



**FORM 51-102F1  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE SIX MONTHS ENDED APRIL 30, 2017**

## **INTRODUCTION**

This Management's discussion and analysis ("MD&A") reviews the significant activities of IDM Mining Ltd. ("IDM" or the "Company") and its subsidiaries and compares the financial results for the three and six month period ended April 30, 2017 (the "second quarter 2017") and the comparable period in 2016 (the "second quarter 2016"). This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the second quarter 2017 and the audited consolidated financial statements and accompanying notes for the years ended October 31, 2016 and 2015, and MD&A's for all relevant periods, which are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is June 29, 2017.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.idmmining.com](http://www.idmmining.com).

## DESCRIPTION OF BUSINESS

IDM is based in Vancouver and was incorporated on July 14, 2009 pursuant to the *Business Corporations Act* (British Columbia) and commenced business at that time. The Company's shares were voluntarily delisted from the Toronto Stock Exchange (the "TSX") after close of trading on December 29, 2015 and were listed on TSX Venture Exchange (the "TSXV") on opening of trading on December 30, 2015 under the symbol "IDM". The Company's shares also trade on the OTCQB under the symbol "IDMMF".

The Company is an exploration stage company in the business of acquiring, exploring and developing natural resource properties in British Columbia. The Company's primary focus is on the Red Mountain underground gold project (the "Project") located near Stewart, B.C, which is in the BC and Canadian environmental assessment process.

## HIGHLIGHTS AND SIGNIFICANT EVENTS

The following is a summary of highlights and significant events that occurred during the six month period ended April 30, 2017 and up to the date of this MD&A:

- 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 Measured & Indicated ("M&I") gold ounces ("oz") and an increase in average grade from 8.36 grams per tonne ("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 oz of gold and 1,655,700 oz of 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 oz of gold and 105,500 oz of silver.
- In February 2017, the Company granted a total of 7,500,000 stock options at an exercise price of \$0.15 with an expiry date of February 1, 2022 and 1,300,000 stock options at an exercise price of \$0.17 with an expiry date of February 9, 2022 to certain directors, officers and consultants of the Company.
- In March 2017, the Company completed a private placement with Osisko Gold Royalties Ltd ("Osisko Royalties") for total proceeds of \$15,248,000. Osisko Royalties purchased 29,400,000 common shares at a price of \$0.17 per share and 41,000,000 flow-through common shares at a price of \$0.25.
- In February 2017, Mr. Duncan Middlemiss, P.Eng., President and CEO of Wesdome Gold Mines Ltd., was appointed a director.
- In March 2017, the Company mobilized to Red Mountain to commence its 2017 underground resource expansion and exploration drill program anticipated to consist of 18,000 meters ("m").
- In March 2017, the Company completed the sale of its portfolio of properties located in the Yukon to StrikePoint Gold Inc. ("Strikepoint") in exchange for \$150,000 in cash and 10,500,000 common shares of StrikePoint.
- On March 31, 2017, the British Columbia Environmental Assessment Office ("EAO") approved the Application Information Requirements ("AIR") for the proposed Red Mountain Underground Gold Project. The AIR specifies the information that must be contained in the application for an Environmental Certificate/Environmental Impact Statement.
- In April 2017, the Company upgraded its common stocks to trade on the OTCQB Venture Market under the new trading symbol "IDMMF" from the Pink Open Market. The previous symbol was "RVRCF"
- In May 2017, Mr. Ryan Weymark, P.Eng., was appointed Project Director.
- In May 2017, the Company completed the acquisition of the mineral claims and certain other related assets comprising the Red Mountain Project from Seabridge Gold Inc pursuant to an Option Agreement entered into April 2014.

- In May 2017, the Company announced assay results from an initial six underground infill and step-out drill holes on the AV and JW Zone. Drill holes U17-1228 -1230 were all step-out holes completed on 25 m centers, down-dip from the current AV Zone, intersecting gold and silver mineralization, including U17-1229, which intersected (capped) 6.23 m true width averaging 12.95 g/t Au and 48.83 g/t Ag. Drill hole U17-1231 was an up-dip hole on the AV Zone, intersecting 5.0 meters true width of 8.78 g/t Au and 53.04 g/t Ag (capped). Drill hole U17-1233 was an infill hole on the JW Zone with the objective of increasing the grade on a portion of the JW Zone. This hole intersected a true width of 25 m averaging 8.92 g/t Au and 37.69 g/t Ag, including 2.0 m averaging 89.70 g/t Au and 26.65 g/t Ag (uncapped), with coarse visible gold.
- In June 2017, the Company announced assay results from the initial 2 underground core holes targeting the northern extension to the current resource. Drill hole U17-1247 intersected mineralization approximately 125 m along strike and to the north of the current resource, averaging 7.31 g/t Au and 5.22 g/t Ag over 5.38 m. Drill hole U17-1248 intersected mineralization 250 m along strike to the north, with 7.50 m average 4.93 g/t Au and 23.54 g/t Ag, within a broad interval of 37.0 m averaging 1.74 g/t Au and 16.80 g/t Ag.
- In June 2017, the Company announced positive results from a feasibility study completed for the Red Mountain Project. Assuming a gold price of US\$1,250/oz, an exchange rate of C\$1.00 to US\$0.76, and applying a 5% discount rate, the Project base case estimate generates a pre-tax net present value at of C\$155 million and an internal rate of return of 40%

Additional information, including the full news release, can be found on [www.sedar.com](http://www.sedar.com) and the Company's website [www.idmmining.com](http://www.idmmining.com)

## RESERVES AND RESOURCES

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to IDM's continuous disclosure documents available at [www.sedar.com](http://www.sedar.com) for this detailed information, which is subject to the qualifications and notes therein set forth.

## PROPERTIES

### RED MOUNTAIN, BRITISH COLUMBIA

IDM owns a 100% interest in the 17,125-hectare Red Mountain Project located in northwestern B.C., 15 kilometers ("km") northeast of the town of Stewart. Discovered in 1989, the property was explored extensively until 1996 by Lac Minerals Ltd. and Royal Oak Mines Inc., with 466 diamond drill holes and over 2,000 m of underground development completed, along with extensive engineering and environmental baseline work. Additional studies were completed by Seabridge Gold Inc., North American Metals Corp. and Banks Island Gold Ltd.

Red Mountain is a porphyry-related hydrothermal gold system, located in the Stikine terrain. Gold mineralization is associated with, and partially hosted within an early to mid-Jurassic multi-phase intrusive complex, with associated volcanic and volcanoclastic rocks and sediments. Many gold mineralized zones occur on the property, including five mineralized zones with established resource estimates. The five mineralized zones (Marc, AV, JW, 141 and 132) have been folded, and are often separated by dip-slip fault zones. The mineralized zones vary in orientation from shallow to steeply dipping and are generally tabular. The Marc, AV and JW Zones vary in widths from one to forty m, averaging about fifteen m in thickness. Gold and silver mineralization is associated with stockworks, disseminations and patches of coarse grained pyrite, surrounded by a pyrrhotite/sphalerite halo. Alteration facies includes strong quartz-sericite alteration.

In April 2014, IDM entered into an option agreement with Seabridge Gold Inc (“**Seabridge**”) granting IDM the right to acquire a 100% interest in the Red Mountain Project, subject to certain underlying royalties and gold stream. To acquire 100%, IDM issued 4,955,000 shares, paid \$2.0 million and was required to incur \$7.5 million in exploration and development expenditures by June 2017. IDM has satisfied the terms of the option and has acquired 100% in the Red Mountain Project.

Upon the commencement of commercial production, the Company will make an additional one-time payment of \$1.5 million to Seabridge. Seabridge will also retain a gold metal stream on the Red Mountain Project, allowing Seabridge 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 to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of \$4.0 million at the commencement of production in exchange for the buy-back of the gold metal stream.

Following completion of the updated Preliminary Economic Assessment (the “**2016 PEA**”) in July 2016, which was prepared by JDS Energy & Mining Inc. (“**JDS**”), the Company engaged JDS to prepare and lead the preparation of a feasibility study (the “**2017 FS**”).

In January 2017, the Company completed an update to the April 2016 resource estimate incorporating results from drilling completed during the 2016 program. An independent technical report was prepared by Dr. Gilles Arseneau, P. Geo and Andrew Hamilton, P. Geo, following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1 report, titled “Mineral Resource Update for the Red Mountain Gold Project, Northwestern, BC Canada”. The report was filed on SEDAR on March 2, 2017 and can be viewed on the SEDAR website, [www.sedar.com](http://www.sedar.com), and IDM’s website [www.idmining.com](http://www.idmining.com).

On June 26, 2017, the Company reported the results of the 2017 FS for the Red Mountain Gold Project. The technical report will be posted on the Company’s website and filed on SEDAR within 45 days of June 26, 2017.

**2017 FEASIBILITY STUDY HIGHLIGHTS:**

Highlight from the 2017 FS are summarized as follows:

- Base case economics utilize a gold price of US\$1,250 per oz and silver price of US\$17 per oz and an exchange rate of C\$1.00 equals US\$0.76;
- The pre-tax base case economics indicate a Net Present Value (NPV) of C\$155 million at a 5% discount rate with an Internal Rate of Return (IRR) of 40% and a 1.7 year payback of initial capital;
- The after-tax base case economics indicate a NPV of C\$104 million at a 5% discount rate with an IRR of 32% and a 1.9 year payback of initial capital;
- Due to the wide-spread nature of the mineralized zones, the majority of the deposit is amenable to bulk underground mining methods. The project proposes a design processing rate of 1,000 tpd with year-round underground mining;
- Average life of mine fully-diluted head grades are 7.53 g/t Au and 21.86 g/t Ag;
- Life of project direct cash cost is estimated at US\$539 per oz of Au recovered. Net of the Ag by-product, costs reduce to US\$492 per ounce;
- Initial capital costs are estimated at C\$135.7 million, which includes a 10% contingency;
- The economic model assumes base case recovery rates ranging from 92.8% to 88.1% for Au and 90.3% to 78.3% for Ag, depending on the mineralized zone;
- Average annual payable production of 78,000 oz of Au and 215,000 oz of Ag;
- Mine operating life is estimated at 5.4 years with an overall construction and commissioning period of approximately 15 months;

**RED MOUNTAIN FEASIBILITY STUDY AND ECONOMIC RESULTS**

The tables below summarize the various assumptions, operational parameters and economic results of the 2017 Feasibility Study. All money values are nominal 2017 Canadian dollars unless otherwise stated. The economic analysis in the 2017 FS does not include mineral resources that are not mineral reserves.

**Key Aspects and Assumptions of the 2017 FS**

Parameter	Unit	Value
<b>Au Price</b>	US\$/oz	1,250
<b>Ag Price</b>	US\$/oz	17.00
<b>FX Rate</b>	US\$:C\$	0.76
<b>Mine Life</b>	Years	5.4
<b>Mill Feed</b>	Mt	1.95
<b>Throughput Rate</b>	t/d	1,000
<b>Average Au Head Grade</b>	g/t	7.53
<b>Average Ag Head Grade</b>	g/t	21.86
<b>Au Payable</b>	Koz	425
	koz/a	78
<b>Ag Payable</b>	Koz	1,173
	koz/a	215
<b>NSR (after Royalties)</b>	C\$M	683.9
<b>Operating Costs</b>	C\$M	273.5
	C\$/t mined	140.02
<b>Cash Costs<sup>(1)</sup></b>	US\$/payable oz	492
<b>All In Sustaining Costs<sup>(2)</sup></b>	US\$/payable oz	611
<b>Pre-production Capital</b>	C\$M	123.0
<b>Pre-production Contingency</b>	C\$M	12.7
<b>Total Pre-production Capital</b>	C\$M	135.7
<b>Sustaining &amp; Closure Capital (Net of Salvage)</b>	C\$M	60.4
<b>Sustaining &amp; Closure Contingency</b>	C\$M	6.4
<b>Total Sustaining &amp; Closure Capital</b>	C\$M	66.8
<b>Total Capital Costs Incl. Contingency</b>	C\$M	202.4
<b>Pre-Tax Cash Flow</b>	C\$M	208.0
	C\$M/a	38
<b>Taxes</b>	C\$M	63.2
<b>After-Tax Cash Flow</b>	C\$M	144.8
	C\$M/a	27

1. (Operating Costs + Refining Costs + Royalties – Silver Credits)/Payable Au Oz

2. (Operating Costs + Refining Costs + Royalties + Sustaining and Closure Capital - Silver Credits)/Payable Au Oz

*Economic Results*

Parameter	Unit	Pre-Tax Results	After-Tax Results
NPV <sub>0%</sub>	C\$M	208	145
NPV <sub>5%</sub>	C\$M	155	104
IRR	%	40	32
Payback Period	%	1.7	1.9

*Sensitivities*Metal Price Sensitivity<sup>(1)</sup>:

Au Price US\$/oz	Ag Price US\$/oz	Pre-Tax NPV <sub>5%</sub> (C\$M)	Pre-Tax IRR	Pre-Tax Payback	After-Tax NPV <sub>5%</sub> (C\$M)	After-Tax IRR	After-Tax Payback
\$1,150	\$15.60	113	32%	2.0	77	25%	2.2
<b>\$1,250</b>	<b>\$17.00</b>	<b>155</b>	<b>40%</b>	<b>1.7</b>	<b>104</b>	<b>32%</b>	<b>1.9</b>
\$1,350	\$18.40	196	48%	1.5	131	38%	1.6
\$1,450	\$17.40	235	55%	1.4	156	44%	1.5

(1) Based on exchange rate of C\$1.00 equals US\$0.76

Discount Rate Sensitivity:

Discount Rate	Pre-Tax NPV (C\$M)	After-Tax NPV (C\$M)
0%	\$208	\$145
5%	\$155	\$104
7%	\$137	\$90
8%	\$129	\$84
10%	\$114	\$73
12%	\$100	\$62

*Summary of Operating Costs*

Operating Cost	Unit Cost (C\$/t processed)	LOM Cost (C\$M)
Mining	72.30	141.2
Processing	45.96	89.8
Site Services	10.40	20.3
General & Administrative (G&A)	11.36	22.2
<b>Total</b>	<b>140.02</b>	<b>273.5</b>

### *Opportunities to Enhance Value*

In addition to the favorable economics outlined in the 2017 FS, there are numerous opportunities to further enhance project value through additional resource expansion and optimization work at Red Mountain.

- The sediment-porphyry contact that controls mineralization in the Marc/AV/JW Zones can be traced in the SF Zone for a further 800 meters along strike to the north through sparse drilling with isolated Au intercepts. Further drilling could potentially expand resources both up and down-dip from the AV and JW Zones, and along strike from the 141 Zone and Marc Zone (to the south);
- 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;
- Optimization of mine plans and production schedules to increase project value;
- The increased use of used processing equipment, which is presently available from several sources, would reduce the project's equipment cost and overall project capital expenditures 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 have shared environmental baseline data, and potentially could share the 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;
- With road access, in mineral-rich northwestern British Columbia, toll-treatment of nearby deposits could add value to the project; and
- Reviewing tax planning strategies that would allow the Company to maximize overall profitability.

### *Risks*

The most significant potential risks associated with the project are: uncontrolled dilution, operating and capital cost escalation, permitting and environmental compliance, metallurgical recoveries, unforeseen schedule delays, changes in regulatory requirements, the ability to raise financing, exchange rate of the Canadian dollar to the United States dollar and metal prices. These risks are common to most mining projects, many of which may be mitigated, with adequate engineering, planning and pro-active management.

### *Capital Costs*

The capital cost ("CAPEX") estimate includes all costs required to develop, sustain, and close the operation for a 1,000 tpd mine and mineral processing operation. . The construction schedule is based on an approximate 15-month build period. The accuracy of this CAPEX estimate is +/-15% in accordance with the level of detail for a Class 3 estimate.

The summary CAPEX estimate is shown in the table below. The initial or pre-production CAPEX is C\$135.7 million, with sustaining CAPEX totaling C\$66.8 million.

*Capital Cost Summary*

Area	Pre-Production (C\$M)	Sustaining (C\$M)	Total (C\$M)
Mining	11.3	38.3	49.6
Site Development	9.0	2.2	11.2
Mineral Processing	37.7	0.4	38.0
Tailings Management	7.2	10.9	18.1
Infrastructure	23.7	-	23.7
Off-site Infrastructure	2.8	-	2.8
Project Indirects	9.3	-	9.3
EPCM	13.0	-	13.0
Owner's Costs	9.1	-	9.1
<b>Subtotal Pre-Contingency</b>	<b>123.0</b>	<b>51.7</b>	<b>174.7</b>
Contingency	12.7	5.2	17.9
<b>Subtotal (incl. Contingency)</b>	<b>135.7</b>	<b>56.9</b>	<b>192.6</b>
Closure Costs	-	12.4	12.4
Closure Contingency	-	1.2	1.2
Salvage Value	-	(3.8)	(3.8)
<b>Total Capital Costs</b>	<b>135.7</b>	<b>66.8</b>	<b>202.4</b>

The estimates were developed applying professional standards, directly-related project experience, and the use of general industry factors. Estimates used in this project were obtained from engineers, contractors, and suppliers who have provided services to similar projects and existing operations and have demonstrated success in executing the plans set forth in this study.

The initial capital estimates include all pre-production mining activities in Year -1 and are based on leased mining equipment. The capital estimate includes the down-payment on the leased equipment only, and lease payments are carried as mining operating costs.

The CAPEX estimate includes the costs required to develop, sustain, and close the operation for the planned six-year mine life, which includes a 15-month construction period. The sustaining capital estimate is based on required capital expenditure during operations for tailings storage, limited site development work, and mining infrastructure installations as defined by the mine plan. The closure and reclamation estimate is based on a preliminary estimation of a closure plan commencing in Year 6 and continuing to Year 11.

**Mineral Resource Estimates**

Numerous resource estimates were completed from 1989 to present. During 2000, NAMC conducted a detailed review of all data, re-logged all core within a 20 m envelope of the Marc, AV, and JW mineralized 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. The Company drilled 12 core holes on the property in 2014 and 62 holes in 2016. On January 23, 2017, the Company announced an updated Resource Estimate for the Red Mountain Project prepared by Dr. Gilles Arseneau, P. Geo and Andrew Hamilton, P. Geo, using a 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 geology. Grade estimates were based on capped 1.5 m composite assay data. Gold values used in the interpolation runs were top cut to 55 g/t gold and silver top cut to 222 g/t silver.

**Summary of Estimated Resources as of January 23, 2017, reported at 3.0 g/t Au cut-off.**

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)
<b>MEASURED</b>					
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
<b>INDICATED</b>					
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
<b>TOTAL MEASURED &amp; INDICATED</b>	<b>2,074,700</b>	<b>8.75</b>	<b>24.82</b>	<b>583,700</b>	<b>1,655,700</b>
<b>INFERRED</b>					
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
<b>TOTAL INFERRED</b>	<b>324,700</b>	<b>6.21</b>	<b>10.11</b>	<b>64,800</b>	<b>105,500</b>

(1) Measured and Indicated Resources are inclusive of Reserves

(2) Resources that are not mineral reserves do not have demonstrated economic viability

***Mining Reserve Estimate***

The Mineral Reserve for the Project was estimated by Michael Makarenko, P. Eng., an independent Qualified Person of JDS. All Mineral Reserves are Proven and Probable Mineral Reserves. The Mineral Reserves are not in addition to the Mineral Resources, but are a subset thereof.

**Summary of Estimated Mineral Reserves as of June 26, 2017**

Category	Diluted Tonnes (kt)	Au Grade (g/t)	Au Ounces (kOz)	Ag Grade (g/t)	Ag Ounces (kOz)
Proven	1,308	7.82	329	25.09	1,055
Probable	645	6.93	144	15.32	318
<b>TOTAL</b>	<b>1,953</b>	<b>7.53</b>	<b>473</b>	<b>21.86</b>	<b>1,373</b>

1. A gold price of US\$1,250/oz and an exchange rate of CDN\$1.00 to US\$0.76.
2. A gold cut-off grade of 3.55 g/t for longhole mining and 4.10 g/t for development and cut & fill mining.
3. Silver was not used in the estimation of cut-off grades but is recovered and contributes to the revenue stream.
4. Rounding as required by reporting guidelines may result in summation differences.

Both the Mineral Resource and Mineral Reserve Estimates take into consideration on-site operating costs (e.g. mining, processing, site services, general and administration, royalties), metallurgical recoveries, and selling costs. In addition, the reserves incorporate allowances for mining recovery and dilution, and overall economic viability.

**2017 FISCAL YEAR ACTIVITIES**

During the six months ended April 30, 2017, the Company's primary focus related to the Red Mountain Project. Activities included the completion of the updated resource estimate to incorporate the results from the 2016 drill program, metallurgical test work and optimization studies, modelling of groundwater hydrogeology and chemistry, design work for the tailing management facility and progressing the 2017 Feasibility Study towards completion.

In March 2017, the Company mobilized to Red Mountain to commence its 2017 underground resource expansion and exploration drill program consisting of approximately 18,000 meters.

In addition, the Company continued to advance the Project through the provincial and federal Environmental Assessment ("EA") process.

***Resources***

In January 2017, the Company announced an updated Resource Estimate at a 3.0 g/t Au cut-off representing an increase from the April 2016 Resource Estimate by 142,200 oz Au and 275,900 oz Ag in the M and I categories. Resources in the inferred category decreased by 42,700 oz Au and 48,200 oz Ag (refer to "*Mineral Resource Estimate*" for the updated mineral resources for the Red Mountain project).

### ***2017 Feasibility Study***

The results were announced June 26, 2017 and a technical report prepared in compliance with National Instrument 43-101 will be filed within 45 days of June 26, 2017. Further information on the 2017 FS can be found in the sections above “*2017 FS Feasibility Study Highlights and Red Mountain Feasibility Study and Economic Results*”.

### ***2017 Resource and Exploration Drilling***

In March 2017, the Company mobilized to Red Mountain to commence its 2017 underground resource expansion and exploration drill program. Phase I of the program consisted of 8,669 m of core drilling in 34 holes, using two diamond drills. Phase II commenced mid June and is anticipated to consist of approximately 9,500 m in 44 holes to consist of underground and surface drill holes.

Assay results from the initial six underground infill and step-out drill holes on the AV and JW Zone include:

- Drill holes U17-1228-1230 were all step-out holes completed on 25 meters centers, down-dip from the current AV Zone, intersecting Au and Ag mineralization, including U17-1229 which intersected (capped) 6.23 m true width averaging 12.95 g/t Au and 48.83 g/t Ag;
- Drill hole U17-1231 was an up-dip hole on the AV Zone, intersecting 5.0 m true width of 8.78 g/t Au and 53.04 g/t Ag (capped); and
- Drill hole U17-1233 was an infill hole on the JW Zone with the objective of boosting the grade the grade on a portion of the JW Zone. This hole intersected a true width of 25 meters averaging 8.92 g/t Au and 37.69 g/t Ag, including 2.0 meters averaging 89.70 g/t Au and 26.65 g/t Ag (uncapped), with coarse visible gold.

Results from the initial 2 underground core holes targeting the northern extension to the current resource include:

- Drill hole U17-1247 intersected mineralization approximately 125 m along strike and to the north of the current resource, averaging 7.31 g/t Au and 5.22 g/t Ag over 5.38 m; and
- Drill hole U17-1248 intersection mineralization 250 m along strike to the north, with 7.50 m average 4.93 g/t Au and 23.54 g/t Ag, within a broad interval of 37.0 meters averaging 1.74 g/t Au and 16.80 g/t Ag.

### ***Permitting***

On March 31, 2017, the BC EAO approved the Application Information Requirements (“**AIR**”) for the proposed Red Mountain Underground Gold Project. The AIR specifies the information that must be contained in the application for an Environmental Certificate/Environmental Impact Statement.

The approval of the AIR followed several months of public engagement, technical review, and consultation, including: a public open house in Stewart, a public comment period, community open houses in the Nisga’a Villages of Gitlaxt’aamiks and Gitwinksihlkw, and several focused, technical discussions with Nisga’a Nation representatives and consultants.

Design work for the tailing management facility is also ongoing and will be completed to environment assessments (“EA”) and relevant BC Mines Act standards, which can be more detailed than feasibility level design. The Company also been working closely with regulators, Nisga’a Nation on the tailings management design and assessment of alternatives, including incorporating Best Available Technology into all aspects of the Project.

The Company anticipates that it will be filing its Project Application Report in early July 2017 with the BC and Canadian regulatory authorities. Provincial permitting for the Red Mountain Project is being pursued in a synchronous manner with the environmental assessment process.

### ***First Nations Engagement***

The Company continues to fully consult with the Nisga'a Nation ("Nisga'a"), who holds Treaty rights in the Project area, regarding proposed field activities and during the permitting process. The Company is committed to engaging with Nisga'a and supporting Nisga'a full participation in the environmental and regulatory reviews of the Project, as well as in the employment and business opportunities related to the Project and the ongoing work programs.

### **2016 FISCAL YEAR ACTIVITIES**

During the 2016 field season, the Company completed significant rehabilitation work of the Red Mountain surface and underground facilities, including dewatering the 2,000 m of underground workings. Rehabilitation work included capital purchases of generators, fuel tanks, and other support infrastructure. The underground workings were last used in 1996. A total of 7,468 m of surface and underground metallurgical, infill and step out drilling in 51 drill holes were completed, as well as surface exploration. Mineralization was expanded to the north, south and down-dip directions in all of the major zones. All zones remain open to expansion.

Significant engineering and environmental baseline studies were completed, in advance of IDM's completing its 2017 FS and permitting activities. This included significant geotechnical and hydrological studies including test drilling at the proposed Bromley Humps tailing facility.

### ***Trade-Off Studies and 2016 PEA***

The Company engaged JDS to analyze and complete trade-off studies for the Project with respect to processing methods, mill and TMF location, ore transport modality and mine portal location. As a result of this analysis and feedback received from Nisga'a Nation, as well as provincial and federal regulators, the Company selected an alternative location of the Bromley Humps versus the Red Mountain cirque to build the mill and TMF for the Project.

The Bromley Humps area was preferable due to its lower elevation, water management perspective, no requirement for divergence of any waterways, reduced potential geohazards and the option to mill year-round would be available. Additionally, this alternative location has sufficient area for the mill, stockpile and expansion potential for the tailings management facility beyond current requirements.

In July 2016, the Company announced the results of its 2016 PEA. The 2016 PEA includes the alternate mill and TMF location, as well as the April 2016 Resource Estimate and current metal prices, foreign exchange rates, capital and operating costs.

### ***Resources***

During 2016, underground drilling included infill drilling and primarily targeted the AV and JW zones, with the objective of potentially upgrading Inferred Resources to Measured and Indicated classification. Additionally, 25 m spaced step-out underground and surface drill holes were completed at all of the major zones, the minimum spacing required for Indicated Resource classification at the Red Mountain deposit.

### ***Geotechnical Site Investigation – Proposed Tailings Site***

An extensive site investigation program of overburden and geotechnical core drilling (14 holes totalling 616 m), mapping and lab testing was performed at the proposed Bromley Humps tailings site during the summer months of 2016.

### ***Underground Geotechnical and Hydrogeology***

During the 2016 field season, SRK Consulting gathered extensive surface, underground and drill core geotechnical data, to supplement historical work at Red Mountain. Ground conditions at Red Mountain are excellent: minimal ground support was previously required during the construction of the five by five meter decline in the early 1990s, and minimal work was needed by the Company during the 2016 underground rehabilitation work. Significant but manageable melt water inflows were encountered during the 2016 summer months in the underground workings.

### ***Surface Exploration***

In July 2016, the Company initiated a comprehensive surface program of mapping and sampling, including targeting new areas of the property that have been recently exposed by rapid glacial melts. As a result, the Company identified a new, extensive zone of multiphase veining and shearing, hosting high-grade, intrusive-related, gold-silver molybdenum mineralization, in an area known as the "Lost Valley" within the Project area. Surface trenching, in August 2016, discovered a high grade zone at Lost Valley, named the Anda`dala`a Lo`op Zone (Nisga`a Nation language for "money rock"); 33 m long trench averaging 18.7g/t Au and 61.4 g/t Ag over 0.84 m. In September 2016, a further strongly mineralized structure was located less than 100 m to south of and stacked above, the Anda`adala`a Zone, named the Randell Zone. A hand trench was excavated, and a continuous 9.35 m long channel sample of the subcrop averaged 22.2 g/t Au and 81.3 g/t Ag. A total of 509 surface rock samples were collected during the 2016 program.

### ***Permitting and Baseline Studies***

In February 2016, the Company received a Section 11 Order for the Project from the BC Environmental Assessment Office (AO). The Section 11 Order outlines the scope, requirements, processes and methods of the EA, as well as the public and Aboriginal consultation procedures. Further in January 2016, the Canadian Environmental Assessment Agency ("CEAA") issued the guidelines for an environmental assessment of the Project.

An environmental baseline study program in support of the EA and permitting process began in the Spring of 2014 and was ongoing during fiscal year 2016. Baseline studies included: surface and groundwater quality, hydrology and hydrogeology, climate, geochemical studies, archeological assessments, fisheries and wildlife studies.

## **YUKON PROPERTIES**

In February 2016, the Company acquired Osisko's portfolio of Yukon Properties. As consideration, the Company 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.

In March 2017, the Company completed the sale of its Yukon Properties to Strikepoint in exchange for cash of \$150,000 and 10,500,000 common shares of Strikepoint.

## **QA/QC**

Samples for the 2017 and 2016 exploration program were cut with a diamond saw, and placed in sealed bags and shipped to ALS Labs Ltd. in Terrace, BC for sample preparation, with pulps subsequently shipped to Vancouver, BC for gold and multi-element ICP analysis. A Quality Control/Quality Assurance program, including the insertion of Standards and Blanks, was implemented. The 2017 and 2016 exploration program was performed under the supervision of Rob McLeod, P.Geol, President and CEO of IDM Mining Ltd. and a 'Qualified Person' under NI 43-101. 10% of all samples submitted include randomly inserted blank material or multiple quality control standards. An additional 10% of samples were analyzed by SGS Labs as check samples.

Additional technical information on Red Mountain including the NI43-101 Technical Report can be reviewed at [www.IDMmining.com](http://www.IDMmining.com) and [www.sedar.com](http://www.sedar.com).

## QUALIFIED PERSON

Technical disclosure for the Company's projects included in this MD&A has been reviewed and approved by Robert McLeod, P. Geo. Mr. McLeod is IDM's CEO and President and a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

## SELECTED QUARTERLY INFORMATION

	Three Month Period Ended			
	30-Apr-17	31-Jan-17	31-Oct-16	31-Jul-16
	\$'000	\$'000	\$'000	\$'000
Total Assets	50,952	28,834	31,150	20,732
Exploration and Evaluation				
Assets	26,275	22,735	19,955	12,654
Working Capital	17,971	3,391	6,870	4,338
Shareholders' Equity/(Deficit)	45,422	26,522	27,224	17,143
Net Income/(Loss)	5,291	(788)	(330)	(1,427)
Net Income/(Loss) per Share	0.02	0.00	0.00	(0.01)

	Three Month Period Ended			
	30-Apr-16	31-Jan-16	31-Oct-15	31-Jul-15
	\$'000	\$'000	\$'000	\$'000
Total Assets	20,517	9,634	7,402	7,146
Exploration and Evaluation				
Assets	9,189	7,891	6,702	6,299
Working Capital	7,518	(730)	(1,554)	(1,524)
Shareholders' Equity/(Deficit)	16,822	7,215	5,203	4,660
Net Income/(Loss)	(206)	(271)	947	(1,222)
Income/(Loss) per Share	0.00	0.00	0.00	(0.02)

The variability in IDM's net income/(loss) over the last the eight quarters resulted primarily from the abandonment and write-off of certain mineral properties, share-based payments, finance charges, recognition of flow-through premium, and office and administrative expenses. Changing levels in capital expenditures expenses and general and administrative costs fluctuate independently according to exploration activities and corporate activities including shareholder communication. During the three month period April 30, 2017, the Company received shares in a publicly traded company as consideration for the sale of its Yukon Properties. The Company has classified the shares (marketable securities) as fair value through profit and loss and they are measured at the value determined on the quoted active market where they are traded.

## RESULTS OF OPERATIONS

### For the three months ended April 30, 2017

The Company's net income for the three months ending April 30, 2017 was \$5,291,379 or \$0.02 per share compared to a net loss of \$206,294 or \$0.00 for the prior year's comparative figure.

Significant expenditures or movements include investors relations and shareholder communications \$164,961 (2016 - \$25,000), office and miscellaneous \$73,275 (2016 - \$36,844), wages and benefits \$141,918 (2016 - Nil), travel 57,250 (2016 - 9,743) and management fees of \$45,000 (2016 - \$121,500). During the second quarter of 2017, the Company issued 8,800,000 stock options resulting in share-based compensation of \$1,021,288 with no comparable amount in 2016.

During the second quarter of 2017, the Company recognized \$958,306 of flow through premium (2016 - \$145,609). The variability is a result of when flow through funds are raised, the premium paid and when the related qualifying exploration expenditures are incurred.

In March 2017, the Company completed the sale of its Yukon properties resulting in gain on sale of \$3,458,499. As partial consideration for the Yukon properties the Company received shares in a publicly traded company and has recognized an unrealized gain from change in fair value of the securities of \$2,460,000.

#### **For the six months ended April 30, 2017**

The Company's net income for six months ending April 30, 2017 was \$4,503,502 or \$0.01 per share compared to a net loss of \$476,999 or \$0.00 for the prior year comparative figure.

Overall total expenditures were higher as result of increased level of activity relating to investor relations, marketing, financial and professional advisory services relating to corporate transactions, expansion of the corporate management team and stock based compensation. During the six months ending April 30, 2017, the Company issued 8,800,000 stock options resulting in share-based compensation of \$1,059,719.

During the six months ending April 30, 2017, the Company recognized \$1,032,120 of flow-through premium (2016 - \$174,511). The variability is a result of when flow through funds are raised, the premium paid and when the related qualifying exploration expenditures are incurred.

In March 2017, the Company completed the sale of its Yukon properties resulting in gain on sale of \$3,458,499. As partial consideration for the Yukon properties the Company received shares in Strikepoint Gold Inc, a publicly traded company and has recognized an unrealized gain from change in fair value of the securities of \$2,460,000.

#### **Investing Activities**

Net cash used by the Company in investing activities on exploration and evaluation assets for the six months ended April 30, 2017 was \$7,299,969 (2016 - \$1,576,537). In addition, the, Company acquired field equipment for the Red Mountain Project in the amount of \$796,598 (2016 - \$62,236).

#### **Financing Activities**

During the six months ended April 30, 2017, the Company received proceeds of \$16,026,786 (2016 - \$13,430,386) from the issuance of shares and paid share issuance costs of \$110,918 (2016 - \$1,035,542).

#### **Off-Balance Sheet Arrangements**

The Company does not have any off balance sheet arrangements.

#### **Related Party Transactions**

These condensed consolidated financial statements include the financial statements of the Company, its 100% owned subsidiaries, Minera Revolution, S.A. de C.V. (Mexico) and Minera Golondrina, S. de R.L. de C.V (Mexico); and Storgold Resources Ltd (Canada) up to the date of its dissolution of May 24, 2016.

During the six months ended April 30, 2017, the Company paid or accrued the following amounts as compensation to key management personnel:

- a) Salaries and management fees of \$224,300 (2016 - \$116,000) to either Rob McLeod or Linus Geological Ltd, a company controlled by Robert McLeod, an officer and director of the Company.
- b) Management fees of \$114,000 (2016 - \$55,000) to Falkirk Resource Consultants Ltd, a company controlled by Michael McPhie, an executive director of the Company.
- c) Management fees of \$87,500 (2016 - \$35,000) to Susan Neale, an officer of the Company.
- d) Director fees of \$48,000 (2016 - \$37,000) to non-executive directors.
- e) Share based compensation expense for the period ending April 30, 2017 includes compensation to directors and officers of \$846,960 (2016 - \$Nil) for stock options vesting during the period.

Included in accounts payable is \$215,796 (October 31, 2016 - \$147,436) due to directors, officers and companies controlled by directors and officers of the Company.

The Company operates from the premises of a group of public and private companies with a common director. Certain companies provide geological consulting and office and administrative services to the Company and various other public companies. Included in accounts payable and accrued liabilities is \$Nil (October 31, 2016 - \$125,573) due to McLeod Williams Capital Corp, a related private company. During the six months ended April 30, 2017, the Company paid or accrued \$46,045 (2016 - \$36,857) for office and administrative expenditures.

Falkirk Resource Consultants Ltd is private company controlled by Michael McPhie, which specializes in government affairs, project permitting and environmental assessment and baseline study services provided to public and private companies. During the six months ended April 30, 2017, the Company paid or accrued \$338,145 (2016 - \$172,936) for these services relating to the environmental baseline studies, permitting and governmental affairs associated with the Red Mountain property.

Catana Consulting Ltd ("Catana"), is a private company, controlled by a close member to a director of the Company. During the period ended April 30, 2017, the Company paid or accrued \$169,791 (2016 - \$109,265) to Catana for services related to first nations consultation and engagement, environmental assessment process and exploration permits and approvals associated with the Red Mountain property.

### **Subsequent Events**

- a) A total of 375,000 warrants were exercised for proceeds of \$56,250.
- b) In May 2017, the Company granted a total of 200,000 options at an exercise price of \$0.15 with an expiry date of May 1, 2022
- c) In May 2017, the Company completed the acquisition of the mineral claims and certain other related assets comprising the Red Mountain Project from Seabridge Gold Inc. The Company acquired 100% interest, subject to certain underlying agreements and royalties, pursuant to the Option Agreement entered into in April 2014.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management. To date, the Company has financed its activities by the private placement of equity securities, consisting of a combination of flow-through and non-flow-through securities. In order to continue funding their exploration activities and corporate costs, exploration companies are usually reliant on their ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for the commodities that are being explored for, a company's track record, and the experience and caliber of a company's management. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities.

### Cash and Financial Condition

As at April, 2017, the Company had a working capital of approximately \$17.9 million. Included in the working capital is the \$0.8 million relating to amounts owing in Mexico for the mining property taxes (holding costs) required to keep the properties in good standing. The Company has abandoned all properties in Mexico and is in the process of winding up operations in Mexico.

The Company has no debt, does not have any unused lines of credit, or other arrangements in place to borrow funds, and has no off-balance sheet arrangements.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

### Financial Instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of short-term investments, receivables, prepaid expenses, accounts payable and accrued liabilities and Mexican mining taxes and other payables approximate their fair value because of the short-term nature of these instruments. Marketable Securities are classified at fair value through profit and loss and measured at the value determined on the quoted active market where they are traded.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values

## OUTLOOK

With the feasibility work now complete, the Company intends to file the Project Application Report for the Red Mountain Project with the provincial and federal regulators in early July 2017. This will initiate a 30-day review of the Project EA application for completeness. Once that is confirmed, the formal review will be initiated. Current expectations are the EA process should be completed in Spring of 2018.

On completion of filing the Project Application Report, the Company intends to commence working on the Mines Acts permits and to have approvals in place for a shovel-ready project by mid 2018.

Ongoing exploration and resource expansion drilling adjacent to current reserves will continue with the objective of extending the potential mine life for the Red Mountain. These zones remain open for expansion both along strike and down-dip.

**OUTSTANDING SHARE DATA**

As at the date of this report, the Company had an unlimited number of common shares authorized for issuance with 359,098,844 common shares issued and outstanding.

The Company has the following incentive stock options and warrants outstanding at the date of this report:

	Number	Exercise price	Expiry date
<b>Stock Options</b>	2,850,000	0.24	July 3, 2019
	150,000	0.30	October 10, 2019
	1,230,000	0.11	April 27, 2020
	2,925,000	0.10	October 28, 2020
	10,500,000	0.19	May 11, 2021
	350,000	0.23	July 19, 2021
	750,000	0.19	August 26, 2021
	7,500,000	0.15	February 1, 2022
	1,300,000	0.17	February 9, 2022
	200,000	0.15	May 1, 2022
	<u>27,755,000</u>		
<b>Warrants</b>	2,871,875	0.15	July 2, 2017
	80,000	0.18	July 2, 2017
	195,000	0.15	July 20, 2017
	2,067,600	0.18	July 20, 2017
	1,503,852	0.18	August 13, 2017
	2,138,739	0.25	October 4, 2017
	6,596,067	0.14	December 30, 2017
	50,419,519	0.15	April 27, 2018
	18,991,291	0.25	October 4, 2018*
	20,000,000	0.20	July 31, 2020**
	<u>104,863,943</u>		

\* These warrants are subject to an accelerated expiry in the event that the Company's common shares trade at a closing price greater than \$0.37 per share for a period of 20 consecutive trading days. The Company may accelerate the expiry date of the warrants by giving notice via press release; in such case, the warrants will expire in 30 days from the date of notice.

\*\* These warrants are subject to an accelerated expiry in the event that the Company's common shares trade at a closing price greater than \$0.40 per share for a period of 20 consecutive trading days. The Company may accelerate the expiry date of the warrants by giving notice via press release; in such case, the warrants will expire in 30 days from the date of notice.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of consolidated financial statements in accordance with IFRS requires the Company management to make certain critical accounting estimates, judgements and assumptions about future events that effect the amounts reported in the consolidated financial statements and related notes to the financial statements. It also requires management to exercise judgement in applying the Company's accounting policies. These judgements, estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements.

For a complete discussion of critical accounting estimates, refer to the Company's annual 2016 Management Discussion and Analysis.

## **RISKS AND UNCERTAINTIES**

Companies in the exploration stage face a variety of risks and investments are highly speculative. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Readers are referred to the Company's most recent Annual Information Form, located on SEDAR at [www.sedar.com](http://www.sedar.com), for a full list of applicable risk factors.

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS**

Some of the statements contained in this document constitute forward-looking information within the meaning of the Securities Act (British Columbia), Securities Act (Ontario), Securities Act (Nova Scotia) and the Securities Act (Alberta). Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

More specifically, forward-looking information contained here may include, without limitation, statements concerning IDM's plans for its mineral property located in British Columbia, Canada, the timing and amount of estimated future production and mine life, expected future prices of minerals, mineral reserve and mineral resource estimates, estimated capital and operating costs of the project, estimated capital pay-back period, estimated asset retirement obligations, timing of development and permitting time lines; all of which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information contained here is based on material factors and assumptions and is subject to a variety of risks and uncertainties, which could cause actual events or results to differ materially from a conclusion, forecast or projection in the forward-looking information. These include, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the availability of financing for activities when required and on acceptable terms, the accuracy of the interpretation of drill results and the estimation of mineral resources and reserves, the geology, grade and continuity of mineral deposits, the consistency of future exploration, development or mining results with our expectations, metal price fluctuations, the achievement and maintenance of planned production rates, the accuracy of component costs of capital and operating cost estimates, current and future environmental and regulatory requirements, favourable governmental relations, the availability of permits and the timeliness of the permitting process, the availability of shipping services, the availability of specialized vehicles and similar equipment, costs of remediation and mitigation, maintenance of title to mineral properties,

industrial accidents, equipment breakdowns, contractor's costs, remote site transportation costs, materials costs for remediation, labour disputes, the potential for delays in exploration or development activities, timely completion of future mineral reserve or resource estimates, timely completion of scoping or feasibility studies, the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, continuing global demand for base metals, expectations and beliefs of management and other risks and uncertainties as discussed in our MD&A. Although IDM 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. There can be no assurance that forward-looking statements will prove to be accurate. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, we undertake no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.