, the Company was in the exploration stage and had interests in properties in Alaska and Nevada, U.S.A.

2. NATURE AND CONTINUANCE OF OPERATIONS (cont'd)

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral property interests. The recoverability of amounts shown for mineral properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The carrying value of the Company's mineral property interests does not reflect current or future values.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or obtaining additional financing. The Company has sustained losses from operations, and has an ongoing requirement for capital investment to explore its mineral properties. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

3. 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 GAAP.

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Talon Nevada (a Nevada corporation) and Raven Gold (an Alaska corporation). All intercompany transactions and balances have been eliminated.

b) Basis of presentation

These consolidated financial statements have been prepared on a carve-out basis from ITH as if the Company had operated as a stand-alone entity during the reporting periods.

Assets, liabilities and equity contributions directly attributable to the Company have been allocated to the Company. Revenues and expenses have generally been allocated based on the allocation of ITH and each subsidiary head office general and administrative expenses based upon the ratio of costs incurred on the Spin-out Properties in each period presented as compared to the costs incurred on all mineral properties of ITH in each of these periods. Amounts were allocated using management's best estimates in order to provide the most reasonable allocation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Basis of presentation (cont'd)

As a result of the basis of presentation described above, these consolidated financial statements may not necessarily be indicative of the results that would have been obtained if the Company had operated as a stand-alone entity, nor are they necessarily indicative of the results for any future periods. The continuing operation of the Company is dependent on obtaining required funding from outside sources. While ITH has been successful in raising the required funding from outside sources in the past, it cannot be certain that any such funding would be available in the future to the Company, or that funds would be available on terms acceptable to the management of the Company.

c) Foreign currency translation

Monetary assets and liabilities are translated at period-end exchange rates; other assets and liabilities have been translated at the rates prevailing at the date of transaction. Revenue and expense items, except for amortization, are translated at the average rate of exchange for the period. Amortization is converted using rates prevailing at dates of acquisition. Gains and losses from foreign currency translation are included in the consolidated statements of operations.

d) Mineral properties

Mineral properties consist of mining claims, leases and options. Acquisition options, leasehold 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 the property is 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 in the period of abandonment.

Recorded costs of mineral properties and deferred exploration and development expenditures are not intended to reflect present or future values of mineral properties.

Deferred costs related to mineral property interests are periodically reviewed for impairment. A review for potential impairment is subject to potentially material measurement uncertainty. If a review indicates that a mineral property interest has been impaired the related deferred costs are written-down or written-off.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, based on industry norms 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 inadvertent non-compliance with regulatory requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Asset retirement obligations

Asset retirement obligations are recognized for legal obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for an asset retirement obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with the corresponding asset retirement cost recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value.

f) Share capital

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and these were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrants.

Share capital issued as non-monetary consideration is recorded at the fair market value of the shares issued, which is determined by the Board of Directors of the Company and is generally based on the trading price of the shares at the time an agreement to issue shares has been reached.

Share issuance costs incurred on the issuance of the Company's shares are charged directly to share capital.

g) Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share has not been presented separately as the outstanding options and warrants are anti-dilutive for each of the periods presented.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) 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 period 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 more likely than not to be realized. Future income tax 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. To the extent that future income tax assets are not considered more likely than not to be realized, a valuation allowance is recorded.

i) Stock-based compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. The fair value of the options is accrued and charged either to operations or mineral properties, with the offset credit to contributed surplus. For directors and employees the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

j) Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP 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.

Significant areas requiring the use of management estimates include the recoverability of mineral properties, the assumptions used in the determination of the fair value of financial instruments and stock-based compensation, asset retirement obligation estimates, allocation of administrative expenses on spin-out from ITH, and the determination of the valuation allowance for future income tax assets and accruals. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) Financial Instruments – Recognition and Measurement; Disclosure and Presentation

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial assets are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held to maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, de-recognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financial instruments will be expensed in the period incurred.

The Company classified its financial instruments as follows:

- Cash is classified as held-for-trading.
- Accounts payable and accrued liabilities are classified as other liabilities.
- Due to related party is classified as other liabilities.

l) Comprehensive Income

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of the net earnings to be presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. There are no material differences between comprehensive income (loss) and net loss for the periods reported.

m) Future accounting changes

(i) International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. The company will therefore be required to present IFRS financial statements for its August 31, 2011 interim consolidated financial statements. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. The Company is currently evaluating the impact of the conversion on the Company's consolidated financial statements and is considering accounting policy choices available under IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m) Future accounting changes (cont'd)

(ii) Business combinations

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Estimated obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to IFRS on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. This standard is not expected to be adopted prior to the transition to IFRS.

(iii) Consolidated financial statements

In January 2009, the CICA issued Handbook Section 1601, "Consolidated Financial Statements", which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. This standard is not expected to be adopted prior to the transition to IFRS.

(iv) Non-controlling interests

In January 2009, the CICA issued Handbook Section 1602, "Non-controlling Interests", which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to IFRS on consolidated and separate financial statements. This standard is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. This standard is not expected to be adopted prior to the transition to IFRS.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments. The fair values of amounts due to related party have not been disclosed as their fair values cannot be reliably measured since the party is not at arm's length.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Fair Value Hierarchy

Financial instruments recorded at fair value on the Consolidated Balance Sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Consolidated Balance Sheets, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3
Cash	$ 4,426,221	$ -	$ -

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto in Canada is as follows:

	August 31, 2010	May 31, 2010
Cash	$ 4,426,221	$ -

The credit risk associated with cash is minimized by ensuring that substantially all Canadian and US dollar amounts are held with a major Canadian financial institution with strong investment-grade rating by a primary ratings agency.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At August 31, 2010, the Company had cash of $4,426,221, which will be sufficient to meet its obligations related to its accounts payable and accrued liabilities of $837,134 and due to related party of $38,018.

All its non-derivative financial liabilities, made up of accounts payable and accrued liabilities, are due within six months of the period end as shown below. The Company does not have any derivative financial liabilities.

	0 to 3 months	3 to 6 months	6 to 12 months	Total
Accounts payable and accrued liabilities	$ 837,134	$ -	$ -	$ 837,134
Due to related party	-	38,018		38,018
	$ 837,134	$ 38,018	$ -	$ 875,152

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

(i) Interest rate risk

The Company is not subject to interest rate risk.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds, nor entered into any hedging arrangements with respect to mineral property expenditure commitments denominated in United States dollars. The Company's sensitivity analysis suggests that a consistent 5% change in the absolute rate of exchange for the United States dollars, the foreign currency for which the Company has net assets employed, would affect net assets and foreign exchange gain (loss) by approximately $90,000. As at August 31, 2010, the Company had the following financial instruments in US$:

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

c) Market risk (cont'd)

(ii) Foreign currency risk (cont'd)

	CAD$ equivalent	US$
Cash	$ 1,126,236	$ 1,056,011
Accounts payable and accrued liabilities	$ 837,000	$ 784,810

As at August 31, 2010, US$ amounts were converted at a rate of US$1 to CAD$1.0665.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign exchange risk or commodity price risk. The Company has no financial instruments exposed to such risk.

5. MINERAL PROPERTIES

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

	West Pogo	Chisna	North Bullfrog	LMS	Terra	**Total CAD$**
	(note 5(a)(ii))	(note 5(a)(i))	(note 5(c))	(note 5(b)(i))	(note 5(b)(ii))	
Balance, May 31, 2009	$ 463,131	$ 1,849,613	$ 2,594,580	$ 2,221,208	$ 3,925,881	**$ 11,054,413**
Acquisition costs:						
Cash payments	-	-	250,000	-	-	**250,000**
Common shares issued	-	-	801,000	-	-	**801,000**
	-	-	1,051,000	-	-	**1,051,000**
Deferred exploration costs:						
Advance to contractors	-	512,115	-	-	-	**512,115**
Contract services	5,233	1,073,250	96,155	16,064	30,948	**1,221,650**
Assay	2,680	13,960	3,034	-	-	**19,674**
Drilling	-	-	-	-	-	**-**
Field costs	991	40,896	14,865	830	(60,865)	**(3,283)**
Equipment rental	1,356	2,440	-	3,426	-	**7,222**
Land maintenance & tenure	18,562	232,505	88,612	27,916	164,864	**532,459**
Transportation	8,917	29,255	11,796	2,158	152	**52,278**
Travel	1,798	14,216	-	-	-	**16,014**
	39,537	1,918,637	214,462	50,394	135,099	**2,358,129**
Total expenditures for the year	39,537	1,918,637	1,265,462	50,394	135,099	**3,409,129**
Cost Recovery	-	(2,207,003)	-	-	(10,849)	**(2,217,852)**
Balance, May 31, 2010	502,668	1,561,247	3,860,042	2,271,602	4,050,131	**12,245,690**
Acquisition costs:						
Cash payments	-	-	-	-	-	**-**
Common shares issued	-	-	-	-	-	**-**
	-	-	-	-	-	**-**
Deferred exploration costs:						
Advance to contractors	-	(407,975)	-	-	-	**(407,975)**
Contract services (note 7)	-	2,564,405	102,492	1,458	2,843	**2,671,198**
Assay	-	40,603	2,979	-	-	**43,582**
Drilling	-	-	-	-	-	**-**
Field costs	-	236,022	-	-	36	**236,058**
Equipment rental	-	75,540	4,165	-	-	**79,705**
Land maintenance & tenure	-	42,432	57,235	-	-	**99,667**
Transportation	-	20,156	335	356	317	**21,164**
Travel	317	288,674	3,787	-	-	**292,778**
	317	2,859,857	170,993	1,814	3,196	**3,036,177**
Total expenditures for the period	317	2,859,857	170,993	1,814	3,196	**3,036,177**
Cost Recovery	-	(2,712,847)	-	-	-	**(2,712,847)**
Balance, August 31, 2010	**$ 502,985**	**$ 1,708,257**	**$ 4,031,035**	**$ 2,273,416**	**$ 4,053,327**	**$ 12,569,020**

5. MINERAL PROPERTIES (cont'd)

Pursuant to the Arrangement, the obligations and interests in the Spin-out Properties under the various Agreements have been transferred from ITH to the Company.

a) Properties acquired from AngloGold, Alaska

Pursuant to an Asset Purchase and Sale and Indemnity Agreement dated June 30, 2006, as amended on July 26, 2007, (the "AngloGold Agreement") among ITH, AngloGold Ashanti (U.S.A.) Exploration Inc. ("AngloGold") and Talon Gold Alaska, Inc. (ITH's wholly-owned Alaskan subsidiary), ITH acquired all of AngloGold's interest in a portfolio of seven mineral exploration projects in Alaska (then aggregating 246 square kilometres) and referred to as the Livengood, Chisna, Gilles, Coffee Dome, West Pogo, Blackshell, and Caribou properties (the "Sale Properties") in consideration of cash payment USD50,000 on August 4, 2006, and the issuance of 5,997,295 ITH common shares, representing approximately 19.99% of ITH's issued shares following the closing of the acquisition and two private placement financings raising an aggregate of $11,479,348. AngloGold had the right to maintain its percentage equity interest in ITH, on an ongoing basis, provided that such right will terminate if AngloGold's interest falls below 10% at any time after January 1, 2009. On July 10, 2009, AngloGold elected to exercise its right to maintain its 13.2907% equity interest in ITH pursuant to the AngloGold Agreement.

As further consideration for the transfer of the Sale Properties, ITH granted to AngloGold a 90 day right of first offer with respect to the Sale Properties and any additional mineral properties in Alaska in which ITH acquires an interest and which interest ITH 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.

Pursuant to the Arrangement, ITH spun-out the Chisna and West Pogo properties to the Company. Details of the Chisna and West Pogo properties are as follows:

(i) Chisna Property

The Chisna property is located in the eastern Alaska Range, Alaska, and consists of 608 State of Alaska mining claims divided into five blocks (approximately 32,935 hectares total) owned 100% by the Company pursuant to the Arrangement.

On November 2, 2009, ITH entered into a joint venture agreement (as amended) with Ocean Park Ventures Corp. ("OPV"). Pursuant to the agreement, an Alaskan subsidiary of OPV ("Subco") and Raven Gold, an Alaskan subsidiary of the Company, will form a joint venture (the "OPV/Raven JV") for the purpose of exploring and developing the property.

5. MINERAL PROPERTIES (cont'd)

a) Properties acquired from AngloGold, Alaska (cont'd)

(i) Chisna Property (cont'd)

The initial interests of Subco and Raven Gold in the OPV/Raven JV will be 51% and 49% respectively. Raven Gold's initial contribution to the OPV/Raven JV will be its interest in the Chisna Project. Subco's contribution to the OPV/Raven JV will be funding for the OPV/Raven JV totalling USD 20,000,000 over five years; of which USD 5,000,000 must be provided during the first year. The first year amount is reduced to USD 2,000,000 if, at any time during such year, the London PM gold fix price and the LME closing copper price are each below USD 700/oz and USD 1.70/lb, respectively, for a period of ten consecutive trading days. If Subco fails to fund any portion of the initial USD 5,000,000 (or USD 2,000,000 as applicable) in the first year, Raven Gold will be entitled to terminate the OPV/Raven JV and OPV and Subco will be jointly indebted to Raven Gold for the difference between USD 5,000,000 (or USD 2,000,000 as applicable) and the amount actually funded.

Raven Gold will be the operator of the OPV/Raven JV during the first two years. After two years, Subco will be entitled to assume the operatorship of the OPV/Raven JV and to maintain operatorship until and unless it ceases to hold a majority interest in the OPV/Raven JV. Any work program proposed by the operator will be subject to approval by the five member OPV/Raven JV management committee. After Subco has completed its USD 20,000,000 initial contribution, the OPV/Raven JV participant with the greatest interest in the OPV/Raven JV will be entitled to nominate three members of the management committee.

If Subco funds the entire USD 20,000,000 within five year period, it will have the option to acquire a further 19% interest in the OPV/Raven JV by producing a positive bankable feasibility study in respect of the Chisna Project within five years after electing to exercise such option, and by funding and additional exploration required to produce such a study. The feasibility study must support a mining operation at a minimum level of 300,000 ounces per year of gold equivalent production.

In consideration for the ITH providing the resources for Raven Gold to enter into the OPV/Raven JV, OPV will issue 200,000 common shares (received on March 15, 2010) to ITH following satisfaction of the conditions precedent to the formation of the OPV/Raven JV and an additional 200,000 shares each anniversary thereafter, to a total of 1,000,000 shares, provided the OPV/Raven JV is in good standing.

5. MINERAL PROPERTIES (cont'd)

a) Properties acquired from AngloGold, Alaska (cont'd)

(i) Chisna Property (cont'd)

The formation of the OPV/Raven JV, and the rights of OPV/Subco under the OPV/Raven JV Agreement, were subject to a pre-emptive right in favour of AngloGold under the AngloGold Agreement (note 5(a)), which was waived by AngloGold on November 17, 2009. Consequently, Subco and Raven Gold proceeded with the OPV/Raven JV, and will be bound by the existing Indemnity and Pre-emptive Rights Agreement among AngloGold, ITH and Talon Gold Alaska Inc., as provided for in the AngloGold Agreement. The principal effect of that agreement on the OPV/Raven JV will be indemnity provisions relating to the Chisna Project, and AngloGold will have no further pre-emptive right in respect of the Chisna Project.

The formation of the OPV/Raven JV was accepted for filing by the TSXV on behalf of OPV on March 15, 2010 and ITH had received the initial 200,000 common shares of OPV required under the November 2, 2009 OPV/Raven JV Agreement. As at August 31, 2010, the Company has received USD 4,720,000 from OPV toward its initial contribution.

On March 20, 2010, ITH entered into a Mineral Exploration Agreement with Option to Lease with Ahtna Incorporated ("Ahtna"), an Alaska Native Regional Corporation, concerning approximately 26,516 hectares of fee simple lands in the Athell Area of Alaska surrounding portions of ITH's Chisna project (the "Ahtna Agreement"). Pursuant to the agreement, Ahtna has consented to the transfer of Raven Gold's rights to the OPV/Raven JV. Further consent will be required if Raven Gold ceases to be the operator under the OPV/Raven JV.

The key terms of the Ahtna Agreement include the following:

- exclusive right to explore, and the option to enter into a mining lease to develop and mine, the subject lands for a six-year period.
- annual option payments of USD 1.00 – USD 1.25 per acre.
- minimum exploration expenditures of USD 4 – USD 8 per acre, provided that if the agreement is not terminated at the end of any option year, the exploration expenditures for the next year become a firm commitment.
- at the end of the third year, Raven Gold will release at least 50% of the original lands subject to the agreement.
- preferential contracting, hiring and training practice for Ahtna shareholders or designees.
- scholarship contributions to the Ahtna Heritage Foundation (USD 10,000/year, subject to increase for inflation).
- all surface work subject to Ahtna archaeological and cultural clearance.

5. MINERAL PROPERTIES (cont'd)

a) Properties acquired from AngloGold, Alaska (cont'd)

(i) Chisna Property (cont'd)

Upon Raven Gold having expended an aggregate of USD 1,000,000 (including 2,500 feet of core drilling) and having completed a feasibility study over some or all of the land subject to the exploration agreement within the six year term of the Ahtna Agreement, Raven Gold has the option to enter into a mining lease. The key terms of the mining lease include:

- exclusive mining rights for an initial term of ten years and so long thereafter as commercial production continues.
- minimum exploration expenditures of USD 4.00 – USD 9.00 per acre subject to the lease until commercial production is achieved, escalating over time.
- advance minimum royalty payments of USD 6 – USD 12 per acre escalating over time (50% deductible from production royalties)
- NSR production royalties for gold and silver scaled from 2.5% (gold price USD 550 per ounce or less) to 14% (gold price USD 1,900 per ounce or higher). 2.5% on base metals and 3% on all minerals other than gold, silver or base metals.
- in the event Raven Gold acquires rights to minerals within the area subject to the lease, the acquired minerals lands are subject to a production royalty in favour of Ahtna of 2% of the gross value of any gold and silver and a NSR of 1% on base metals.
- Ahtna is also entitled to receive an amount by which 20% of the net profits realized by Raven Gold from its mining operations on Ahtna minerals (10% in the case of non-Ahtna minerals) in any year exceed the aggregate royalties paid by Raven Gold to Ahtna in that year.
- Ahtna has the right to acquire a working interest in the lands subject to the lease, which is to be greater than or equal to 10% but not more than 15%, upon Raven Gold having made a production decision, and in consideration, Ahtna will be required to fund ongoing operations after such exercise in an amount equal to 200% of Athna's percentage share of the pre-production expenditures incurred by Raven Gold (not including advance minimum royalty payments to Ahtna). Should Athna exercise such option, it would become a participant in the OPV/Raven JV.

(ii) West Pogo Property

The West Pogo property is located approximately 50 kilometres north of Delta Junction, Alaska, and consists of 96 State of Alaska mining claims (1,944 hectares) owned 100% by ITH.

5. MINERAL PROPERTIES (cont'd)

a) Properties acquired from AngloGold, Alaska (cont'd)

(ii) West Pogo Property (cont'd)

On March 24, 2010, ITH entered into a binding letter of intent with First Star Resources Inc. ("First Star") in connection with the West Pogo Property (the "WP LOI"). Under the terms of the WP LOI, First Star has the ability to earn an initial 55% interest, and a second option to earn a further 45%, for a total of 100% interest. To earn the 55% interest, First Star will pay USD 250,000 (received USD 10,000) and expend USD 2,800,000 in exploration expenditures. To acquire a 100% ownership, First star will fund the project through to an advanced exploration stage by spending a further USD 2,000,000 prior to December 31, 2015, or by producing, filing and having accepted by the TSXV a NI 43-101 compliant inferred resources of 1,000,000 ounces of gold using a 0.5g/t cut-off grade, whichever costs less. An NSR royalty of 3% or 4% on gold/silver and 1% on all other producers will be payable to Raven Gold. The royalty can be reduced by 1% by paying Raven Gold USD 3,000,000.

b) Properties optioned from AngloGold, Alaska

In conjunction with the closing of the acquisition of the Sale Properties, ITH entered into an option/joint venture with AngloGold with respect to two additional mineral projects in Alaska, referred to as the LMS and the Terra properties (the "Optioned Properties").

Pursuant to the Arrangement, ITH spun-out the LMS and Terra properties to the Company. Details of the LMS and Terra properties are as follows:

(i) LMS Property

The LMS property consists of 92 State of Alaska unpatented lode mining claims (5,691 hectares) owned by AngloGold.

With respect to the LMS Property, ITH will have the right to earn a 60% interest by incurring aggregate exploration expenditures of USD 3,000,000 by January 30, 2010 (incurred), of which ITH has committed to incur minimum exploration expenditures of USD 1,000,000 during the 2006 calendar year and of USD 750,000 during the 2007 calendar year.

Upon ITH 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 4,000,000 in exploration expenditures over a further two years.

5. MINERAL PROPERTIES (cont'd)

b) Properties optioned from AngloGold, Alaska (cont'd)

(i) LMS Property (cont'd)

On June 10, 2008, ITH entered into an agreement to acquire all of the interest of AngloGold in the Terra and LMS Properties, plus certain other AngloGold rights on the Gilles and West Pogo Properties, for the purchase price of $751,500 to be satisfied by the issuance of 450,000 shares of ITH to AngloGold (issued). The transaction was approved by NYSE Alternext-US Stock Exchange on July 31, 2008 and by the TSXV on September 10, 2008.

On March 24, 2010, ITH entered into a binding letter of intent (the "LMS LOI") with First Star, in connection with the LMS Property. Under the terms of the LMS LOI, First Star has the ability to earn an initial 55% interest, and a second option to earn a further 45%, for a total 100% interest. To earn the 55% interest, First Star will pay USD 280,000 (received USD 10,000) and expend USD 3,500,000 on exploration. To acquire a 100% ownership, First Star will fund the project through to an advanced exploration stage by spending a further USD 3,000,000 prior to December 31, 2015, or by producing, filing and having accepted by the TSXV a NI 43-101 compliant inferred of 2,000,000 ounces of gold using a 0.5g/t cutoff grade, whichever costs less. An NSR royalty of 3% or 4% on gold/silver and 1% on all other products will be payable to Raven. The royalty can be reduced by 1% by paying Raven Gold USD 3,000,000.

(ii) Terra Property

The Terra Property now consists of 235 State of Alaska unpatented lode mining claims (15,552 hectares) held by or on behalf of AngloGold and 5 State of Alaska unpatented lode mining claims (324 hectares) leased from an individual. The lease requires a payment on execution of USD 25,000 (paid), and advance minimum royalties of USD 25,000 on or before March 22, 2006 (paid), USD 50,000 on or before March 22, 2007 (paid), USD 75,000 on or before March 22, 2008 (paid), USD 100,000 on or before March 22, 2009 (paid) and each subsequent March 22 until March 22, 2015 (paid USD 100,000 on February 2, 2010), and thereafter USD 125,000 until the expiry of the lease (all of which are recoverable from production royalties). The lessor is entitled to receive a NSR production royalty on gold equal to 3.0% if the gold price is USD 450 per ounce or lower and 4% if the gold price is USD 450 per ounce or higher, plus a NSR royalty of 4% on all other mineral products other than gold. 1% of the royalty may be purchased for USD 1,000,000 and a further 1% for USD 3,000,000.

With respect to the Terra Property, the Company will have the right to earn a 60% interest by incurring aggregate exploration expenditures of USD 3,000,000 by January 30, 2010, of which ITH has committed to incur minimum exploration expenditures of USD 500,000 during the 2006 calendar year and of USD 750,000 during the 2007 calendar year.

5. MINERAL PROPERTIES (cont'd)

b) Properties optioned from AngloGold, Alaska (cont'd)

(ii) Terra Property (cont'd)

Upon ITH 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 4,000,000 in exploration expenditures over a further two years.

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 exploration expenditures or be diluted. A party that is diluted to 10% or less will have its interest converted to a 2% NSR royalty.

On November 5, 2007 ITH provided notice to AngloGold that it has incurred sufficient expenditures to vest its 60% ownership in the Terra Project. AngloGold had 90 days to decide whether or not to exercise its right to earn back an additional 20% interest in the Terra Project by incurring USD 4,000,000 in expenditures over the next two years, and elected not to do so. As AngloGold elected not to exercise its back-in right, each party is therefore responsible for contribution its share of ongoing joint venture expenditures.

On June 10, 2008, ITH entered into an agreement to acquire all of the interest of AngloGold in the Terra and LMS Properties, plus certain other AngloGold rights on the Gilles and West Pogo Properties, for the purchase price of $751,500 to be satisfied by the issuance of 450,000 shares of ITH to AngloGold (issued). The transaction was approved by NYSE Alternext-US Stock Exchange on July 31, 2008 and by the TSXV on September 10, 2008.

On February 26, 2010, ITH signed a letter of intent ("LOI") to enter into a joint venture with American Mining Corporation ("AMC"), a private Nevada corporation, on the Terra Project. Pursuant to the LOI, an Alaskan subsidiary of AMC ("AMC Subco") and Raven Gold will form a joint venture (the "AMC JV") with the aim of developing the Terra Project to production.

The initial interests of AMC Subco and Raven Gold in the AMC JV will be 51% and 49% respectively. Raven Gold's initial contribution to the AMC JV will be its interest in the Terra Project, including all related data and property facilities. AMC Subco's initial contribution to the AMC JV will be funding for the AMC JV totalling USD 6,000,000 over three years (USD 1,000,000 in year 1). Of these expenditures, USD 100,000 (USD 10,000 received on February 23, 2010) will be paid to ITH in each of the first and second years to partially reimburse ITH for the cost of constructing the existing camp facility at Terra. As consideration for ITH causing Raven Gold to enter into the AMC JV, AMC will pay ITH USD 300,000 and issue 750,000 common shares of AMC, over the same three-year period (USD 50,000 and 250,000 shares in year 1).

5. MINERAL PROPERTIES (cont'd)

b) Properties optioned from AngloGold, Alaska (cont'd)

(ii) Terra Property (cont'd)

If AMC Subco fails to make its full initial contribution, or AMC fails to make all required payments and share issuances to ITH, over such three-year period, then the AMC JV will terminate and AMC Subco will not retain any residual interest in the Terra Project.

In addition, the AMC JV has granted Raven Gold a sliding scale NSR royalty of between 0.5% and 5% (depending upon the gold price) on all precious metal production from the property and a 1% NSR royalty on all base metal production. The royalty to Raven Gold is in addition to the current royalty payable to the underlying lessor.

Upon having completed its initial contribution, AMC Subco will have the option to increase its JV interest by 29% (to 80% total) by providing a subsequent contribution of an additional USD 3,050,000 in funding in the fourth year. In addition, AMC will be required to pay ITH an additional USD 150,000 and issue an additional 150,000 common shares. Should Raven Gold's interest be diluted below 10% as a consequence of it not funding its proportionate share of AMC JV expenditure following AMC Subco's having completed its initial contribution (and subsequent contribution, if applicable), Raven Gold's AMC JV interest will be converted to an additional 1% property wide NSR royalty on all metals produced, for an aggregate NSR royalty to Raven Gold of 1.5% to 6% (depending upon the gold price) on precious metals and 2% on base metals).

On May 17, 2010, AMC assigned the Terra Project LOI with ITH to Terra Mining Corporation, a company incorporated under the laws of British Columbia. On September 15, 2010, the parties entered into the formal joint venture agreement to give effect to the transaction.

c) Properties optioned from Redstar Gold Corp., Nevada

On March 15, 2007, ITH signed two binding letters of intent with Redstar Gold Corp. of Vancouver, B.C. ("Redstar"), pursuant to which ITH can earn up to a 70% interest in two gold projects, referred to as North Bullfrog and Painted Hills, located in Nevada. ITH could earn an initial 60% interest in each project by making payments and exploration expenditures and has the option to earn an additional 10% interest (aggregate 70%) by funding all expenditures to take a project to feasibility. There is no time limit by which a feasibility study is required to be delivered.

Pursuant to the Arrangement, ITH spun-out the North Bullfrog property to the Company. Details of the North Bullfrog property are as follows:

5. MINERAL PROPERTIES (cont'd)

(c) Properties optioned from Redstar Gold Corp., Nevada

North Bullfrog

To earn its initial 60% interest, ITH must make total payments of USD 190,000 and incur total expenditures of USD 4,000,000 over 4 years to March 15, 2011. The first year requirement is a payment of USD 20,000 on TSXV acceptance (paid) plus exploration expenditures of USD 500,000 (incurred). The second payment of USD 30,000 is due by September 15, 2008 (paid). The third payment of USD 40,000 is due by March 15, 2009 (paid). The fourth payment of USD 50,000 is due by March 15, 2010 (acquisition completed on October 9, 2009) and the fifth payment of USD 50,000 is due by March 15, 2011.

ITH is also required to pay the advance minimum royalty payments to the owners of certain patented mining claims which are fully recoupable against production royalties. The advance minimum royalty in year 1 to 3 is USD 32,300 per year and year 4 onwards is USD 37,000.

On October 9, 2009, ITH completed the acquisition of all of the interests of Redstar and Redstar Gold U.S.A. Inc. in the North Bullfrog project (including the Mayflower (note 5(d)) and Connection (note 5(e)) Properties) under an agreement dated July 30, 2009, thereby giving ITH 100% ownership of the project. Consideration for the acquisition was a cash payment of USD 250,000 and the issuance of 200,000 common shares. Completion of the acquisition eliminated ITH's vesting requirements for expenditures and issuance of shares.

d) Mayflower Property, Nevada

Pursuant to a mining lease and option to purchase agreement made effective December 1, 2007 between ITH and a group of arm's length limited partnerships, ITH has leased (and has the option to purchase) 11 patented mining claims (approximately 76 hectares) located adjacent to its North Bullfrog project in south-western Nevada. The terms of the lease/option are as follows:

- *Terms*: Initial term of five years, commencing December 1, 2007, with the option to extend the lease for an additional five years. The lease will continue for so long thereafter as the property is in commercial production or, alternatively, for an additional three years if ITH makes advance minimum royalty payments of USD 100,000 per year (which are recoupable against actual production royalties).
- *Lease Payments*: USD 5,000 (paid) and 25,000 common shares of ITH (issued) following regulatory acceptance of the transaction; and an additional USD 5,000 and 20,000 common shares on each of the first through fifth lease anniversaries (USD 5,000 paid on each of December 10, 2008 and October 14, 2009 and 20,000 common shares issued on each of September 8, 2008 and November 25, 2009). If ITH elects to extend the lease for a second five-year term, it will pay USD 10,000 and issue 50,000 common shares upon election being made, and an additional 50,000 common shares on each of the sixth through tenth anniversaries.

5. MINERAL PROPERTIES (cont'd)

d) Mayflower Property, Nevada (cont'd)

- *Work Commitments*: USD 100,000 per year for the first three years, USD 200,000 per year for the years 4 – 6 and USD 300,000 for the years 7 – 10. Excess expenditures in any year may be carried forward. If ITH does not incur the required expenditures in year one, the deficiency is required to be paid to the lessors.
- *Retained Royalty*: ITH will pay the lessors a NSR royalty of 2% if the average gold price is USD 400 per ounce or less, 3% if the average gold price is between USD 401 and USD 500 per ounce and 4% if the average gold price is greater than USD 500 per ounce.
- *Purchase Option*: ITH has the right to purchase all the interest of the lessors in the property during the first ten years for USD 7,500,000 plus a 0.5% NSR if the gold price is under USD 500 per ounce and 1% if the gold price is USD 500 per ounce or above. After the initial ten-year period, the cash portion of the purchase price will be escalated annually based on the US annual Consumer Price Index increase for that year.

The Mayflower property, and associated acquisition costs, will be added to the North Bullfrog Redstar Joint Venture property in which ITH has the right to earn a 100 % interest (note 5(c)). Pursuant to the Arrangement, the right to earn the interest has been transferred from ITH to the Company.

e) Connection Property, Nevada

Pursuant to a mining lease and option to purchase agreement made effective October 27, 2008 between Redstar and an arm's length limited liability company, Redstar has leased (and has the option to purchase) 12 patented mining claims located adjacent to the North Bullfrog project and referred to as the "Connection" property. The ten-year, renewable mining lease requires payments of USD 10,800 (paid) on signing and annual payments for the first three anniversaries of USD 10,800 and USD 16,200 for every year thereafter (USD 10,800 paid on September 30, 2009). Redstar has an option to purchase is the property for USD 1,000,000 at any time during the life of the lease. Production is subject to a 4% NSR royalty, which may be purchased for USD 5,000,000.

The Connection property, and associated acquisition costs, will be added to the North Bullfrog Redstar Joint Venture property in which the Company has the right to earn a 100 % interest (note 5(c)).

6. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Issued

	Number of shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, May 31, 2010	1	$ 1	$ 22,437,849	$ (10,225,456)	$ 12,212,394
Nevada and Other Alaska Business	1	1	1,547,547	-	1,547,548
ITH working capital contribution	-	-	3,300,000	-	3,300,000
Shares issued under Plan of Arrangement	33,614,009	27,285,396	(27,285,396)	-	-
Corvus reclassify contributions by way of stock-based compensation from share capital to contributed surplus	-	(6,662,577)	6,662,577	-	-
Net Loss	-	-	-	(936,455)	(936,455)
Balance, August 31, 2010	33,614,011	$ 20,622,821	$ 6,662,577	$ (11,161,911)	$ 16,123,487

7. STOCK-BASED COMPENSATION

Stock options awarded to employees and non-employees by ITH are measured and recognized in the consolidated statement of operations, comprehensive loss and deficit or added to mineral properties at the fair value of the award. The fair value of all forms of stock-based compensation is charged to operations or capitalized to mineral properties over the vesting period of the options granted. Fair value is estimated using the Black-Scholes Option Pricing Model.

There have been no stock options issued directly by the Company during the periods presented. Stock-based compensation amounts included in the consolidated financial statements represent an allocation of ITH's related stock-based compensation amounts on a direct basis for employees and non-employees working directly on the Spin-out Properties and on a pro rata basis for head office employees and directors as outlined in note 1.

Stock-based compensation has been allocated as follows:

For the three months ended August 31,	2010	2009
Consulting	$ 249,495	$ -
Investor relations	77,164	3,642
Professional fees	18,005	-
Wages and benefits	411,538	-
	756,202	3,642
Mineral properties	64,969	-
	$ 821,171	$ 3,642

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows for three months ended August 31:

	2010	2009
Loss before income taxes	$ (936,455)	$ (238,702)
Statutory Canadian corporate tax rate	27.67%	29.38%
Income tax recovery at statutory rates	$ (259,117)	$ (70,131)
Unrecognized items for tax purposes	271,774	36,947
Effect of tax rate change	338	-
Difference in tax rates in other jurisdictions	(14,090)	(15,684)
Change in valuation allowance	1,095	48,868
	$ -	$ -

The significant components of the Company's future income tax assets are as follows:

	August 31, 2010	May 31, 2010
Future income tax assets		
Mineral properties	$ 509,805	$ 719,998
Non-capital losses available for future periods	377,109	373,338
Cumulative Eligible Capital	222	222
	887,136	1,093,558
Valuation allowance	(887,136)	(1,093,558)
	$ -	$ -

At August 31, 2010, the Company has available non-capital tax losses for Canadian income tax purposes of approximately $13,000 and net operating loss for US tax purposes of approximately $1,100,000 available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

	Canada	United States
2029	$ -	$ 1,097,000
2030	-	-
2031	13,000	3,000
	$ 13,000	$ 1,100,000

In addition, the Company has available mineral resource expenses that are related to the Company's exploration activities in the United States of approximately $13,719,000, which may be deductible for US tax purposes. Future tax benefits, which may arise as a result of applying these deductions to taxable income, have not been recognized in these accounts due to the uncertainty of future taxable income.

9. RELATED PARTY TRANSACTIONS

During the three months ended August 31, 2010, the Company paid $56,151 (2009 - $54,292) in consulting, investor relations, wages and benefits to officers, directors and companies controlled by directors of the Company and $2,962 (2009 - $4,330) in rent and administration to a company with common officers and directors. Professional fees of $2,367 (2009 - $5,065) were paid to a company related to an officer of the Company. These figures do not include stock-based compensation (note 7).

At August 31, 2010, $38,018 (May 31, 2010 - $Nil) was due to companies under common control.

These amounts were unsecured, non-interest bearing and had no fixed terms of repayment. Accordingly, fair value could not be readily determined.

ITH's purchase of AngloGold's interest in the Terra and LMS Projects in Alaska (note 5(a)) completed on November 24, 2008 is considered a related party transaction by virtue of a common directorship and the ownership by AngloGold of in excess of 10% of the ITH's outstanding common shares.

These transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. GEOGRAPHIC SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral resources industry, and in two geographical segments, Canada and the United States. All current exploration activities are conducted in the United States. The significant asset categories identifiable with these geographical areas are as follows:

	Canada	United States	Total
August 31, 2010			
Mineral properties	$ -	$ 12,569,020	$ 12,569,020
May 31, 2010			
Mineral properties	$ -	$ 12,245,690	$ 12,245,690

Three months ended	August 31, 2010	August 31, 2009
Net loss for the period- Canada	$ (844,962)	$ (216,057)
Net loss for the period- United States	(91,493)	(22,645)
Net loss for the period	$ (936,455)	$ (238,702)

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no source of revenues. As such, the Company is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended August 31, 2010. The Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENT

On September 8, 2010, the Company granted 3,000,000 incentive stock options at an exercise price of $0.75 per share for a period of two years expiring September 8, 2012.