



**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2016**

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 year ended October 31, 2016 (the "fiscal year 2016") and the comparable period in 2015 (the "fiscal year 2015"). This MD&A should be read in conjunction with the audited consolidated financial statements for year ended October 31, 2016 and 2015, which are available on the SEDAR website at 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 February 23, 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 and on the Company's website at 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 open of trading on December 30, 2015 under the symbol "IDM". On June 6, 2014, the Company changed its name from "Revolution Resources Corp." to "IDM Mining Ltd." and consolidated its issued and outstanding shares on the basis of 6 pre-consolidated shares for one post-consolidated share. All share and per share amounts in this MD&A have been adjusted to reflect the share consolidation.

The Company is an exploration stage company in the business of acquiring, exploring and developing natural resource properties in British Columbia and Yukon. The Company's primary focus is on the the high-grade 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 year ended October 31, 2016 and up to the date of this MD&A:

- In December 2015, the Company completed a private placement with Osisko Mining Corporation (formerly Oban Mining Corporation) ("Osisko") for gross proceeds of \$1.0 million consisting of 11,111,111 common shares at a price of \$0.09 and makes the second and final pre-production option payment of \$1.0 million to Seabridge Gold.
- In December 2015, the Company completed a non-brokered private placement 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 finder's warrants.
- In January 2016, Mr Gernot Wober, Osisko's nominee, was appointed a director.
- In February 2016, the Company closed the remainder of the transaction with Osisko and acquired Osisko's portfolio of properties located in Yukon. As consideration, the Company issued 7,188,889 common shares and granted a 1% net smelter royalty over the Yukon properties and certain other rights. The Yukon properties consisted of approximately 14,500 claims covering 11 project areas consisting of 52 claim groups totaling over 300,000 hectares. In January 2017, the Company agreed to sell the portfolio of properties to Strikepoint Gold Inc in exchange for consideration valued at \$4,200,000.
- In February 2016, the Company received its Section 11 Order for the Red Mountain Project from the British Columbia Environmental Assessment Office (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 March 2016, the Company completed an evaluation of potential alternative locations for the mill and tailing management facilities for the Project. The Company has selected a preferred location at Bromley Humps 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. During the summer months of 2016, the Company completed a geotechnical site investigation at the Bromley Humps area.
- 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 April 2016, the Company completed a brokered and non-brokered private placement 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 fees payable in connection with the financing consisted of \$611,625 and 6,372,730 finder's warrants.
- In June 2016, the Company strengthened its engineering and marketing team with the appointment of Wayne Corso, P.E. as Project Manager – Engineering for the Project and the engagement of Vertex Strategies Inc. for marketing and investor relations services.
- In July 2016, the Company announced the results of an updated NI43-101 Preliminary Economic Assessment.
- In July 2016, the Company commenced an underground resource expansion and infill drilling program to gather metallurgical, geotechnical and hydrological data for inclusion within the Company's feasibility study, as well as targeting areas of inferred or indicated resource classification with the objective of upgrading class.
- In July 2016, the Company commenced a surface exploration program that included surface sampling, and trenching, resulting in a new, significant discovery in the Lost Valley area of high-grade, intrusive-related, gold-silver-molybdenum mineralization, in an area recently exposed by the retreating Cambria icefield. In August 2016, surface trenching discovered a high grade structure, named the Anda`dala`a Lo`op Zone (Nisga`a Nation language for "money rock"); 33 meter long trench averaging 18.7g/t Au and 61.4 g/t Ag over 0.84 meters. In September 2016, another 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 meters long channel sample of the subcrop averaged 22.2 g/t Au and 81.3 g/t Ag.
- In August 2016, the Company commenced a surface drill program comprised of 11 holes. Five drill holes were completed at Lost Valley targeting the two new mineralized structures identified and results to date warrant additional surface drill holes. Five drill holes were completed on the 141 Zone with the objective of upgrading class and expanding the resource. One drill hole was completed on the Brad Zone, located 300 meters south of the Marc Zone..
- In August 2016, the Company retained the services of O&M Partners to assist in targeting non-deal institutional and independent money managers throughout the United States. In addition the Company engaged the services of Alex Horsley to assist with corporate communication and investor relations services.
- In October 2016, the completed a brokered and non-brokered private placement 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 fee payable in connection with the financing consisted of \$418,270 and 2,138,739 finder's warrants.
- On October 5, 2016, the Project entered the 30-day public consultation period for the draft Application Information Requirement document (the "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 Application Information Requirement document for the Project will be published on March 13, 2017.

- In October 2016, the Company issued 3,750,000 common shares valued at \$637,500 to settle certain outstanding debts relating to Company's past operations in Mexico.
- 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 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 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 ounces of gold and 105,500 ounces silver.
- In February 2017, Mr. Duncan Middlemiss, was appointed a director.

Additional information, including the full news release, can be found on www.sedar.com and the Company's website 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 for this detailed information, which is subject to the qualifications and notes therein set forth.

PROPERTIES

RED MOUNTAIN, BRITISH COLUMBIA

IDM has an option to earn a 100% interest in the 17,125 hectare Red Mountain Project. It is 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 meters ("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.

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 streams. 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 exercised its notice to acquire the Red Mountain Project and is in the process of transferring title.

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.

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 meters, averaging about fifteen meters 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.

On July 12, 2016, the Company reported the results of an updated Preliminary Economic Assessment (the "2016 PEA") for the Red Mountain Gold Project. The 2016 PEA report was prepared by JDS Energy & Mining Inc., ARSENEAU Consulting Services Ltd and Knight Piesold Ltd, following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1. The 2016 PEA is titled "NI43-101 Preliminary Economic Assessment Technical Report, Red Mountain Gold Project, British Columbia, Canada" and was filed on SEDAR on August 25, 2016 and can be viewed on the SEDAR website, www.sedar.com, and IDM's website www.idmining.com. The 2016 PEA was authored by Gord Doerksen, P.Eng., Michael Makarenko, P.Eng, Dr. Gilles Arseneau, P. Geo, Stacy Freudigmann, P. Eng and Ken Embree, P.Eng. who are independent Qualified Persons as defined under National Instrument 43-101.

The 2016 PEA is preliminary in nature; it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and that there is no certainty that the 2016 PEA will be realized.

In April 2016, the Company completed an update to the resource estimate for the Project. 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 Resources Update for the Red Mountain Gold Project, Northwestern, BC, Canada". The report was filed on SEDAR on May 6, 2016 and can be viewed on the SEDAR website, www.sedar.com, and IDM's website www.idmining.com.

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 is being 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, and will be filed on SEDAR and IDM's website by no later than March 9, 2017.

Red Mountain Updated Preliminary Economic Assessment Results

A summary of the key results from the 2016 PEA can be summarized as follows:

- Base case economics utilize a gold price of US\$1,250 per ounce and silver price of US\$15 per ounce and an exchange rate of C\$1.00 equals US\$0.80.
- The pre-tax base case economics indicate a Net Present Value (NPV) of \$133.1 million at a 5% discount rate with an Internal Rate of Return (IRR) of 42.4% and a 1.9 year payback of initial capital.
- The after-tax base case economics indicate a NPV of \$86.6 million at a 5% discount rate with an IRR of 32.3% and a 2.0 year payback of initial capital.
- Due to the wide nature of the mineralized zones, the majority of the deposit is amenable to bulk underground longhole mining methods. The project utilizes a year round design processing rate of 1,000 tonnes per day (tpd) and underground mining rate of 1,500 tpd for 8 months per year.
- Average life of mine head grade is 8.75 g/t Au and 24.82 g/t Ag
- Life of project direct operating cost is estimated at US\$488 per ounce of gold recovered. Net of the silver by-product, costs drop to US\$446 per ounce.

- Initial capital costs are estimated at CAD\$111.2 million, which includes a 10% contingency.
- The economic model assumes base case gold recovery rates ranging from 90.1% to 88.0% for gold and 84.6% to 76.0% for silver, depending on the mineralized zone.
- Average annual payable production has increased by 25% over the 2014 PEA to 70,000 ounces of gold and 194,000 ounces of silver.
- Mine life is estimated at 5 years with a 15 to 18 month pre-production period.
- Opportunity to reduce project capital costs include sourcing used mining and processing equipment and possible sharing of infrastructure costs for the road and powerline with an established independent power producer looking to develop a run-of-river hydroelectric project adjacent to the proposed mill site location.
- Opportunity to increase potentially mineable ounces through the conversion of additional inferred resource by way of infill drilling and through immediately proximal exploration efforts.

Key Aspects and Assumptions of the 2016 PEA Study:

Summary of Results		
Mine Life	Years	5.0
Resource Mined	M tonnes	1.8
Waste Mined	M tonnes	0.0
Total Mined	M tonnes	1.8
Throughput Rate	Tpd	1,000
Average Au Head Grade	g/t	7.00
Average Ag Head Grade	g/t	21.45
Au Payable	k oz.	348
	k oz./yr	70
Ag Payable	k oz.	965
	k oz./yr	194

Summary Economics:

Summary Economics at US\$1,250/oz. gold, US\$15/oz. Silver		
Total LOM Pre-Tax Free Cash Flow	C\$ M	\$178.1
Average Annual Pre-Tax Free Cash Flow	C\$ M	\$35.9
LOM Income Taxes	C\$ M	\$57.7
Total LOM After-Tax Free Cash Flow	C\$ M	\$120.4
Average Annual After-Tax Free Cash Flow	C\$ M	\$24.3
Discount Rate	%	5%
Pre-Tax NPV	C\$ M	\$133.1
Pre-Tax IRR	%	42.4%
Pre-Tax Payback	Years	1.9
After-Tax NPV	C\$ M	\$86.6
After-Tax IRR	%	32.3%
After-Tax Payback	Years	2.0
	US \$*	C \$
Cash Cost (\$/oz.)	488	610
Cash Cost (\$/oz.) Net of By Product*	466	558

*Exchange rate of \$1.00 equals US\$0.80 was used

Sensitivities**Metal Price Sensitivity:**

Au Price US\$/oz	Ag Price US\$/oz	Pre-Tax NPV5% (C\$M)	Pre-Tax IRR	Pre-Tax Payback	After-Tax NPV5% (C\$M)	After-Tax IRR	After-Tax Payback
\$1,150	\$13.80	100.6	34.10%	2.2	65.6	26.00%	2.3
\$1,250	\$15.00	133.1	42.40%	1.9	86.6	32.30%	2.0
\$1,350	\$16.20	165.6	50.40%	1.7	107.6	38.40%	1.8
\$1,450	\$17.40	198.1	58.10%	1.5	128.6	44.50%	1.7

Source: JDS (2016). Based on exchange rate of C\$1.00 equals US\$0.80

Discount Rate Sensitivity:

Discount Rate	Pre-Tax NPV C\$M	After-Tax NPV C\$M
0%	\$178.10	\$120.40
5%	\$133.10	\$86.60
7%	\$118.30	\$75.50
8%	\$111.40	\$70.40
10%	\$98.70	\$60.90
12%	\$87.30	\$52.30

Summary of Operating Costs

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

2017 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 initial 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

Fiscal 2016 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 meters 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 ongoing Feasibility Study and Project 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 Mining and Energy (“**JDS**”) to analyze and complete trade-off studies for the Project with respect to processing methods, mill and tailing management facility (“**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 (refer to “*Red Mountain Updated Preliminary Economic Assessment Results*”). 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.

A Feasibility Study for the Red Mountain Project is currently underway, with results expected in Q2 of 2017.

Metallurgy

During the 2016 field season, infill and metallurgical drill holes were distributed throughout the three primary resource zones at Red Mountain: the Marc, AV and JW Zones. Test work and analysis is currently underway at Base Metallurgical Laboratories Ltd. This work includes variability sample selection followed by comminution, minerology, gravity and flotation testing. The program commenced with variability samples before creation of a global composite for each zone, allowing for characterization of each area to identify any anomalies in the sample results. Metallurgical testwork for the Red Mountain is currently being reviewed, with further testwork and optimization studies ongoing.

Resources

Underground drilling during 2016 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 meter 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. 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 Measured & Indicated categories. Resources in the inferred category decreased by 42,700 oz Au and 48,200 oz Ag (refer to “*2017 Resource Estimate*” for the updated mineral resources for the Red Mountain project).

Tailings Management and Design

An extensive site investigation program of drilling (616 meters), mapping and lab testing was performed at the proposed Bromley Humps tailings site during 2016. Design work for the tailings management facility is underway and will be completed to environmental assessment ("EA") and relevant BC Mines Act standards, which can be more detailed than feasibility-level design. The Company has been working closely with regulators, Nisga'a Nation, on the TMF design and assessment of alternatives, including incorporating Best Available Technology (BAT) into all aspects of the Project.

Underground Geotechnical and Hydrogeology

During the 2016 field season, SRK Consulting gathered extensive surface, underground and drill core geotechnical data, supplemented by 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. SRK is also modeling groundwater hydrology and chemistry. Significant but manageable melt water inflows were encountered during the 2016 summer months in the underground workings, and a water management plan will be included in the feasibility study.

Surface Exploration

In July 2016, the Company initiated a comprehensive surface program of mapping and sampling, including targeting new areas of the 17,000 hectare property that have been recently been 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 meter long trench averaging 18.7g/t Au and 61.4 g/t Ag over 0.84 meters. 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 meters long channel sample of the subcrop averaged 22.2 g/t Au and 81.3 g/t Ag.

Permitting and Baseline Studies

The Company continued to advance the Project through the EA process and in February 2016 received a Section 11 Order for the Project from the BC EAO. 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.

Commencing October 5, 2016, the Project entered the 30-day public consultation period for the draft Application Information Requirement document ("dAIR") of the EA process. This process was completed with only minor comments and the Company was informed that the final Application Information Requirement document will be published on March 13, 2017.

The public comment period was managed by BC EAO and public open houses were held during the month of October 2016 in Stewart and Nisga'a communities.

An environmental baseline study program in support of the EA and permitting process began in the spring of 2014 and is ongoing. Baseline studies to date include: surface and groundwater quality, hydrology and hydrogeology, climate, geochemical studies, archeological assessments, geohazards assessments, fisheries and wildlife studies. Following the completion of the 2016 spring, summer and fall sampling and monitoring program, the baseline environmental studies are expected to be sufficient to meet provincial and federal guidelines, and the data will be incorporated into the provincial and federal EA and project permit applications.

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.

2015 Fiscal Year Activities:

The Company advanced the permitting of the Project by submitting a Project Description to BC EAO and the Canadian Environmental Assessment Agency (the "Agency") in August 2015. In November 2015, BC EAO and the Agency initiated the EA of the Project under Section 10(1)(c) of the British Columbia *Environmental Assessment Act*.

In addition, the Company continued to advance the environmental baselines program for the Project, as well as First Nation and stakeholder consultation by completing the following:

- surface and groundwater sampling and analysis, geo-hazard assessment, wildlife and fisheries studies and archaeological assessments;
- Socioeconomic studies, First Nation and community engagement;

No field exploration work was completed in the 2015 field season.

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 January 2017, the Company entered into an agreement to sell the Yukon Properties to Strikepoint Gold 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.

The Yukon portfolio consists of approximately 14,500 claims covering over 11 project areas consisting of 52 claim groups totaling over 300,000 hectares. The properties cover multiple tectonic and metallogenic environments as well as a variety of mineral deposit styles common in Yukon. Significant early stage exploration was previously completed, including 158,646 soil samples, airborne geophysical surveys, reconnaissance mapping and sampling, and over 10,000 meters of drilling on two of the projects. Review of this data has identified over a dozen broad soil geochemical anomalies in addition to numerous other areas of interest defined by geophysical and geological criteria. The highest priority targets are Pluto, Mahtin, Golden-Oly and PDM Property.

The Pluto Property in the Kluane region of the Yukon lies approximately 100km WSW of the town of Carmacks. The land package covers an area of 588 square km and is underlain by a series of metamorphic schists of the Yukon-Tanana terrane and the Paleocene Ruby Range granodiorites.

The Mahtin property is located approximately 50 km northwest of the town of Mayo. The area is underlain by Cretaceous plutons intruding carbonate rocks. The property is located over 50 km southwest of Victoria Gold's Eagle Deposit at Dublin Gulch, and hosts intrusive-related gold potential as well as skarn mineralization. Over 17,400 soil samples were collected over this prospective area. The property has two main targets: May-Qu and North Mahtin.

The Golden-Oly property covers an area of approximately 840 square km and is located adjacent to the North Canol road, 125km northeast of the village of Ross River. Widespread gold and arsenic anomalies in soil grids suggest that the targets may be intrusive related or sediment hosted mineralizing zones.

The PDM property covers an area of approximately 110 square km and located adjacent to the North Canal road, approximately 100km northeast of Ross River. The property was covered by a ridge and spur soil program with 1,322 samples collected.

2016 Fiscal Activities

No field exploration work was completed in the 2016 field season.

QA/QC

Samples for the 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 2016 exploration program was performed under the supervision of Rob McLeod, P. Geo, 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 and 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 ANNUAL INFORMATION

	October 31, 2016	October 31, 2015	October 31, 2014
	\$'000	\$'000	\$'000
Revenue	-	-	-
Net Income/loss and comprehensive income/(loss)	(1,574)	1,253	(21,790)
Basic and diluted net income/(loss) per share	(0.01)	0.02	(0.79)
Exploration and evaluation assets	19,955	6,702	5,997
Total assets	31,150	7,402	7,533
Total long-term liabilities	-	-	4,750

SELECTED QUARTERLY INFORMATION

	Three Month Period Ended			
	Oct 31, 2016	Jul 31, 2016	Apr 30, 2016	Jan 31, 2016
	\$'000	\$'000	\$'000	\$'000
Total Assets	31,150	20,732	20,517	9,634
Exploration and Evaluation				
Assets	19,955	12,654	9,189	7,891
Working Capital	6,870	4,338	7,518	(730)
Shareholders' Equity/(Deficit)	27,224	17,143	16,822	7,215
Net Income/(Loss)	330	(1,427)	(206)	(271)
Net Income/(Loss) per Share	0.00	(0.01)	0.00	0.00

	Three Month Period Ended			
	Oct 31, 2015	Jul 31, 2015	Apr 30, 2015	Jan 31, 2015
	\$'000	\$'000	\$'000	\$'000
Total Assets	7,402	7,146	6,649	7,272
Exploration and Evaluation				
Assets	6,702	6,299	6,178	6,168
Working Capital	(1,554)	(1,524)	(2,408)	(2,925)
Derivative liability	-	-	2,750	3,250
Shareholders' Equity/(Deficit)	5,203	4,660	1,071	50
Net Income/(Loss)	947	(1,222)	232	1,296
Income/(Loss) per Share	0.00	(0.02)	0.01	0.03

The variability in IDM's net 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.

RESULTS OF OPERATIONS**For the year ended October 31, 2016 compared to Year Ended October 31, 2015**

The Company's net loss for the year ending October 31, 2016 was \$1,573,541 or \$0.01 per share compared to a net income of \$1,253,351 or \$0.02 for year ended October 31, 2015.

Total expenses for the year ended October 31, 2016 amounted to \$3,175,858 (2015 - \$1,165,328). During the current year the Company issued 11,600,000 options (2015 - 4,155,000) resulting in \$1,568,486 of share based compensation being recognized (2015 - \$353,287). Overall total expenditures were higher as result of increased level of activity relating to investor relation, marketing, financial and professional advisory services relating to corporate transaction.

During the year ended October 31, 2016, the Company recognized \$1,516,490 of flow through premium (2015 - \$130,357). The variability is results of when flow through funds are raised, the premium paid and when the related qualifying exploration expenditures are incurred.

In 2015, the Company settled the outstanding liability with Lake Shore and recognized a gain on the settlement of the derivate liability in the amount of \$2,309,648.

The operating losses are a reflection of the Company's status as non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue for the foreseeable future.

For the three months ended October 31, 2016

The Company's net income for the three months ending October 31, 2016 was \$330,636 or \$0.00 per share compared to a net income of \$946,386 or \$0.00 for the three months ended October 31, 2015.

During the fourth quarter of 2016, the Company recognized \$770,904 of flow through premium (2015 - \$130,357). The variability is a result of when flow through funds are raised, the premium paid and when the related qualifying exploration expenditures are incurred.

During the three months ended October 31, 2015, the Company recorded a gain on settlement of the derivative liability of \$1,195,588.

Investing Activities

Net cash used by the Company in investing activities on exploration and evaluation assets for the year ended October 31, 2016 was \$10,203,425 (2015 - \$1,699,084) including the \$1,000,000 paid under the Red Mountain Option Agreement. In addition, the Company acquired field equipment for the Red Mountain Project in the amount of \$319,360.

Financing Activities

During the year ended October 31, 2016, the Company received proceeds of \$23,808,370 (2015 - \$2,030,781) from the issuance of shares and paid share issuance costs of \$1,638,245 (2015 - \$13,300).

In addition, the Company issued 7,188,889 common shares to acquire the Yukon properties and issued 3,750,000 common shares for debt relating to Company's past operations in Mexico.

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 Revolution Resources (NC) Inc. (USA), 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 year ended October 31, 2016, the Company paid or accrued the following amounts as compensation to key management personnel:

- a) Management fees of \$212,000 (2015 - \$138,000) to Linus Geological Ltd, a company controlled by Robert McLeod, an officer and director of the Company of which \$Nil (2015 - \$Nil) was capitalized to exploration and evaluation assets.
- b) Management fees of \$65,000 (2015 - \$45,000) to Falkirk Resource Consultants Ltd, a company controlled by Michael McPhie, an executive director of the Company.
- c) Management fees of \$100,000 (2015 - \$60,000) to Susan Neale, an officer of the Company
- d) Director fees of \$80,000 (2015 - \$23,000) to non-executive directors.
- e) Professional advisory fees of \$25,000 (2015- \$Nil) to Cairn Merchant Partners LP, a company

controlled by Andrew Farncomb, a director of the Company.

Share-based compensation expense for the year ended October 31, 2016 includes compensation to directors and officers of \$1,238,615 (2015 - \$291,824) for stock options vesting during the year.

Included in accounts payable is \$147,436 (October 31, 2015 - \$24,435) 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 \$125,573 (October 31, 2015 - \$140,177) due to McLeod Williams Capital Corp, a related private company. During the year ended October 31, 2016, the Company paid or accrued \$73,685 (2015 - \$72,544) for office and administrative expenditures.

Falkirk Resource Consultants Ltd, a private company controlled by Michael McPhie, that specializes in government affairs, project permitting and environmental assessment and baseline studies provides these services to public and private companies. During the year ended October 31, 2016, the Company paid or accrued \$390,850 (2015 - \$90,780) for these services relating to the environmental baseline studies, permitting and governmental affairs associated with the Red Mountain property.

Subsequent Events

- a) A total of 477,252 warrants were exercised for proceeds of \$47,725 and 22,224 warrants expired unexercised.
- b) A total of 7,500,000 stock options were granted at an exercise price of \$0.15 with an expiry date Feb 1, 2022 and 1,300,000 stock options were granted at an exercise price of \$0.17 with an expiry date of February 9, 2022. A total of 45,834 stock options expired unexercised.
- c) In January 2017, the Company entered into an agreement to sell its portfolio of properties located in the Yukon to Strikepoint in exchange for \$150,000 in cash and 10,500,000 common shares of Strikepoint. Closing of the transaction is subject to receipt of regulatory approvals, third party consents and approval of Strikepoint's shareholders.
- d) In February 2017, the Company announced a private placement with Osisko Gold Royalties Ltd ("Osisko Royalties") for total proceeds of \$15,248,000. Osisko Royalties has agreed to purchase 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. Closing is subject to receipt of all necessary approvals including approval of the TSX Venture Exchange.

In connection with the private placement, the Company will grant to Osisko Royalties certain pre-emptive rights in respect to purchases or grants of royalties or streams from the Red Mountain Project.

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 October 31, 2016, the Company had a working capital of approximately \$6.9 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 other 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.

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

The Company's current acquisition, exploration and development activities are focused on precious metals in British Columbia and Yukon, with a primary focus on the high grade underground Red Mountain project, which is progressing through the BC and Canadian environmental assessment process.

In January 2017, the Company announced the results of an updated resource estimate for the Red Mountain Project. This updated resource model will be incorporated into underground stope designs to be used in the feasibility study.

Work is ongoing towards with respect to finalization of the feasibility study for the Red Mountain project, expected to be released Spring of 2017.

Environmental baseline, engineering and socioeconomic studies and community engagement is ongoing. The Company intends to file the Project EA application with the provincial and federal regulators in the second quarter of calendar year 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 first quarter of calendar year 2018.

In addition, the Company intends to conduct a 2017 underground drill program to expand resources in all zones underground and explore the northern extension of the decline.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had an unlimited number of common shares authorized for issuance with 283,450,102 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
Stock Options	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
	<u>27,555,000</u>		
Warrants	6,257,172	0.15	April 27, 2017
	3,121,875	0.15	July 2, 2017
	80,000	0.18	July 2, 2017
	320,000	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>111,496,115</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

IDM's accounting policies are described in Notes 2 and 3 of its audited consolidated financial statements for the year ended October 31, 2016. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

- Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of expenses during the year. Actual results could differ from these estimates.

The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most significant estimates and assumptions relate to the recognition of deferred income tax amounts, impairment testing, the valuation of certain financial liabilities, and the calculation of share-based payments. Share-based payments, as measured with respect to stock options granted, are estimated by reference to the Black-Scholes Pricing Model; a detailed disclosure of management's estimates with respect to the pricing model is found in Note 8 of the consolidated financial statements. The Company has reviewed its exploration and evaluation assets for indications of impairment and has determined that there is no such indication in excess of what has been recorded. The recognition of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

The most significant judgments relate to the recoverability of capitalized amounts, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project and the going concern assumption.

- Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of comprehensive income/(loss). The Company capitalizes costs related to the exploration and development of mineral properties as they are incurred once the legal rights to explore the mineral properties are acquired or obtained.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

- Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital.

- Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

New standards, interpretations and amendments not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended October 31, 2016:

- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets⁽ⁱ⁾

(i) Effective for annual periods beginning on or after January 1, 2018

The Company anticipates that the application of these standards, amendments and interpretations is not expected to have a material impact on the results and financial position of the Company.

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, 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.