Annual Information Form

For the year ended October 31, 2016
Dated as of February 28, 2017

IDM Mining Ltd
Suite 1500, 409 Granville Street
Vancouver, British Columbia, Canada V6C 1T2
Phone: (604) 681-5672 or 1-888-681-5672
Fax: (604) 484-7155
www.idmmining.com

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GLOSSARY OF TECHNICAL TERMS

Acre	A unit of area (43,560 square feet or 0.4047 hectares) used in English-speaking countries.
Ag	The elemental symbol for silver.
Alteration	Usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids.
Anomalous	Departing from the expected or normal.
As	The elemental symbol for arsenic.
Arsenopyrite	Arsenopyrite is an iron arsenic sulphide (FeAsS). Arsenopyrite also can be associated with significant amounts of gold. Consequently it serves as an indicator of gold bearing reefs. Many arsenopyrite gold ores are refractory.
Assay	An analysis to determine the presence, absence or quantity of one or more components, elements or minerals.
Au	The elemental symbol for gold.
Biotite	A common rock forming mineral of the mica group.
Breccia	A rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material.
Diamond drill	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter.
Dip	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike; may also apply to the angle of inclination for a drill hole.
Epigenetic	If a mineral deposit formed much later than the rocks which enclose it, it is said to be epigenetic. An example is a vein.
Epithermal	A hydrothermal mineral deposit formed within about one kilometre of the earth's surface and in the temperature range of 50 – 200 degrees Celsius. Also used to denote the environment of deposition.
Fault	A break in rocks with noticeable movement or displacement of the rocks on either side of the break.
Fracture	Break in a rock, usually due to intensive folding or faulting.
g/t or gpt	Grams per tonne.
Geochemical	Pertaining to various chemical aspects (e.g. concentration, associations of elements) of naturally occurring media such as rock, soil and water.
Hectare	An area of 10,000 square metres (or 2.471 acres).
Hydrothermal	Hot fluids, usually water, which may, or may not carry metals and other compounds in solution to the site of mineral deposition or wall rock alteration.
Igneous	A rock formed by the cooling of molten silicate material.
Intrusion	A general term for a body of igneous rock formed below the surface of the earth.

Lode	The metalliferous material that fills a fissure or vein.
Mineralization	A term used to describe the presence of minerals of possible economic value. Also used to describe the process by which concentration of economic minerals occurs.
Pb	The elemental symbol for lead.
Porphyritic	An igneous rock in which large crystals of one mineral, usually feldspar, occur in a fine groundmass of other minerals.
Pyrite	Iron sulphide mineral. The most common and abundant sulphide mineral and often found in association with copper and gold.
Pyrrhotite	Pyrrhotite is an unusual iron sulphide mineral with a variable iron content: $Fe(1-x)S$ ($x = 0$ to 0.2).
Quartz	The second most common rock forming mineral in the earth's crust (SiO_2).
Sedimentary	A rock formed from cemented or compacted sediments.
Sediments	The debris resulting from the weathering and breakup of other rocks that have been deposited by or carried by runoff, streams and rivers, or left over from glacial erosion or sometimes from wind action.
Silica	A common rock forming compound comprised of SiO_2 that can exist in crystalline and non-crystalline (amorphous) forms.
Sill	A tabular igneous intrusion that parallels the planar structure of the surrounding rock.
Stockwork	A mineral deposit consisting of a three-dimensional network of irregular veinlets closely enough spaced that the whole mass can be mined.
Strike	The direction or bearing from true north of a vein, rock formation or structure measured on a horizontal surface.
Vein	A geological feature comprised of minerals (usually dominated by quartz) that are found filling openings in rocks created by faults or replacing rocks on either side of faults or fractures.
Zn	The elemental symbol for zinc.

Metric Equivalents

To convert from metric	To imperial	Multiply by
Hectares	Acres	2.471
Metres	Feet	3.281
Kilometres	Miles	0.621
tonnes (1,000 kilograms)	tons (2,000 pounds)	1.102
grams per tonne	ounces (troy) per ton	0.029
Kilograms	ounces (troy)	32.151

INTRODUCTION

DATE OF INFORMATION

Unless otherwise indicated, all information contained in this Annual Information Form ("AIF") of IDM Mining Ltd. (the "Company" or "IDM") is as of February 28, 2017.

FINANCIAL INFORMATION

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards.

FORWARD LOOKING INFORMATON

Certain statements contained in this AIF, and in certain documents incorporated by reference herein, contain "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (together "forward-looking statements"). These forward-looking statements are made as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements may include, but are not limited to, statements with respect to the future price of commodities, the acquisition by the Company of interests in mineral properties, the time and cost of exploration, success of exploration activities, plans and budgets for and expected results from exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors may include, among others, risks related to acquisitions of interests in mineral properties; risks related to joint venture operations; actual results of current exploration activities being different than anticipated by the Company; actual results of reclamation activities; future metal prices; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental or regulatory approvals or financing or in the completion of development activities, as well as those factors discussed in the section entitled "Risk Factors" and elsewhere in this AIF. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making forward-looking statements included in this AIF, the Company has applied several assumptions, including without limitation, the assumptions that: (1) the proposed acquisition of interests in, and exploration and development of. the Company`s mineral projects will be viable operationally and economically and proceed as planned; (2) market fundamentals will result in sustained metals and minerals demand and prices consistent with the Company's expectations; and (3) any additional financing needed will be available on reasonable terms. Other material assumptions are discussed throughout this AIF and, in particular, in the section entitled "Risk Factors" in this AIF. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company specifically disclaims any intention or obligation to update forward-looking statements if circumstances or management`s beliefs, expectations or opinions should change, except as required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this AIF from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company's head office at Suite 1500, 409 Granville Street, Vancouver, British Columbia, V6C 1T2 (telephone: (604) 681-5672) or by accessing the disclosure documents available through the internet on the System for Electronic Document Analysis and Retrieval ("SEDAR") which can be accessed at www.sedar.com. The following documents are specifically incorporated by reference in this AIF:

- Annual financial statements, together with the accompanying report of the auditors, for the years ended October 31, 2016 and 2015 (the "Annual Financial Statements").
- Management's discussion and analysis for the years ended October 31, 2016 and 2015.
- Technical report titled "NI43-101 Preliminary Economic Assessment NI43-101 Technical Report Red Mountain Gold Project, British Columbia, Canada" ("2016 PEA") prepared by Gord Doerksen, P.Eng., Michael Makarenko, P. Eng, Dr. Gilles Arseneau, P. Geo, Stacy Freudigmann, P. Eng and Ken Embree, P. Eng dated August 25, 2016.
- Technical Report titled "Mineral Resources Updated for the Red Mountain Gold Project, Northwestern, BC, Canada" ("April 2016 Resource Estimate") prepared by Dr. Gilles Arseneau, P. Geo and Andrew Hamilton, P. Geo dated May 6, 2016,

CURRENCY

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

QUALIFIED PERSONS UNDER NI43-101

Except where specifically indicated otherwise, the disclosure in this AIF of scientific and technical information regarding exploration projects on the Company`s mineral properties has been reviewed and approved by Rob McLeod, P.Geo, President and CEO for the Company and a qualified person for the purposes of NI 43-101.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

The Company was incorporated under the *Business Corporations Act* (British Columbia) ("BCBCA") on July 14, 2009 under the name "Nuukfjord Gold Ltd." On August 30, 2010 the Company changed its name to "Revolution Resources Corp." On June 6, 2014, the Company changed its name to "IDM Mining Ltd". The Company completed its initial public offering ("IPO") during the year ended October 31, 2010 and is a reporting issuer or the equivalent in the Provinces of British Columbia, Alberta, Ontario and Nova Scotia. The Company's common shares (the "Common Shares") were voluntary delisted listed from trading on the Toronto Stock Exchange ("TSX") after close of trading on December 29, 2015 and were listed on the TSX Venture Exchange ("TSXV") on open of the trading on December 30, 2015 under the symbol "IDM".

On June 6, 2014, the Company consolidated its issued and outstanding shares on the basis of 6 pre-consolidated shares for one post-consolidated share. All share amounts in this AIF have been adjusted to reflect the share consolidation.

The principal offices of the Company are located at Suite 1500, 409 Granville Street, Vancouver, British Columbia, V6C 1T2 and its registered and records office is located at the offices of its corporate counsel, DuMoulin Black LLP, 10th Floor – 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

INTERCORPORATE RELATIONSHIPS

IDM has three wholly-owned subsidiary companies – Revolution Resources (NC) Inc., incorporated in North Carolina, USA, Minera Golondrina S. de R.L. de C.V, incorporated in Mexico and Minera Revolution, S.A. de C.V, incorporated in Mexico. Unless the context otherwise requires, all references herein to the "Company" include IDM and its subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company's mandate is to explore, discover and develop economic gold deposits located in British Columbia and the Yukon. The Company's primary focus is on the high grade underground Red Mountain Project which is in the BC and Canadian environmental assessment process.

THREE YEAR HISTORY

The following is a summary of the material events in the general development of the business for the last three years.

Red Mountain, Canada – Gold property

In April 2014, the Company entered into an option agreement with Seabridge Gold Inc ("Seabridge") to acquire a 100% interest in the Red Mountain gold project located near Stewart, BC.

Pursuant to the terms of the option agreement, the Company was required to issue 4,955,500 common shares, pay $2,000,000 in cash and incur $7,500,000 in exploration and development expenditures by June 4, 2017. The Company has satisfied the terms of the option and has exercised its notice to acquire a 100% interest in the Red Mountain gold project.

Upon the commencement of commercial production, the Company is required to make an additional one-time $1,500,000 cash payment to Seabridge, and Seabridge will also retain a gold metal stream on the Red Mountain project to acquire 10% of the annual gold production from the property at a cost of US$1,000 per ounce up to the maximum of 500,000 ounces produced (50,000 ounces to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of $4,000,000 at the commencement of production in exchange for the buyback of the gold metal stream.

Yukon Properties – Gold properties

In February 2016, the Company acquired from Osisko Mining Corporation ("Osisko') its portfolio of Yukon Properties. As consideration, IDM issued 7,188,889 shares and granted a 1% net smelter royalty over the properties and certain other rights to Osisko. The properties are subject to certain other underlying royalties. The Yukon portfolio consists of approximately 14,500 claims covering over 11 project areas consisting of 52 claim groups totaling over 300,000 hectares.

In January 2017, IDM entered into an agreement to sell the Yukon Properties to Strikepoint Gold Inc. ("Strikepoint') in exchange for cash of $150,000 and 10,500,000 common shares of Strikepoint. Closing of the transaction is subject to receipt of regulatory approval, third party consents and approval of Strikepoint's shareholders.

Champion Hills, USA – Gold property

The Company had entered into various option and purchase agreements to acquire 100% of the Champion Hills properties covering approximately 704 acres located in North Carolina. In fiscal year 2015, the Company elected not to purchase or extend the lease periods on these properties.

Mexico Properties – Gold properties

The Company through its wholly-owned subsidiary Minera Golondrina, held 100% of the rights, title and interest in Montana de Oro (comprised of Montana de Oro, Lluiva de Oro and La Bufa projects) and Universo Properties in Mexico ("Mexico Properties").

During the year ended October 31, 2013 the company elected to abandon the Universo Property and a portion of the Montana de Oro Property, including La Bufa and Lluvia de Oro. During the year ended October 31, 2014, the Company elected to abandon the remaining Montana De Oro Properties.

Exploration and Development Highlights:

Fiscal Year Ended October 31, 2016

- In February 2016, the Company received its Section 11 Order for the Red Mountain Project from the BC EAO, setting out the scope, requirements, processes, and methods of the provincial environmental assessment ("EA"), as well as the public and Aboriginal consultation procedures.

- In April 2016, the Company updated its NI 43-101 compliant Resource Estimate for the Red Mountain Project, which included the results of the additional drilling completed by the Company in 2014 and a revised geologic interpretation which resulted in extensions of multiple previously defined zones as well as the inclusion of mineral resources in two new zones. This estimate yielded a 16% increase in contained Measure & Indicated ("M&I") gold ounces and 31% increase in contained Inferred gold ounces. The April 2016 resource update for the Project had a resource of 1,641,800 tonnes in the M&I category averaging 8.36 grams per tonne ('**g/t**') gold and 26 g/t silver for 441,500 ounces of gold and 1,379,800 ounces silver with an additional 548,100 tonnes in the Inferred category, averaging 6.1 g/t gold and 9.0 g/t silver, for 107,500 ounces of gold and 153,700 ounces silver.

- In July 2016, the Company announced the results of an updated NI43-101 Preliminary Economic Assessment ("2016 PEA") on the Red Mountain Project.

- During 2016 field season, the Company completed a significant rehabilitation work of the Red Mountain surface and underground facilities, including dewatering the 2,000 meters of underground workings. Surface and underground drilling, as well as surface exploration was completed. A total of 51 drill holes were completed. Mineralization was expanded to the north, south and down-dip in directions in all of the major zones. All zones remain open to expansion.

- On October 5, 2016, the Red Mountain Project entered the 30-day public consultation period for the draft Application Information Requirement document ("dAIR") of the EA process. This period completed with only minor comments received. The final dAIR was submitted on

February 5, 2017 and the Company has been notified by the BC EAO that the final AIR for the Project will be published on March 13, 2017.

- In January 2017, the Company updated its NI 43-101 compliant resource estimate for the Red Mountain Project to include the results from the additional drilling completed during 2016. This revised estimate yielded a 32% increase in contained Measure & Indicated ("M&I") gold ounces and an increase in average grade from 8.36 g/t to 8.75 g/t. The January 2017 resource update for the Project has a resource of 2,074,700 tonnes in the M&I category averaging 8.75 g/t gold and 25 g/t silver for 583,700 ounces of gold and 1,655,700 ounces silver with an additional 324,700 tonnes in the Inferred category, averaging 6.21 g/t gold and 10.0 g/t silver, for 64,800 ounces of gold and 105,500 ounces silver.

Fiscal Year Ended October 31, 2015

- In August 2015, the Company submitted a Project Description on the Red Mountain Project to BC EAO and the Canadian Environmental Assessment Agency (the "Agency"). In November 2015, BC EAO and the Agency initiated the environmental assessment (EA) of the Project under Section 10(1)(c) of the *British Columbia Environmental Assessment Act.*

- The Company continued to advance the environmental baseline studies for the Project by completing surface and groundwater sampling and analysis, geo-hazard assessment, wildlife and fisheries studies and archaeological assessments;

- No field exploration was completed during calendar year ended October 31, 2015.

- The Company elected not to purchase or extend the lease periods on the Champion Hills Properties

Fiscal Year Ended October 31, 2014

- In April 2014, the Company entered into option agreement with Seabridge granting IDM the right to acquire a 100% interest in the Red Mountain Project, subject to certain underlying royalties and gold steams

- In July 2014, the Company announces the results of a National Instrument 43-101 preliminary economic assessment and revised resource estimate on the Red Mountain Project

- During the 2014 field season, the Company completed surface sampling and mapping on the Red Mountain Property, identifying numerous new gold prospects. In addition, the Company completed a 12 hole, 2,200 meter drill program targeting the 141, Cambria, JW and Marc zone extension on the Red Mountain Project.

Financing Transactions

Fiscal Year Ended October 31, 2016 – Private Placements and Other Share Issuances

a) completed a non-brokered private placement in December 2015 for gross proceeds of $1,581,488, consisting of 9,989,800 flow-through units at $0.11 per flow-through unit and 5,362,333 common units at $0.09 per common unit. Each common and flow-through unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at $0.14 per share.

Finder's fees payable in connection with the financing consisted of $48,485 and 552,939 finders' warrants exercisable for a period of 12 months at $0.10 per share. The finder's warrants have been recorded at a fair value of $13,034, which is included in reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.54%, expected life of 1.00 year, expected volatility rate of 76.08% and a dividend rate of 0.00%.

b) completed a private placement in December 2015 with Osisko for gross proceeds of $1,000,000, consisting of 11,111,111 common shares at a price of $0.09. Finder's fees payable in connection with the financing consisted of $50,000 and 555,555 finders' warrants exercisable for a period of 12 months at $0.10 per share. The finder's warrants have been recorded at a fair value of $12,923, which is included in reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.54%, expected life of 1.00 year, expected volatility rate of 75.14% and a dividend rate of 0.00%.

c) completed a brokered and non-brokered private placement in April 2016 for gross proceeds of $10,848,898, consisting of 37,269,208 flow-through units at $0.11 per flow-through unit and 74,992,058 common units at $0.09 per common unit. Each common and flow-through unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at $0.15 per share. Finder's fee payable in connection with the financing consisted of $611,625 and 6,372,730 finders' warrants exercisable for a period of 12 months at $0.15 per share. The finder's warrants have been recorded at a fair value of $247,809, which is included in reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.62%, expected life of 1.00 year, expected volatility rate of 71.68% and a dividend rate of 0.00%. The Company incurred an additional $306,943 in other share issue costs.

d) completed a brokered and non-brokered private placement in October 2016 for gross proceeds of $8,994,707, consisting of 12,084,129 flow-through shares at $0.21 per flow-through share and 37,982,589 common units at $0.17 per common unit. Each common unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at $0.25 per share. Finder's fees payable in connection with the financing consisted of a total of $418,270 and 2,138,739 finders' warrants exercisable for a period of 12 months at $0.25 per share. The finder's warrants have been recorded at a fair value of $96,652, which is included in reserves. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.54%, expected life of 1.00 year, expected volatility rate of 76.68% and a dividend rate of 0.00%. The Company incurred an additional $171,252 in other share issue costs.

e) Issued 7,188,889 common shares to Osisko to acquire the Yukon properties valued at $647,000. A finder's fee payable connection with the acquisition consisted of a total $32,350 and 359,444 finders' warrants exercisable for a period of 12 months at $0.10 per share. The finder's warrants have been recorded at a fair value of $5,617, which is included in reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.62%, expected life of 1.00 year, expected volatility rate of 68.92% and a dividend rate of 0.00%.

f) Issued 3,750,000 commons shares to settle debts relating to past operations on the Mexico Property, valued at $637,500.

Fiscal Year Ended October 31, 2015 – Private Placements and Other Share Issuances

a) a non-brokered private for gross proceeds of $2,030,781, consisting of 7,302,900 flow-through units at $0.14 per flow-through unit and 10,083,750 common units at $0.10 per common unit. Each flow-through unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at $0.18 per share. Each common unit consisted of one common share and one half-warrant exercisable for a period of 24 months at $0.15 per share. Finder's fees payable in connection with the financing consisted of a total of $13,300 and 130,200 finder's warrants.

b) issued 7,500,000 common shares and 20,000,000 warrants to Lake Shore Gold Corp. (**"Lake Shore")** as full settlement of the Company's remaining payment obligation of $5,000,000 pursuant to the amended Purchase and Sale Agreement, whereby the Company acquired Lake Shore's subsidiary Minera Golondrina. Each warrant is exercisable for a period of 60 months at $0.20 per share. The warrants are subject to an acceleration provision if the Company's shares trade at or above $0.40 per share for 20 consecutive trading days.

c) issued 4,512,301 common shares for debt relating to services provided on the Red Mountain project.

Fiscal Year Ended October 31, 2014 – Private Placements and Other Share Issuances

a) a non-brokered private for gross proceeds of $2,484,980, consisting of 3,754,178 flow-through units at $0.45 per flow-through unit and 1,989,000 common units at $0.40 per common unit. Each flow-through unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at $0.55 per share. Each common unit consisted of one common share and one half-warrant exercisable for a period of 24 months at $0.50 per share. Finder's fees payable in connection with the financing consisted of a total of $82,809 and 184,828 finder's warrants.

b) a brokered private placement for gross proceeds of $2,776,140, consisting of 2,098,000 flow-through units at $0.31 per flow-through unit and 8,857,334 common units at $0.24 per common unit. Each unit consists of one common share and one half-warrant, with each whole warrant exercisable for a period of 15 months at $0.36 per share. The Company incurred finders' fees of $143,303 and issued 377,243 agent warrants exercisable for a period of 15 months at $0.36 per share.

c) a non-brokered private placement with characteristics consistent with the brokered private placement. The Company issued 240,645 flow-through units and 1,859,174 common units for additional gross proceeds of $520,802.

SIGNIFICANT ACQUISITIONS

There were no significant acquisitions during the Company's most recently completed financial year ended October 31, 2016 for which disclosure is required under Part 8 of National Instrument 51-102 Continuous Disclosure Obligations.

DESCRIPTION OF THE BUSINESS

General

The principal business of the Company is acquiring, exploring and developing natural resource properties in North America. The Company is currently focused on exploring and developing its gold project in British Columbia and recently acquired Yukon properties. The following is a list of the Company's current exploration property portfolio.

- Red Mountain, BC, Canada – Gold property
- Yukon Claims, Yukon, Canada - Gold property

Competitive Conditions

The exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire further properties will depend not only on its ability to operate and develop its existing properties but also on its ability to select and acquire suitable properties or prospects for development or mineral exploration.

Business Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. If the global economy stalls and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of many of the Company's current properties and result in the Company determining to cease work on, or drop its interest in some or all of such properties.

In addition to commodity price cycles, and recessionary periods, exploration activity may also be affected by seasonal and irregular weather conditions in the areas where the Company operates.

Employees

As of the date of this AIF, the Company has two full time employees. The Company engages administrative, financial, legal, geological, metallurgical, and engineering consultants from time to time as required to assist in maintaining corporate records and preparing reporting requirements, evaluating its interests and recommending and conducting work programs. The operations of the Company are managed by its directors and officers.

Material Mineral Properties

Red Mountain Gold Project, Canada – Gold property

General

On April 15, 2014, IDM entered into an option agreement with Seabridge to acquire a 100% interest in the Red Mountain gold project located near Stewart, BC.

Claim title is currently under Seabridge. IDM has satisfied the option terms and exercised its notice to acquire the Red Mountain property and transfer of title is in progress. The Red Mountain property claims are subject to two royalties. Franco-Nevada Corporation (Franco) holds a 1% Net Smelter Return (NSR) royalty and a 2.5% NSR royalty is payable to Wotan Resources Corp. A $50,000 advance royalty is

payable to Wotan annually.

Under the terms of the Option Agreement, IDM issued 4,955,500 shares of IDM, paid $2 million and incurred in excess of the $7.5 million in exploration and development expenditures by June 4, 2017.

Upon the commencement of commercial production, IDM will make an additional one-time $1.5 million cash payment to Seabridge and Seabridge will also retain a gold metal stream on the Red Mountain property to acquire 10% of the annual gold production from the property at a cost of US$1,000 per ounce up to a maximum of 500,000 ounces produced (50,000 ounces to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of $4 million at the commencement of production in exchange for the buy-back of the gold metal stream.

Information detailed below of a scientific or technical nature regarding the Red Mountain project is derived from the 2016 PEA. The 2016 PEA is available under the Company`s profile on SEDAR www.sedar.com. The reader is cautioned that the information described below is an abridged summary and the detailed disclosure in the 2016 PEA is incorporated by reference into this AIF.

Property Description, Accessibility and Climate

The 17,125 hectare (ha) Red Mountain Gold Property is situated in northwestern British Columbia approximately 18 km east-northeast of Stewart. The project is located at 55° 57' N latitude and 129° 42' W longitude between the Cambria Ice Field and the Bromley Glacier at elevations ranging between 1,500 and 2,000 m.

The area is characterised by rugged, steep terrain with weather conditions typical of the north coastal mountains including significant (+2 m) snow accumulation in the winter. Access to the site is presently by helicopter from Stewart with a flight time of 10 to 15 minutes. An existing road from Hwy 37A extends for approximately 13 km along Bitter Creek Valley, however, it is currently impassable for heavy equipment due to wash-outs along Bitter Creek Valley and at other creek crossings.

The Red Mountain Property consists of 47 contiguous mineral claims totalling 17,125 ha. No significant risks are identified which would affect access, title, or the right or ability to perform work on the property.

The property falls within the Nass Wildlife Area as set out in the Nisga'a Final Agreement (NFA). Pursuant to the NFA, the Nisga'a Nation has rights to the management and harvesting of fish and wildlife within the Nass Wildlife Area.

History, Exploration & Drilling

Placer mining commenced in Bitter Creek at the base of Red Mountain at the turn of the 20st century but significant work on the current deposit began in 1988 when Wotan Resources Inc. staked claims in 1988 and optioned the property to Bond Gold Canada Inc. ("Bond') in 1989.

In that year, gold mineralisation in the Marc and Brad zones were discovered by drilling. Lac Minerals Ltd. (LAC) acquired Bond in 1991. Surface drilling on the Marc, AV and JW zones continued in 1991, 1992, 1993 and 1994. Underground exploration of the Marc zone was conducted in 1993 and 1994. In 1995, LAC was acquired by Barrick Gold Corporation who subsequently optioned the property to Royal Oak Mines Ltd. (Royal Oak) in 1996. North American Minerals Inc. (NAMC) purchased the property from the receivership sale of Royal Oak in 2000. NAMC subsequently sold the property to Seabridge in

2002 who optioned the property to Banks Island Gold Ltd. (Banks). Banks terminated the option in 2013 and the property reverted to Seabridge. Seabridge subsequently optioned the property to IDM in 2014.

Table 1.1 provides a chronological summary of recent exploration efforts on Red Mountain.

Table 1.1: Red Mountain 1988-2014 Chronological Exploration Summary

1988	Staking of Red Mountain By Wotan Resources Inc.
1989	Red Mountain and Wotan properties optioned to Bond. Discovery of gold-silver mineralisation by drilling in the Marc zone (3,623 m); airborne EM and magnetic survey.
1990	Exploration of Marc zone and adjacent area (11,615 m of drilling) by Bond.
1991	Lac acquired 100% of Bond. A 2,400 m drill program was completed on the Marc and AV Zones.
1992	Results of a 4,000 m drill program by LAC increased Red Mountain resources and indicated excellent potential for expansion.
1993	28,800 m of surface drilling defined the Marc, AV, and JW Zones and identification of the 141 Zone. An underground exploration adit allowed bulk sampling of the Marc zone. 8,600 m of underground drilling completed in the Marc zone.
1994	Lac completed a 350 m extension of the main decline, 30,000 m of underground drilling and 16,000 m of surface drilling.
1995	Red Mountain project acquired by Barrick following the take-over of Lac Minerals. No exploration work completed by Barrick.
1996	Royal Oak undertakes exploration to explore for additional reserves. Extended underground drift by 304 m and completed 26,966 m of surface and underground drilling.
2000	NAMC purchased the property and project assets from Price Waterhouse Coopers, conducts detailed relogging of existing drill core and constructs a geological model for resource estimation purposes and exploration modelling.
2002	Seabridge purchases property, completes two Preliminary Assessment Studies ("PEA")
2012	Bank options property, two surface drill holes completed, completes PEA study
2014	IDM options property and drilled 12 diamond drill holes.
2015-2016	High-level metallurgical test work by Gekko Systems was conducted. Comminution, gravity and flotation tests were done. IDM continues environmental baseline studies and community engagement on the Red Mountain Project. Also formally advances permitting (environmental assessment) process with BC and Canada. IDM also launches a surface and underground drilling program at Red Mountain that includes the dewatering of the underground and obtaining material for engineering and resource studies.
2016	IDM drilled 11 surface diamond drill holes and 51 underground infill and resource expansion drill holes

Geology & Mineralisation

Red Mountain is located near the western margin of the Stikine terrain in the Intermontane Belt. There are three primary stratigraphic elements in Stikinia and all are present in the Stewart area: Middle and Upper Triassic clastic rocks of the Stuhini Group, Lower and Middle Jurassic volcanic and clastic rocks of the Hazelton Group, and Upper Jurassic sedimentary rocks of the Bowser Lake Group. Many primary textures are preserved in rocks from all of these groups, and mineralogy suggests that the regional metamorphic grade is probably lower greenschist facies.

Mineralised zones consist of crudely tabular, northwesterly trending and moderately to steeply

southwesterly dipping gold and silver bearing iron sulphide stockworks. Pyrite is the predominant sulphide; however, locally pyrrhotite is important. The stockworks zones are developed primarily within the Hillside porphyry and to a lesser extent in rafts of sedimentary and volcaniclastic rocks.

The stockwork zones consist of pyrite microveins, coarse-grained pyrite veins, irregular coarse-grained pyrite masses and breccia matrix pyrite hosted in a pale, strongly sericite altered porphyry. Vein widths vary from 0.1 cm to approximately 80 cm but widths of 1 to 3 cm are most common.

The veins are variably spaced and average 2 to 10 per metre. The veins are very often heavily fractured or brecciated with infillings of fibrous quartz and calcite.

Orientations of veins in the stockworks are variable; however, sets with northwesterly trends and moderate to steep northeasterly and southwesterly dips have been identified in underground workings.

The pyrite veins typically carry gold grades ranging from ~3 g/t to greater than 100 g/t. Gold occurs in grains of native gold, electrum, petzite and a variety of gold tellurides and sulphosalts. The stockwork zones are surrounded by more widespread zone of disseminated pyrite and pyrrhotite alteration.

Metallurgical Testing & Mineral Processing

Historical metallurgical testing was performed by Lakefield Research (1991), Brenda Process Technology (1994) and International Metallurgical and Environmental (1997), a derivate of Brenda Process Technology. The majority of the test work conducted between 1991 and 1997 focused on cyanide leaching as the primary process for extracting gold and silver from the deposit.

In the spring of 2000, another metallurgical test program was conducted at Process Research Associates ("PRA") under the direction of Dr. M. Beattie, P. Eng. This test work focused on producing a saleable gold and silver rich flotation concentrate.

The most recent test program was carried out in 2015 by Gekko Systems ("**Gekko**"). Gravity, flotation and comminution test work was completed to test the amenability of the Red Mountain deposit to Gekko's Python modular plant, the test work also applies to generic flotation plants.

The metallurgical recoveries reported in the 2016 PEA were calculated to be 88.9% and 79.8% for gold and silver, respectively using a flotation-leach circuit.

Mineral Resource Estimate

Numerous resource estimates were completed from 1989 to present. During 2000, North American Metal Corp ("NAMC") conducted a detailed review of all data, relogged all core within a 20 m envelope of the mineralized material within the Marc, AV and JW zones and reviewed all exploration holes for potential inclusion into the resource. An extensive quality control and quality assurance ("**QA/QC**") review was completed on all exploration work and a comparative analysis was performed on drill hole data, underground bulk sampling and geology. The 2000 NAMC resource was reviewed, cross checked and verified for accuracy in May 2014 and was the basis for IDM Mining's 2014 resource estimate. In 2016, the Company updated the resource to include the results of the additional drilling that was completed by the Company in 2014 and a revised geological interpretation which resulted in extensions of multiple previously defined zones as well as the inclusion of mineral resources in two new zones (the "**April 2016 Resource Estimate**"). In January 2017, the Company updated the April 2016 Resource Estimate incorporating results from drilling completed during the 2016 program. The resource estimate is as follows:

Mineral Resource Statement for the Red Mountain Gold Project at a 3 grams per tonne ("**g/t**") Cut-off Grade*

Deposit	Tonnage	In situ Gold Grade	In situ Silver Grade	In situ Contained Gold	In situ Contained Silver
	(tonnes)	g/t	g/t	(Troy ounces)	(Troy ounces)
MEASURED					
MARC	682,000	10.62	38.33	232,800	840,500
AV	519,400	7.73	20.03	129,100	334,500
JW	44,600	10.11	13.21	14,500	19,000
INDICATED					
Marc	32,200	9.69	32.61	10,100	33,800
AV	236,300	9.07	19.25	68,900	146,300
JW	314,200	8.54	17.98	86,300	181,600
141	188,600	4.91	11.1	29,700	67,300
Marc FW	18,100	6.15	12.05	3,600	7,000
Marc Outliers	4,200	3.43	16.77	500	2,300
NK	10,700	5.58	7.57	1,900	2,600
JW Lower	24,300	8.15	26.58	6,400	20,800
TOTAL MEASURED & INDICATED	**2,074,600**	**8.75**	**24.82**	**583,800**	**1,655,700**
INFERRED					
MARC	4,500	10.43	43.35	1,500	6,200
AV	43,300	8.13	15.39	11,300	21,400
JW	111,700	6.78	7.39	24,400	26,500
141	15,100	4.67	4.69	2,300	2,300
Marc FW	12,600	5.12	6.38	2,100	2,600
Marc Outliers	7,300	6.54	27.36	1,500	6,400
NK	7,300	5.98	9.05	1,400	2,100
JW Lower	2,000	13.94	9.26	900	600
AV Lower	42,500	5.55	6.05	7,600	8,300
132	78,700	4.73	11.51	12,000	29,100
TOTAL INFERRED	**325,000**	**6.21**	**10.11**	**65,000**	**105,500**

**3 g/t Au is calculated as the cut-off grade for underground long hole stoping. Totals may not add due to rounding*

The mineral resource estimate, effective date January 23, 2017, was prepared by Dr. Gilles Arseneau,, P. Geo, and Andrew Hamilton, P. Geo, using 3D GEMS block modeling software. Resources were estimated from 538 surface and underground drill holes in 4 by 4 by 4 m blocks by ordinary kriging and anisotropic search ellipsoids designed to fit the geology. Grade estimates were based on capped 1.5 m composited assay data. Gold values used in the interpolation runs were top cut to 55 g/t gold, and silver top cut to 220 g/t silver

Mineral Reserve Estimate

The 2016 PEA does not support an estimate of Mineral Reserves, since a prefeasibility or feasibility study is required for reporting of Mineral Reserve estimates. This report is based on potentially mineable material ("**mineable tonnes**").

Mineable tonnages were derived from the April 2016 Resource Estimate. Measured, indicated and inferred resources from the April 2016 Resource Estimate were used to establish mineable tonnes.

Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as mineral reserves, and there is no certainty that the preliminary economic assessment will be realised.

Mining Methods

Two underground mining methods were selected based on deposit body geometry and grade of the mineralised zones:

- Longhole stoping (LH) for mining blocks steeper than 55°, which represents about 70% of mineable tonnage. This is the preferred mining method from productivity and operating cost perspective.
- Drift and Fill (D&F) for mining blocks with dips of less than 55° and zones not amenable to LH stoping, is more selective and represents about 22% of mineable tonnage; and
- The remaining 8% of the potentially mineable tonnage comes from access and stope cross-cut development.

Cemented and uncemented rock fill will be used as backfill to maximize mining recovery. The deposit will initially be accessed from the existing portal and exploration ramp in additional to a new portal accessing the top level of the mine and be used for ventilation exhaust and a secondary escape way. A third lower access I, to be used haulage, will be added in Year 1 of the mine life. Access ramps will be driven at maximum grade of 15% at 4.5 m by 4.5 m profile to accommodate 30-tonne haul trucks.

The initial mine design was based on basic assumptions to generate lower limits for cut-off grades (COG) for the two planned mining methods. A value of 3.65 g/t Au was determined as the COG for longhole stoping and 4.75 g/t Au for drift and fill mining. These COG's were used to design initial mining shapes.

The 2016 PEA mine plan focusses on accessing and mining higher grade material early in the mine life. As such, the plan commences with mining of Marc, followed by AV, and then JW and 141. The mine production rate is targeted at 1,500 t/d.

Mining recovery and dilution factors were applied to each mining shape based on the mining method used. The production plan for the Red Mountain project is summarised in Table 1.3.

Table 1.2: Mine Production Schedule

	Unit	Year-1	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Mineable Tonnage	Tonnes	2,000	312,000	379,000	379,000	380,000	307,000	**1,759,000**
Gold Grade	g/t	5.33	7.93	7.65	7.06	6.38	5.97	**7.00**
Silver Grade	g/t	22.08	29.39	29.55	15.74	17.97	14.69	**21.45**
Gold Ounces	Oz	400	80,000	93,000	86,000	78,000	59,000	**396,400**
Silver Ounces	Oz	1,700	295,000	360,000	192,000	219,000	145,000	**1,212,700**
Lateral Development	M	1,074	4,635	4,396	4,591	4,326	3,932	**22,954**
Vertical Development	M	49	86	384	59	67	8	**652**
Cemented Rock Fill (CRF)	m^3	-	61,431	26,255	37,211	23,371	2,823	**151,092**
Waste Fill	m^3	-	40,612	93,560	90,281	78,265	86,578	**389,296**

Source: JDS (2016)

Recovery Methods

The results of the metallurgical test work, together with financial evaluation data, were used to develop metallurgical design criteria, which in turn were used to design the process facility for the project.

The test work has shown that Red Mountain mineralization can be treated using conventional mineral processing techniques for the recovery of gold and silver. A trade-off study was conducted to compare processing the mill feed material, using either a leach or a flotation/regrind/leach circuit. The flotation/regrind/leach circuit was selected based on the results of the trade-off study which indicated approximately 15% lower operating costs, similar capital costs and marginally lower metal recoveries when compared to that of the leach option.

The plant will consist of the following unit operations:

- 3-stage crushing;
- Primary and secondary grinding;
- Gravity concentration and intensive cyanidation;
- Flotation, concentrate dewatering and regrind;
- Cyanide leaching and CCD thickening;
- Cyanide destruction;
- Merrill Crowe and gold refining; and
- Tailings disposal at the TMF.

The grinding circuit product size is targeted at approximately 80% passing (P_{80}) 150 microns (µ), and the rougher concentrate will undergo further grinding to at least a P_{80} of approximately 20 µ, before the cyanide leaching stage. The crushing circuit will operate at an availability of 70% while the milling, flotation and leaching circuits will operate 24 h/d, 365 d/y at an availability of 92%.

Project Infrastructure

The project envisions the upgrading or construction of the following key infrastructure items:

- Approximately 15 km year-round access road from Highway 37A to the processing plant site and additional 10 km seasonal road from the plant site to the portal near the top of Red Mountain;
- Process plant located at Bromley Humps;
- Tailings management facility and impoundment located at Bromley Humps;
- Temporary development of waste storage areas prior to being re-handled into the underground workings as backfill;
- Administration office, mine dry, maintenance shop, warehouse and emergency camp;
- Electrical connection to BC Hydro, transmission line adjacent to the seasonal access road and on-site substation and distribution network.
- Process and fire water storage and distribution.
- Sewage septic system.

Environment & Permitting

The project has been designed to minimize short and long-term environmental impacts and to maximize lasting benefits to local communities, employees and shareholders. The goal of the Company is to create a sustainable operation that employs best available technology and practices in all aspects of the design and operation and considers both the short and longer term effects on the project. IDM fully respects the traditional knowledge and culture of the Aboriginal peoples who have historically used or travelled through the Red Mountain project area and will continue to engage in a meaningful and respectful way with Nisga'a leadership and community members.

The project area watershed is relatively undisturbed by human activities with the exception of an access road that was constructed in the late 1990's but is currently decommissioned.

The key environmental objective is to retain the integrity of the current watershed and local ecosystem during the construction and operation phases of the project. Upon closure and reclamation of the project, the goal will be to return the relatively small-disturbed areas to the condition of pre-mine existence.

Pursuant to Section 3(1) of the Reviewable Projects Regulation, the proposed production capacity for the project exceeds the criteria of 75,000 tonnes per annum (t/a) of mineral material for a new mineral mine and is required to undergo a provincial and federal environmental assessment under the British Columbia Environmental Assessment Act (BC EAA) and the Canadian Environmental Assessment Act (CEAA). IDM initiated this assessment process in October 2015 with the filing of a Project Description Report.

Since that time, a number of steps in the process have been undertaken successfully and IDM is planning to file a Project Application Report in the second calendar quarter of 2018 that will fulfill the requirements of the federal and provincial environmental assessment processes. Approval for the project under BC EAA and CEAA is expected in the first calendar quarter of 2018. Provincial permitting for the project is being pursued in a synchronous manner with the environmental assessment process.

Restoration activities are planned to consist of covering the TMF to minimize infiltration. Covers will be graded to create natural drainage to reduce erosion. All underground development rock will be placed as backfill in the mining process. Infrastructure will be removed and disturbed sites re-graded to natural

slopes. The access roads will be deactivated in accordance with the Forest Practice Code. It is planned to hydrostatically seal the lower underground portal with an engineered bulkhead. A full closure and reclamation plan will be developed as part of the environmental assessment and provincial permitting process.

Capital Cost Estimate

The capital cost (CAPEX) estimate includes all costs required to develop, sustain, and close the operation for a planned 5-year operating life. The construction schedule is based on an approximate 15-month build period. The accuracy of this CAPEX estimate is 20%/±30% in accordance with the level of detail for a Class 4 estimate.

The summary of CAPEX estimate is shown in Table 1.3. The sustaining capital is carried over operating Years 1 through 5, and closure costs are projected over Year 6 to Year 20, predominantly to accommodate longer term water quality testing.

Table 1.3: Summary of Capital Cost Estimates

Capital Cost	Pre-Production (C$M)	Sustaining/ Closure (C$M)	Total (C$M)
Mine	14.5	26.4	40.9
Site development	12.0	-	12.0
Mineral processing	33.4	-	33.4
Tailings management	6.2	6.2	12.4
Infrastructure	13.5	-	13.5
Indirect costs including EPCM	15.6	0.6	16.1
Owners costs	6.0	-	6.0
Closure costs	-	8.6	8.6
Salvage value	-	(5.0)	(5.0)
Subtotal Pre-Contingency	**101.1**	**36.9**	**138.0**
Contingency	10.1	4.2	14.3
Total Capital Incl. Contingency	**111.2**	**41.0**	**152.3**

Source: JDS (2016)

Operating Cost Estimate

Operating cost (OPEX) estimates for the Red Mountain project have been prepared incorporating both off-site and on-site infrastructure as related to the mine plan and processing schedule. Table 1.6 summarises the life-of-mine (LOM) OPEX estimate.

Table 1.6: Summary of Operating Cost Estimates

Operating Cost	C$/t processed	LOM C$M
Mining	55.07	96.9
Processing	40.01	70.4
Site Services	4.33	7.6
General and administrative (G&A)	9.67	17.0
Total	**109.08**	**191.9**

Source: JDS (2016)

The operating cost estimate is based on a seasonal eight-month mining operation and a 365 days/year process plant operation.

Economic Analysis

An economic model was developed to estimate annual cash flows and sensitivities of the project. Pre-tax estimates of project values were prepared for comparative purposes, while after-tax estimates were developed to approximate the true investment value. It must be noted that tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the after-tax results are approximations to represent an indicative value of the after-tax cash flows of the project.

The results of the economic analysis are shown in Table 1.7.

Sensitivities to metal prices, FX rate, OPEX, and CAPEX were conducted by adjusting each variable up and down 15% independently of each other. As with most metal mining projects, the project is most sensitive to metal price and FX rate.

The project is slightly more sensitive to OPEX than CAPEX. The base case sensitivities are shown in Figure 1-4. Sensitivity based on various metal prices is illustrated in Table 1.8.

The preliminary economic assessment is preliminary in nature and includes the use of inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as mineral reserves, and there is no certainty that the preliminary economic assessment will be realised.

Table 1.7: Summary of Economic Assumptions & Results

Summary of Results	**Unit**	**Value**
Au Price	US$/oz	1,250
Ag Price	US$/oz	15.00
F/X Rate	USD:CAD	0.80
Mine Life	Years	5.0
Mill Feed	Mt	1.8
Throughput Rate	t/d	1,000
Average Au Head Grade	g/t	7.00
Average Ag Head Grade	g/t	21.45
Au Payable	Koz	348
	koz/a	70
Ag Payable	Koz	965
	koz/a	194
NSR (Net of Royalties)	LOM C$M	522.3
	$/t mined	296.9
Operating Costs	LOM C$M	191.9
	$/t mined	109.08
Au Cash Cost	US$/oz	487.99
Au Cash Cost (Net of Byproduct)	US$/oz	446.45
Pre-production Capital	C$M	101.1
Pre-production Contingency	C$M	10.1
Total Pre-production Capital	**C$M**	**111.2**
	$/t mined	**63.22**
Sustaining & Closure Capital	C$M	36.9
Sustaining & Closure Contingency	C$M	4.2
Total Sustaining & Closure Capital	**C$M**	**41.0**
	$/t mined	**23.32**
Total Capital Costs Incl. Contingency	C$M	152.3
	$/t mined	86.54
Working Capital	C$M	3.2
Pre-Tax Cash Flow	LOM C$M	178.1
	C$M/a	35.9
Taxes	LOM C$M	57.7
After-Tax Cash Flow	LOM C$M	120.4
	C$M/a	$24.3
Economic Results		
Pre-Tax Net Present Value ($NPV_{5\%}$)	**C$M**	**133.1**
Pre-Tax Internal Rate of Return (IRR)	**%**	**42.4**
Pre-Tax Payback	**Years**	**1.9**
After-Tax $NPV_{5\%}$	**C$M**	**86.6**
After-Tax IRR	**%**	**32.3**
After-Tax Payback	**Years**	**2.0**

Source: JDS (2016)

Economic Results

The project is economically viable with an after-tax internal rate of return (IRR) of 32.3% and a net present value using a 5% discount rate ($NPV_{5\%}$) of $86.6M using the metal prices and exchange rates outlined in Table 1.9. Table 1.7 outlines the project's economic results.

*Table 1.7 Economic Results**

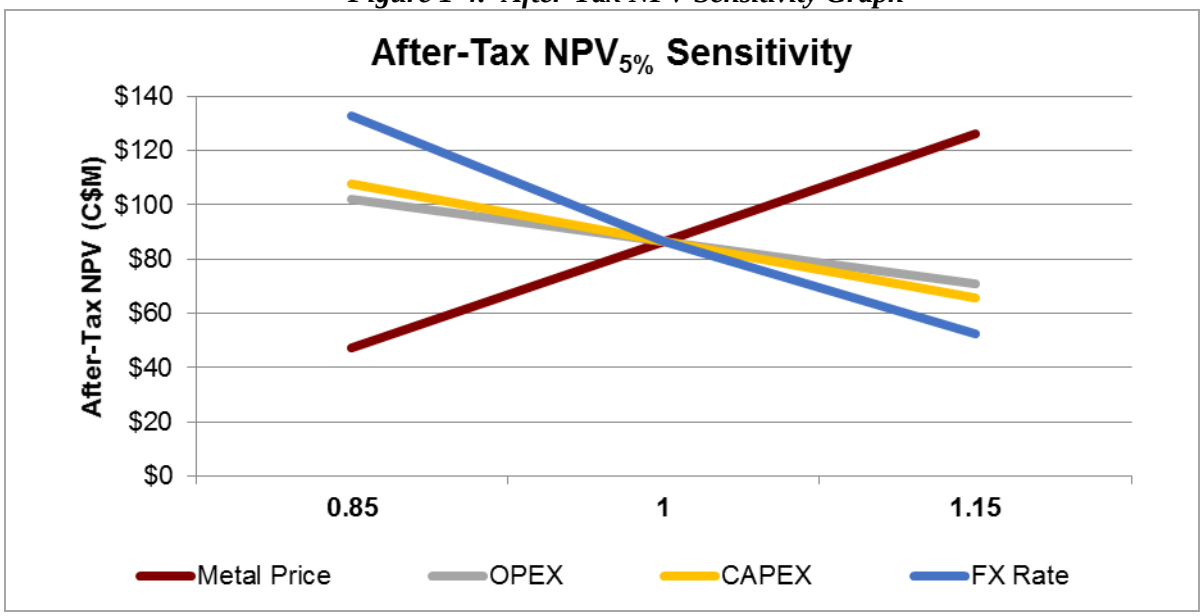
Parameter	Unit	Pre-tax Results	After-tax Results
$NPV_{0\%}$	C$M	178.1	120.4
$NPV_{5\%}$	C$M	133.1	86.6
IRR	%	42.4	32.3
Payback period	Production years	1.9	2.0

Source: JDS (2016)

Sensitivities

Sensitivities analyses were performed using metal prices, FX rate, CAPEX, and OPEX as variables. The value of each variable was changed plus and minus 15% independently while all other variables were held constant. The results of the sensitivity analyses are shown in Table 1.8 and Figure 1-4. As with most metal mining projects, the project is most sensitive to metal prices and FX rate. The project is slightly more sensitive to CAPEX than OPEX. Sensitivities of main economic parameters, based on various metal prices are outlined in Table 1.9.

Figure 1-4: After-Tax NPV Sensitivity Graph



Source: JDS (2016)

Table 1.8: Sensitivity Analysis

Variable	Pre-tax $NPV_{5\%}$ (C$M)			After-tax $NPV_{5\%}$ (C$M)		
	-15% Variance	0% Variance	15% Variance	-15% Variance	0% Variance	15% Variance
Metal Price	72.1	133.1	194.1	47.1	86.6	126.0
FX Rate	204.4	133.1	80.4	132.9	86.6	52.4
CAPEX	154.2	133.1	112.0	107.8	86.6	65.5
OPEX	156.9	133.1	109.3	102.1	86.6	71.1

Source: JDS (2016)

Table 1.9: Metal Price Sensitivity Analysis

Au Price (US$/oz)	Ag Price (US$/oz)	Pre-Tax NPV5% (C$M)	Pre-Tax IRR (%)	Pre-Tax Payback (Yrs)	After-Tax NPV5% (C$M)	After-Tax IRR (%)	After-Tax Payback (Yrs)
1,150	13.80	100.6	34.1	2.2	65.6	26.0	2.3
1,250	**15.00**	**133.1**	**42.4**	**1.9**	**86.6**	**32.3**	**2.0**
1,350	16.20	165.6	50.4	1.7	107.6	38.4	1.8
1,450	17.40	198.1	58.1	1.5	128.6	44.5	1.7

Source: JDS (2016). Based on exchange rate of USD:CAD = 0.80.

Project Development

The overall construction and commissioning period for the project is estimated to be approximately 20 months from start of site development to first gold pour and will be preceded by four months of engineering and procurement. Engineering, preliminary procurement, preliminary road work and some site prep will take place in Year -2 of the project. The remainder of the facilities will be built during Year -1.

During Year -1, underground mine development will commence as soon as sufficient site infrastructure has been established. Initially, access to the workings will be from the tote road to the upper portal to develop access to the Year 1 production stopes in the Marc zone and will utilize as much of the existing underground development as possible.

Permanent mine surface infrastructure will be installed during Years -1 and 1, while underground development is ongoing. This includes surface buildings, primary ventilation, compressed air, water management and a batch plant.

Process plant and TMF construction will begin early in Year -1, as soon as the 15 km road from the plant site to Highway 37A is re-established.

Conclusions & Recommendations

Based on the assumptions used in the PEA, the Red Mountain Gold Project shows positive economics. Industry-standard mining and processing methods were used in the study and the QPs are not aware of any fatal flaws that encumber the project from undergoing further economic studies, permitting, financing and ultimately development.

Risks

It is the conclusion of the QPs that the PEA summarised in 2016 technical report contains adequate detail and information to support the potentially positive economic result. The PEA proposes the use of industry standard equipment and operating practices. To date, the QPs are not aware of any fatal flaws for the project.

The most significant potential risks associated with the project are uncontrolled dilution, operating and capital cost escalation, permitting and environmental compliance, the limited data from which the metallurgical recoveries were developed, unforeseen schedule delays, changes in regulatory requirements, ability to raise financing and metal price. These risks are common to most mining projects, many of which can be mitigated with adequate engineering, planning and pro-active management.

Opportunities

Exploration potential on the property has been greatly enhanced since 1994 by glacial recession surrounding the deposit. A considerable area that was previously under ice is now exposed for the first time and available for exploration proximal to the Red Mountain gold/silver-bearing sulphidation system.

The sediment-porphyry contact that controls mineralization in the Marc/Av/JW Zones can be traced for a further 800 meters down-plunge through sparse drilling with isolated gold intercepts. Further drilling could potentially expand resources to the north of the JW Zone.

Pre-sorting mineralised material has had success in other mines and greatly enhanced both mining and processing efficiencies and subsequent project economics. If future test work on the Red Mountain deposit indicates pre-sorting as a viable option, this may prove to be of significant benefit to the Project.

The purchase of used processing equipment, which is presently available from several sources, would reduce the project's equipment cost and overall project CAPEX and potentially reduce the engineering, procurement and construction schedules.

In the spring of 2016, IDM signed an MOU with Bridge Power Corp., an Independent Power Producer with run-of-river hydroelectric generation rights to Bitter Creek. The companies are committed to sharing environmental baseline data, and potentially sharing capital costs for construction of the access road and power line. This would potentially result in substantial cost reductions to the capital and operating costs at Red Mountain.

RISK FACTORS

The securities of the Company should be considered highly speculative. The following are major risk factors management has identified which relate to the Company`s business activities. Such risk factors could materially affect the Company`s future results, and could cause events to differ materially from

those described in forward-looking statements relating to the Company. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company`s business and operations. Other specific risk factors are discussed elsewhere in this AIF, as well as in the Company's Annual Financial Statements (under the headings "Significant Accounting Policies" and "Financial Instruments and Risk Management") and Management`s Discussion and Analysis (under the headings "Critical Accounting Policies and Estimates", "Financial Instruments and Risk Management" and "Risk Factors for the years ended October 31, 2016 and 2015, and its other disclosure documents, all as filed on SEDAR. Readers should consider all of the information disclosed in this AIF and under the Company`s profile on SEDAR.

Exploration and Development

Exploration and development of natural resources involves a high degree of risk, and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of minerals. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurances that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to obtain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration work, which may result in it losing its interest in the subject property.

Title to Assets

The Company's interest in its material mineral property is by way of option only. The Company has exercised its option to acquire and transfer of title is in progress. Even when the title transfers to the Company, there is no guarantee that title to such property interests will be not challenged or impugned. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title provides only minimal comfort that the holder has title. Also, in many countries, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries.

Requirement for New Capital

As an exploration stage company without revenues, the Company needs more capital than it currently has available to it. The Company has to raise, by way of debt or equity financing, considerable funds to meet its capital needs. Adverse changes in market event and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, may negatively affect the Company's ability to access the funds required to continue its operations.

There is no assurance that sufficient funding will be available to the Company for further exploration and development of its property interests or to fulfill its obligations under applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of new projects with the possible loss of such properties. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

If mineable deposits are discovered, substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. No assurance can be given that mineral resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained at all or on terms acceptable to the Company.

Operating Hazards and Risks

Exploration for natural resources involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Fluctuating Metals Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of gold and other metals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of gold, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, director and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Competition

The resource industry is intensely competitive in all its phases, and the Company competes with many other companies possessing greater financial resources and technical facilities than it has. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

Political and Economic Instability

The Company may acquire properties located in countries where mineral exploration activities may be affected by varying degrees of political instability and haphazard changes in government regulations such as tax laws, business laws and mining laws. Any changes in regulations or shifts in political conditions would be beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price control, export controls, income taxes, and expropriation of property, environmental legislation, and mine safety.

The Company may also be affected by possible economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in resource development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

Management

The Company is dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company. The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

Government Regulation

The Company's operations and exploration and development activities are subject to extensive federal, provincial, state and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and development of mines, production and post-closure reclamation, safety and labour, mining law reform, price controls, import and export laws, taxation, maintenance of claims, tenure, government royalties and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations can be substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its properties, and could lead to the imposition

of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business; however, even with the application of considerable skill the Company may inadvertently fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

DIVIDENDS

The Company has paid no dividends since its inception. At the present time, the Company intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of the Company and on such other facts as the board of directors of the Company may consider appropriate. However, since the Company is currently in the exploration and development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at October 31, 2016 there were 282,972,850 common shares issued and outstanding and at the date of this AIF there were 283,450,103 Common Shares issued and outstanding.

The holders of the Common Shares are entitled to vote at all meetings of the Company's shareholders, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Common Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring the holder of Common Shares to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of Common Shares by the Company except to the extent that any such repurchase or redemption would render the Company insolvent pursuant to the BCBCA.

As at the date of this AIF, the Company had 27,555,000 options outstanding to purchase Common Shares as follows:

Number Issued	Date of Issuance	Exercise Price	Expiry Date
2,850,000	July 3, 2014	$0.24	July 3, 2019
150,000	October 10, 2014	$0.30	October 10, 2019
1,230,000	April 27, 2015	$0.11	April 27, 2020
2,925,000	October 28, 2015	$0.10	October 28, 2020
10,500,000	May 11, 2016	$0.19	May 11, 2021
350,000	July 19, 2016	$0.23	July 19, 2021
750,000	August 26, 2021	$0.19	August 26, 2021
7,500,000	February 1, 2017	$0.15	February 1, 2022
1,300,000	February 9, 2017	$0.17	February 9, 2022

As at the date of this AIF, the Company had 111,496,115 warrants outstanding to purchase Common Shares as follows:

Number Issued	Date of Issuance	Exercise Price	Expiry Date
6,257,172	April 27, 2016	$0.15	April 27, 2017
3,121,875	July 2, 2015	$0.15	July 2, 2017
80,000	July 2, 2015	$0.18	July 2, 2017
320,000	July 20, 2015	$0.15	July 20, 2017
2,067,600	July 20, 2015	$0.18	July 20, 2017
20,000,000	July 31, 2015	$0.20	July 31, 2020
1,503,852	August 13, 2015	$0.18	August 13, 2017
2,138,739	October 4, 2016	$0.25	October 4, 2017
6,596,067	December 30, 2015	$0.14	December 30, 2017
50,419,519	April 27, 2016	$0.15	April 27, 2018
18,991,291	October 4, 2016	$0.25	October 4, 2018

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares commenced trading on the TSX under the symbol "NUU" on April 27, 2010. On September 8, 2010, trading of Common Shares on the TSX changed to the symbol "RV". On June 6, 2014, trading of Common Shares on the TSX changed to the symbol "IDM". After close of trading on December 29, 2015, the Company's Common Shares were voluntary delisted from TSX and were listed on the TSX Exchange (the "**TSXV")** on open of trading on December 30, 2015. The following table shows the high, low and closing prices and trading volume of the Common Shares on the TSX for the fiscal year commencing November 1, 2015 and ended October 31, 2016.

Month	High	Low	Volume
November 2015	$0.095	$0.08	2,040,066
December 2015	$0.095	$0.075	1,507,185
January 2016	$0.08	$0.065	1,301,087
February 2016	$0.10	$0.075	3,694,473
March 2016	$0.115	$0.09	2,326,180
April 2016	$0.16	$0.10	10,778,251
May 2016	$0.24	$0.13	24,436,925
June 2016	$0.23	$0.14	26,253,872
July 2016	$0.255	$0.19	24,195,950
August 2016	$0.25	$0.16	24,277,123
September 2016	$0.22	$0.175	19,170,475
October 2016	$0.215	$0.175	10,137,525

ESCROWED SECURITIES

The Company does not currently have shares in escrow.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of the current directors and executive officers of the Company, and the provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of Common Shares and percentage of the issued Common Shares beneficially owned, directly or indirectly, or subject to control or direction by those persons.

The term of each of the current directors of the Company will expire at the next annual general meeting unless his office is earlier vacated in accordance with the Articles of the Company, or he becomes disqualified to act as a director.

Name, Position and Residence	Principal Occupation for the Past Five Years [(1)]	Director Since	Number and Percentage of Company Common Shares Beneficially Owned or Controlled [(1) (2)]
Robert McLeod [(4) (6)] British Columbia, Canada *CEO, President and Director*	Professional Geologist. Director, President and Chief Executive Officer of Exploration of IDM Mining, Director of Genesis Metals Ltd., Gold Standard Ventures Corp., Independence Gold Corp., and Redstar Gold Corp.	July 16, 2009	913,632 0.32%
Michael McPhie [(3) (5)(6)] British Columbia, Canada *Chairman and Director*	Mining executive. President of Falkirk Resource Consultants Ltd; Managing Directors of JDS Gold, and serves as a director of Independence Gold Corp. and Srikepoint Gold Inc. Formerly CEO, President and Director of Curis Resources Ltd and CEO of the Mining Association of British Columbia.	January 8, 2014	691,706 0.24%
David Parker [(3) (4) (5)(6)] British Columbia, Canada *Director*	Mining executive. Adjunct Professor and Executive in Residence at Norman B. Keevil Institute of Mining Engineering at the University of British Columbia. Formerly Vice President Sustainability at Teck Resources Limited.	June 16, 2014	54,167 0.02%

Name, Position and Residence	Principal Occupation for the Past Five Years [1]	Director Since	Number and Percentage of Company Common Shares Beneficially Owned or Controlled [1] [2]
Andrew Farncomb [3][4][5] Ontario, Canada *Director*	Managing Partner at Cairn Merchant Partners, LP and serves as a director of Northern Superior Resources, Canterra Minerals Corporation, Carlin Opportunities and Group Eleven Resources. Formerly a Partner and Investment Banking Professional at Paradigm Capital Inc.	June 16, 2014	428,559 0.15%
Gernot Wober[6] Ontario, Canada *Director*	Currently, Vice President Exploration of Osisko Mining Corporation; formerly Vice President Exploration of Oban Exploration Limited; Director of Site Operations Pebble Limited Partnership	Jan 18, 2016	250,000 0.09%
Duncan Middlemiss Ontario, Canada *Director*	Currently, President & CEO and a director of Wesdome Gold Mines Ltd. Formerly was the President&CEO and a director of St. Andrew Goldfields Ltd. Formerly a director of Nordex Explosives Ltd.	Feb 9, 2017	Nil Nil%
Susan Neale British Columbia, Canada *Chief Financial Officer*	Since 2013 an independent consultant. CFO of a number of other public mineral exploration companies.	N/A	133,824 0.05%
Sheryl Elsdon British Columbia, Canada *Corporate Secretary*	Corporate Secretary for a number of other public companies.	N/A	Nil Nil%

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled has been provided by the respective directors and officers.

(2) As a group, the directors and executive officers beneficially own or control a total of 2,471,888 Common Shares, or 0.87% of the Common Shares of the Company. Percentages of Common Shares owned are based on 283,450,103 Common Shares issued and outstanding.

(3) Member of Audit Committee.

(4) Member of Compensation Committee.

(5) Member of Corporate Governance Committee

(6) Member of Safety and Sustainability Committee

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or a personal holding company of such person is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company that:

(a) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as a director, CEO or CFO of such company; or

(b) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, CEO or CFO of such company.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities to affect materially the control of the Company, or a personal holding company of such person:

(a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer;

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting

involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia) and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of the Company's knowledge, and other than as disclosed above and elsewhere in this AIF, or in documents incorporate by reference herein, there are no known existing or potential conflicts of interest among the Company, its subsidiaries, directors and officers or other members of management of the Company or its subsidiaries as a result of their outside business interests. See "Related Party Transactions" in the Annual Financial Statements and Management's Discussion and Analysis for the years ended October 31, 2016 and 2015 of the Company, all as filed on SEDAR and incorporated by reference herein.

AUDIT COMMITTEE INFORMATION

Pursuant to the provisions of the British Columbia *Business Corporations Act* and National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110"), the Company is required to have an Audit Committee and to disclose annually in its Annual Information Form certain information concerning the constitution of its Audit Committee and its relationship with the Company's independent auditor. The general function of the Audit Committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Company's auditor.

Audit Committee Charter

A copy of the Audit Committee Charter is attached to this AIF as Schedule A**.**

Composition and Background of the Audit Committee

The Audit Committee of the Company currently consists of Andrew Farncomb, David Parker and Michael McPhie. Andrew Farncomb and David Parker are considered to be independent within the meaning of NI 52-110. The members of the Audit Committee are financially literate with a wide experience with accounting principles and the evaluation of financial statements.

Mr. Andrew Farncomb is a founder and Managing Partner of Cairn Merchant Partners and has extensive experience advising companies in mergers, acquisitions and financing transactions. Prior to founding Cairn Merchant Parnters, Mr Farncomb was a partner and Investment Banking Professsional at Paradigm Capital. Mr Farncomb graduated from Smith schhol of Business at Queen`s University with Bachelor of Commence (Honors) degree. Mr. Farncomb is a member of the Board of Directors of several TSX Venture Exchange listed and private companies. He is also a member of the Board of Directors and chairs the Investment Committee at the Flavelle Foundation.

Mr. David Parker is a senior mining executive and is currently at the Norman Keevil Institute of Mining Engineering at University of British Columbia Faculty of Applied Science as an Adjunct Professor and Executive in Residence. Prior to his secondment to University of British Columbia, Mr. Parker served as Vice President Sustainability for Teck Resources Limited. Mr Parker`s education includes a Bachelor of Business Administration degree from Acadia University, a Law degree from Dalhousie University and a Masters of Law degree from the University of British Columbia.

Mr. Michael McPhie is a senior mining executive with more than 20 years of financing, operational and project development experience. Mr. McPhie is currently Managing Director of one private mineral development companies - JDS Gold and a director of two publicly traded mineral exploration companies, Independence Gold Corp. and Strikepoint Gold Incs. Mr. McPhie was formerly President and CEO of Curis Resources Ltd. Mr McPhie is also a director and chairs the audit committee of Independence Gold Corp.

The Company has not relied on and is not currently relying on any of the exemptions to the requirement to have all audit committee members be independent (as contained in sections 2.4, 3.2, 3.3(2), 3.4, 3.5 and 3.6 of NI 52-110) or that all committee members be financially literate (as contained in section 3.8 of NI 52-110) or the exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently-completed fiscal year was a recommendation of the Audit Committee to nominate or compensation an external auditor not adopted by the board of directors of the Company.

Pre-Approval Policies and Procedures

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee. The audit committee is required to pre-approve the audit, audit-related and non-audit services performed by the external auditors. Unless a type of service is to be provided by the external auditors receives general pre-approval, it requires specific pre-approval by the Company's Audit Committee.

External Auditor Service Fees

Davidson & Company LLP has served as the Company's auditing firm since 2009. The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
October 31, 2016	$25,000	Nil	$12,000	Nil
October 31, 2015	$35,700	Nil	$9,750	Nil

PROMOTERS

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company or a subsidiary of the Company, as such term is defined in the *Securities Act* (British Columbia).

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any legal proceedings or regulatory actions currently material to it or of which any of the Company's properties is the subject matter, and no such proceedings or actions are known by the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, no informed person (a director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's common shares) or any associate or affiliate of any informed person had any interest in any transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries, within the three most recently completed financial years.

TRANSFER AGENT AND REGISTRAR

The Company's Registrar and Transfer Agent is Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

MATERIAL CONTRACTS

Other than as disclosed in the AIF, there were no other contracts, other than those entered into in the ordinary business, that were material to the Company and that were entered into between November 1, 2015 (being the commencement of the Company's most recently completed financial year) and up to the date of this AIF or that were entered into prior to November 1 2015 and remain in effect during fiscal year 2016.

EXPERTS

Gord Doerksen, P.Eng., Michael Makarenko, P.Eng, Stacy Freudigmann, P. Eng, of JDS Energy & Mining Inc., Dr. Gilles Arseneau, P Geo of ARSENEAU Consulting Services Ltd and Ken Embree, P.Eng. of Knight Piesold prepared the technical report titled "NI 43-101 Preliminary Economic Assessment Technical Report for the Red Mountain Project, British Columbia, Canada". Each of them is an independent "qualified person" as defined under National Instrument 43-101.

Dr. Gilles Arseneau, P.Geo. of ARSENEAU Consulting Services Ltd and Andrew Hamilton, P. Geo prepared the technical report titled "Mineral Resources Update for the Red Mountain Gold Project, Northwestern, BC, Canada". Each of them is an independent "qualified person" for the purposes of NI43-101.

Davidson & Company LLP audited the financial statements of the Company since the Company's incorporation. Davidson & Company LLP has no beneficial interest, direct or indirect, in any securities of the Company's issued capital, or in the property of the Company or of an associate or affiliate of the Company. Davidson & Company LLP has confirmed it is independent with respect to the Company within the meaning of the rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

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

The Company is required to distribute an information circular to its security holders. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, are contained in the Company's information circular for its 2016 annual general meeting of shareholder dated May 11, 2016. Additional financial information is provided in the Company's audited financial statements and MD&A for the year ended October 31, 2016.

These documents may be obtained upon request from the Company's head office, or may be viewed on the Company's website (www.idmmining.com) or on the SEDAR website (www.sedar.com).

SCHEDULE A – AUDIT COMMITTEE CHARTER

The Audit Committee is a committee of the Board to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Audit Committee will:

(a) review and report to the Board of IDM Mining Ltd. (the "Company") on the following before they are published:

  (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company; and

  (ii) the auditors report, if any, prepared in relation to those financial statements,

(b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,

(c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,

(d) recommend to the Board:

  (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

  (ii) the compensation of the external auditor,

(e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,

(f) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established,

(g) monitor the management of the principal risks that could impact the financial reporting of the Company,

(h) establish procedures for:

  (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

  (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,

(i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,

(j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company,

(k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting,

understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109,

(l) review and recommend to the Board any changes to accounting policies,

(m) review the opportunities and risks inherent in the Company's financial management and the effectiveness of the controls thereon; and

(n) review major transactions (acquisitions, divestitures and funding).

Composition of the Committee

The committee will be composed of 3 directors from the Company's Board the majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the Board on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors meeting; and
2. reviewing, and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F1 in any management information circular prepared by the Company.

As reviewed and adopted by the Board of Directors of IDM Mining Ltd January, 2015.