



# **IDM MINING**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**FOR THE PERIOD ENDED APRIL 30, 2016**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**IDM MINING LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)  
**AS AT**

	April 30, 2016	October 31, 2015
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 10,729,353	\$ 508,253
Short-term investments	8,625	8,625
Receivables	174,848	35,483
Prepaid expenses	<u>300,881</u>	<u>92,073</u>
	11,213,707	644,434
<b>Land use deposits</b>	50,000	50,000
<b>Equipment</b>	65,577	5,341
<b>Exploration and evaluation assets (Note 3)</b>	<u>9,188,688</u>	<u>6,702,072</u>
	<u>\$ 20,517,972</u>	<u>\$ 7,401,847</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,050,743	\$ 324,952
Mexican mining taxes and other payables	1,712,420	1,712,420
Deferred flow-through premium (Note 4)	<u>932,428</u>	<u>161,759</u>
	<u>3,695,591</u>	<u>2,199,131</u>
<b>Shareholders' equity/(deficit)</b>		
Share capital (Note 4)	56,457,744	44,640,462
Reserves (Note 4)	7,501,673	7,222,291
Deficit	<u>(47,137,036)</u>	<u>(46,660,037)</u>
	<u>16,822,381</u>	<u>5,202,716</u>
	<u>\$ 20,517,972</u>	<u>\$ 7,401,847</u>

**Nature and continuance of operations (Note 1)**

**Subsequent events (Note 8)**

Approved and authorized by the Board on June 29, 2016:

"Robert McLeod"

Director

"Michael McPhie"

Director

The accompanying notes are an integral part of these consolidated financial statements.

**IDM MINING LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME/(LOSS) AND COMPREHENSIVE INCOME/(LOSS)**

(Unaudited - Expressed in Canadian Dollars)

FOR THE

	Three Months Ended April 30, 2016	Three Months Ended April 30, 2015	Six Months Ended April 30, 2016	Six Months Ended April 30, 2015
<b>GENERAL EXPENSES</b>				
Consulting fees	\$ 20,964	\$ 4,275	\$ 40,938	\$ 9,163
Depreciation	1,000	569	2,000	1,139
Director fees (Note 5)	20,000	-	37,000	3,000
Foreign exchange loss (gain)	654	608	654	2,993
Investor relations and shareholder communication	25,000	27,404	46,552	72,157
Management fees	121,500	45,820	208,664	103,423
Office and miscellaneous	36,844	23,980	61,691	55,856
Professional fees	94,618	30,766	180,331	79,374
Stock based compensation	-	112,257	-	112,257
Transfer agent and filing fees	21,580	21,047	52,771	39,998
Travel and trade shows	9,743	1,655	20,909	6,717
<b>Loss before other items</b>	<b>(351,903)</b>	<b>(268,381)</b>	<b>(651,510)</b>	<b>(486,077)</b>
<b>OTHER ITEMS</b>				
Recognition of flow through premium (Note 4)	145,609	-	174,511	-
Unrealized gain/(loss) on derivative liability	-	500,000	-	2,000,000
Recovery on mineral properties	-	-	-	21,500
Write-down of mineral properties	-	-	-	(6,870)
<b>Income/(loss) and comprehensive income/(loss) for the period</b>	<b>\$ (206,294)</b>	<b>\$ 231,619</b>	<b>\$ (476,999)</b>	<b>\$ 1,528,553</b>
<b>Basic and diluted income/(loss) per share</b>	<b>\$ (0.00)</b>	<b>\$ 0.01</b>	<b>\$ (0.00)</b>	<b>\$ 0.03</b>
<b>Weighted average number of common shares outstanding</b>	<b>110,963,950</b>	<b>45,176,370</b>	<b>97,609,356</b>	<b>44,705,864</b>

The accompanying notes are an integral part of these consolidated financial statements.

**IDM MINING LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited - Expressed in Canadian Dollars)

**FOR THE SIX MONTH PERIOD ENDED APRIL 30,**

	2016	2015
<b>CASH FROM OPERATING ACTIVITIES</b>		
Income/(Loss) for the period	\$ (476,999)	\$ 1,528,553
Items not affecting cash:		
Depreciation	2,000	1,139
Recognition of flow-through premium liability	(174,511)	-
Unrealized (gain)/loss on derivative liability	-	(2,000,000)
Stock based compensation	-	112,257
Write-off of exploration and evaluation assets	-	6,870
Changes in non-cash working capital items:		
Receivables	(139,365)	188,123
Prepays	(208,808)	59,130
Accounts payable and accrued liabilities	<u>462,712</u>	<u>15,023</u>
Net cash used in operating activities	<u>(534,971)</u>	<u>(88,905)</u>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Expenditures on exploration and evaluation assets	(576,537)	(720,939)
Acquisition of exploration and evaluation assets	(1,000,000)	-
Acquisition on equipment	<u>(62,236)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,638,773)</u>	<u>(720,939)</u>
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds on issuance of share capital	13,430,386	-
Share issuance costs	<u>(1,035,542)</u>	<u>-</u>
Net cash provided by financing activities	<u>12,394,844</u>	<u>-</u>
<b>Change in cash during the period</b>	10,221,100	(809,844)
<b>Cash, beginning of period</b>	<u>508,253</u>	<u>1,056,481</u>
<b>Cash, end of period</b>	<u>\$ 10,729,353</u>	<u>\$ 246,637</u>

**Supplemental disclosure with respect to cash flows (Note 7)**

The accompanying notes are an integral part of these consolidated financial statements.

**IDM MINING LTD.**  
**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY/(DEFICIT)**  
(Unaudited - Expressed in Canadian Dollars)

	<u>Share capital</u>				
	Number	Amount	Reserves	Deficit	Total
<b>Balance at October 31, 2014</b>	44,250,701	\$ 41,492,346	\$ 5,174,557	\$ (47,913,387)	\$ (1,246,484)
Issued for:					
Debt	4,512,301	676,845	-	-	676,845
Share-based payments	-	-	112,257	-	112,257
Income for the period	-	-	-	1,528,553	1,528,553
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,528,553</u>	<u>1,528,553</u>
<b>Balance at April 30, 2015</b>	48,763,002	\$ 42,169,191	\$ 5,286,814	\$ (46,384,834)	\$ 1,071,171
Issued for:					
Private placements	10,083,750	1,008,375	-	-	1,008,375
Private placements - flow-through	7,302,900	1,022,406	-	-	1,022,406
Derivative liability settlement	7,500,000	750,000	1,690,352	-	2,440,352
Share issue costs	-	(13,300)	-	-	(13,300)
Share-based payments	-	-	241,030	-	241,030
Agent warrants	-	(4,094)	4,094	-	-
Flow-through premium liability	-	(292,116)	-	-	(292,116)
Loss for the period	-	-	-	(275,203)	(275,203)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(275,203)</u>	<u>(275,203)</u>
<b>Balance at October 31, 2015</b>	73,649,652	\$ 44,640,462	\$ 7,222,291	\$ (46,660,037)	\$ 5,202,716
Issued for:					
Private placements	91,465,503	8,231,895	-	-	8,231,895
Private placements - flow-through	47,259,008	5,198,491	-	-	5,198,491
Property acquisition	7,188,889	647,000	-	-	647,000
Share issue costs	-	(1,035,542)	-	-	(1,035,542)
Agent warrants	-	(279,383)	279,383	-	-
Flow-through premium liability	-	(945,180)	-	-	(945,180)
Loss for the period	-	-	-	(476,999)	(476,999)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(476,999)</u>	<u>(476,999)</u>
<b>Balance at April 30, 2016</b>	219,563,052	\$ 56,457,744	\$ 7,501,674	\$ (47,137,036)	\$ 16,822,381

The accompanying notes are an integral part of these consolidated financial statements.

## **IDM MINING LTD.**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

IDM Mining Ltd. (the “Company”) is an exploration company incorporated on July 14, 2009 under the laws of the Province of British Columbia, Canada. The Company’s shares were voluntary delisted from the Toronto Stock Exchange after close of trading on December 29, 2015 and were listed on TSX Exchange (“TSXV”) on open of trading on December 30, 2015. On June 6, 2014, the Company changed its name from “Revolution Resources Corp.” to “IDM Mining Ltd.” and now trades under the symbol IDM.

The Company’s head office, principal address and registered and records office is 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is in the business of acquiring and exploring economically viable mineral resource deposits on its mineral properties. The recoverability of the amounts shown for mineral properties acquisition costs and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and has no source of recurring revenue. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms.

The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

#### **2. BASIS OF PREPARATION**

##### **Statement of Compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended October 31, 2015.

The condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understandings the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended October 31, 2015 and have been consistently applied in the preparation of the Company’s condensed consolidated interim financial statements.

The Company’s condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair presentation of results for the interim periods in accordance with IFRS as issued by the International Accounting Standards Board.

**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

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**3. EXPLORATION AND EVALUATION ASSETS****Title to mineral properties**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all its properties and, to the best of its knowledge; title to all of its properties is in good standing.

***Red Mountain (B.C., Canada)***

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

Under the terms of the option agreement, the Company issued 4,955,500 common shares valued at \$1,214,098, and paid \$2,000,000 in cash in two equal instalments and must incur \$7,500,000 million in exploration and development expenditures over three years (\$2,500,000 per year commencing June 4, 2014). As at April 30, 2016, the Company has incurred \$5,125,660. The Company has the right to extend the deadline for expenditure of the final \$2,500,000 by one year upon payment to Seabridge of \$250,000.

Upon the commencement of commercial production, the Company is required to make an additional one-time \$1,500,000 cash payment to Seabridge, and Seabridge will also retain a gold metal stream on the Red Mountain project to acquire 10% of the annual gold production from the property at a cost of \$1,000 per ounce up to a maximum of 500,000 ounces produced (50,000 ounces to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of \$4,000,000 at the commencement of production in exchange for the buyback of the gold metal stream. The property is also subject to payment of production royalties and the payment of a minimum pre-production royalty of \$50,000. Production from the claims, which contain the Red Mountain gold deposit are subject to two separate royalties aggregating 3.5% net smelter return royalty.

***Yukon Properties (YK, Canada)***

In February 2016, the Company acquired from Oban Mining Corporation (“Oban”) its portfolio of properties located in Yukon. As consideration, the Company issued 7,188,889 common shares valued at \$647,000 and granted a 1% net smelter royalty over the Yukon properties and certain other rights.



**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

	April 30, 2016		
	<u>Red Mountain</u>	<u>Yukon</u>	<u>Red Mountain</u>
<b>Exploration costs</b>			
Balance, beginning of period	\$ 4,314,867	\$ -	\$ 4,314,867
Project administration	160,277	-	160,277
Baseline studies	110,081	-	110,081
Permitting	219,137	-	219,137
First Nations and Public Engagement	77,370	3,699	81,069
Field work and personnel	6,308	-	6,308
Geological consulting	12,140	16,527	28,667
Geophysics	-	6,602	6,602
Licenses/fees	-	745	745
Helicopter	3,956	-	3,956
Mapping	-	1,250	1,250
Metallurgical	1,481	-	1,481
Reports	167,322	-	167,322
Site preparation	52,720	-	52,720
	<u>810,792</u>	<u>28,823</u>	<u>839,615</u>
Balance, end of period	<u>5,125,659</u>	<u>28,823</u>	<u>5,154,482</u>
<b>Acquisition costs</b>			
Balance, beginning of period	<u>2,387,206</u>	<u>-</u>	<u>2,387,206</u>
Acquisition costs	<u>1,000,000</u>	<u>647,000</u>	<u>1,647,000</u>
	<u>3,387,206</u>	<u>647,000</u>	<u>4,034,206</u>
Write-off during the period	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>3,387,206</u>	<u>647,000</u>	<u>4,034,206</u>
<b>Balance, April 30, 2016</b>	<u>\$ 8,512,865</u>	<u>\$ 675,823</u>	<u>\$ 9,188,688</u>

**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

	October 31, 2015		
	<u>Red Mountain</u>	<u>Champion Hills</u>	<u>Total</u>
<b>Exploration costs</b>			
Balance, beginning of year	\$ 3,609,724	\$ -	\$ 3,609,724
Assay	3,523	-	3,523
Camp and road access	28,698	-	28,698
Field work and personnel	22,445	-	22,445
Geological consulting	91,929	-	91,929
Metallurgical	27,630	-	27,630
Helicopter	83,069	-	83,069
Lease payments and permitting	443,909	-	443,909
Project administration and report preparation	1,250	-	1,250
Travel and transportation	2,690	-	2,690
	<u>705,143</u>	<u>-</u>	<u>705,143</u>
Balance, end of year	<u>4,314,867</u>	<u>-</u>	<u>4,314,867</u>
<b>Acquisition costs</b>			
Balance, beginning of year	<u>2,387,205</u>	<u>1</u>	<u>2,387,206</u>
Acquisition costs	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,387,205</u>	<u>1</u>	<u>2,387,206</u>
Write-off during the year	<u>-</u>	<u>1</u>	<u>1</u>
Balance, end of year	<u>2,387,205</u>	<u>-</u>	<u>2,387,205</u>
<b>Balance, October 31, 2015</b>	<u>\$ 6,702,072</u>	<u>\$ -</u>	<u>\$ 6,702,072</u>

**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

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**4. SHARE CAPITAL AND RESERVES****Authorized share capital**

As at April 30, 2016, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

**Private placements:**

During the six month period ended April 30, 2016, the Company

- a) completed a non-brokered private in December 2015 for gross proceeds of \$1,581,488, consisting of 9,989,800 flow-through units at \$0.11 per flow-through unit and 5,362,333 common units at \$0.09 per common unit. Each common and flow-through unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at \$0.14 per share. Finder's fees payable in connection with the financing consisted of a total of \$48,485 and 552,939 finders' warrants exercisable for a period of 12 months at \$0.10 per share. The finder's warrants have been recorded at a fair value of \$13,034, which is included in reserves. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.54%, expected life of 1.00 years, expected volatility rate of 76.08% and a dividend rate of 0.00%
- b) completed a private placement in December 2015 with Oban Mining Corporation ("Oban") for gross proceeds of \$1,000,000, consisting of 11,111,111 common shares at a price of \$0.09. Finder's fees payable in connection with the financing consisted of \$50,000 and 555,555 finders' warrants exercisable for a period of 12 months at \$0.10 per share. The finder's warrants have been recorded at a fair value of \$12,923, which is included in reserves. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.54%, expected life of 1.00 years, expected volatility rate of 75.14% and a dividend rate of 0.00%
- c) completed a brokered and non-brokered private placement in April 2016 for gross proceeds of \$10,848,898, consisting of 37,269,208 flow-through units at \$0.11 per flow-through unit and 74,992,059 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 a total of \$611,625 and 6,372,730 finders' warrants exercisable for a period of 12 months at \$0.15 per share. The finder's warrants have been recorded at a fair value of \$247,809, which is included in reserves. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.62%, expected life of 1.00 years, expected volatility rate of 71.68% and a dividend rate of 0.00%, The Company incurred and additional \$293,082 in other share issue costs.

During the year ended October 31, 2015 the Company:

- a) completed a non-brokered private for gross proceeds of \$2,030,781, consisting of 7,302,900 flow-through units at \$0.14 per flow-through unit and 10,083,750 common units at \$0.10 per common unit. Each flow-through unit consisted of one common share and one half-warrant, with each whole warrant exercisable for a period of 24 months at \$0.18 per share. Each common unit consisted of one common share and one half-warrant exercisable for a period of 24 months at \$0.15 per share. Finder's fees payable in connection with the financing consisted of a total of \$13,300 and 130,200 finder's warrants. The finder's warrants have been recorded at a fair value of \$4,094, which is included in reserves. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.48%, expected life of 1.00 years, expected volatility rate of 99.24% and a dividend rate of 0.00%.

**4. SHARE CAPITAL AND RESERVES (cont'd...)**

**Other share issuance**

During the period ended January 31, 2016, the Company

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

During the year ended October 31, 2015 the Company:

- a) Issued 7,500,000 common shares and 20,000,000 warrants to Lake Shore pursuant to the amended purchase and sale agreement (Refer to Note 7) valued at \$2,440,352. Each warrant is exercisable for a period of 60 months at \$0.20 per share. The warrants are subject to an acceleration provision if the Company's share trade at or above \$0.40 per share for 20 consecutive trading days. The common shares were valued at \$750,000 and the warrants have been recorded at a fair value of \$1,690,352, which is included in reserves. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.52%, expected life of 5.00 years, expected volatility rate of 120.90% and a dividend rate of 0.00%.
- b) Issued 4,512,301 commons shares for debt relating to services provided on the Red Mountain project, valued at \$676,845.

**Flow Through Premium**

The following is a continuity schedule of the liability portion of the flow-through share issuances:

<b>Balance as of October 31, 2014</b>	\$ -
Flow-through share premium liability	292,116
Settlement of flow through share premium	
Liability pursuant to qualified expenditures	<u>(130,357)</u>
<b>Balance as of October 31, 2015</b>	\$ 161,759
Flow-through share premium liability	945,180
Settlement of flow through share premium	
Liability pursuant to qualified expenditures	<u>(174,511)</u>
<b>Balance as of April 30, 2016</b>	<u>\$932,428</u>

**IDM MINING LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)  
**APRIL 30, 2016**

**4. SHARE CAPITAL AND RESERVES (cont'd...)**

**Stock options and warrants**

Stock option and warrant transactions are summarized as follows:

	Warrants		Stock options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, October 31, 2014	11,672,944	\$ 0.70	3,629,170	\$ 0.54
Granted	28,823,527	0.19	4,155,000	0.10
Forfeited	(8,801,355)	0.75	(545,835)	1.76
Outstanding, October 31, 2015	31,695,117	0.22	7,238,335	0.20
Granted	71,647,364	0.15	-	-
Forfeited	-	-	(37,501)	4.20
Outstanding, April 30, 2016	103,342,481	\$ 0.17	7,200,834	\$ 0.18
Number currently exercisable	93,241,928	\$ 0.17	7,200,834	\$ 0.18

**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

**4. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options and warrants outstanding (cont'd...)**

The following incentive stock options and warrants were outstanding at April 30, 2016:

Number	Exercise price	Expiry date
<b>Stock options</b>		
45,834	2.58	February 1, 2017
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
<b>Warrants</b>		
130,200	0.18	July 2, 2016
1,565,978	0.55	September 19, 2016
738,250	0.50	September 19, 2016
311,111	0.55	October 10, 2016
256,250	0.50	October 10, 2016
3,471,875	0.15	July 2, 2017
80,000	0.18	July 2, 2017
320,000	0.15	July 20, 2017
2,067,500	0.18	July 20, 2017
20,000,000	0.20	July 31, 2020*
1,250,000	0.15	August 13, 2017
1,503,852	0.18	August 13, 2017
555,555	0.10	December 16, 2016
7,676,067	0.14	December 30, 2017
552,939	0.10	December 30, 2016
359,444	0.10	February 1, 2017
56,130,630	0.15	April 27, 2018
6,372,730	0.15	April 27, 2017

\*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 30 days from the date of notice.

**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

APRIL 30, 2016

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**5. RELATED PARTY TRANSACTIONS**

The consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries Storgold Resources Ltd (Canada – Inactive), Revolution Resources (NC) Inc. (USA), Minera Revolution, S.A. de C.V. (Mexico) and Minera Golondrina, (Mexico).

During the six month period ended April 30, 2016, the Company paid or accrued the following amounts as compensation to key management personnel:

- a) Management fees of \$206,000 (2015 - \$127,500) to officers of the Company.
- b) Director fees of \$37,000 (2015 - \$3,000) to non-executive directors of the Company and a company controlled by a director of the Company.
- c) Professional advisory fees of \$25,000 (2015- \$Nil) to a company controlled by a director of the Company.

Included in accounts payable is \$60,250 (October 31, 2015 - \$24,435) due to directors and officers of the Company.

The Company operates from the premises of a group of public and private companies with common directors. 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 \$140,177 (October 31, 2015 - \$140,177) due to a related private company. During the period ended April 30, 2016, the Company paid or accrued \$36,857 (2015 - \$59,194) for office and administrative expenditures.

Falkirk Resource Consultants Ltd, a private company, controlled by a director of the Company that specializes in government affairs, project permitting and environmental assessment and baseline studies provides these services to public and private companies. During the period ended April 30, 2016, the Company paid or accrued \$172,936 (2015 - \$Nil) for services relating to the environmental baseline studies, permitting and government issues associated with the Red Mountain property.

**6. COMMITMENTS**

In February 2016, the Company acquired from Oban its portfolio of properties located in Yukon. As consideration, the Company issued common shares and granted a 1% net smelter royalty over the Yukon properties and certain other rights. Pursuant to the agreement, Oban has been granted the following rights for as long as Oban holds at least 10% of the issued shares of the Company, on a non-diluted basis: Oban will (i) be entitled to nominate one director to be put forward on the management slate of directors at any meeting of the Company's shareholders, (ii) have the right to participate in future equity financings by the Company on a pro-rata basis, and (iii) have a 30 day right of first refusal over any sale of a royalty, royalty buy-back, stream, forward, off-take, gold loan or other agreement involving the sale of a similar interest in products that the Company proposes to enter into from time to time, subject to certain exceptions.

**IDM MINING LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

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**7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions for the period ended April 30, 2016, include the Company:

- a) Included in accounts payable and accrued liabilities as at April 30, 2016 were \$431,568 in expenditures related to exploration and evaluation expenditures.
- b) Issuing 7,481,225 agent warrants with a fair value of \$273,766 as finder's fees in relation to the private placements.
- c) Issuing 7,188,889 common shares valued at \$647,000 and issuing 359,444 finder warrants with a fair value \$5,617 in relation to the acquisition of the Yukon properties.

Significant non-cash transactions for the period ended April 30, 2015, include the Company:

- a) Included in accounts payable and accrued liabilities as at April 30, 2015 were \$1,925,276 in expenditures related to exploration and evaluation expenditures.
- b) Issuing 4,512,301 common shares with a fair value of \$676,845 in settlement of debt.

**8. SUBSEQUENT EVENTS**

- a) In May 2016, the Company granted 10,500,000 stock options to directors, officers, employees and consultants to purchase an aggregate of 10,500,000 common shares of the Company at an exercise price of \$0.19 per share for a five year term expiring May 11, 2021, approved by the shareholders at the annual general meeting held in June 2016.
- b) A total of 872,556 warrants have been exercised for total proceeds of \$147,591.
- c) In June 2016, the Company received approval from its shareholders the for 9,191,460 restricted warrants that were to issued to related parties pursuant to the April 2016 private placement to become effective and exercisable.