



IDM MINING

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED APRIL 30, 2017

**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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

	April 30, 2017	October 31, 2016
ASSETS		
Current		
Cash	\$ 16,574,945	\$ 9,871,063
Short-term investments	17,250	8,625
Receivables	289,115	670,867
Prepaid expenses	109,078	246,044
Marketable securities (Note 3)	6,510,000	-
	<u>23,500,388</u>	<u>10,796,599</u>
Land use deposits	85,400	85,400
Equipment	1,091,591	313,137
Exploration and evaluation assets (Note 4)	<u>26,275,004</u>	<u>19,955,265</u>
	<u>\$ 50,952,383</u>	<u>\$ 31,150,401</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 2,375,854	\$ 3,020,843
Mexican mining taxes and other payables	832,003	832,003
Flow-through premium liability (Note 5)	2,321,694	73,814
	<u>5,529,551</u>	<u>3,926,660</u>
Shareholders' Equity		
Share capital (Note 5)	78,926,375	66,290,507
Reserves (Note 5)	10,226,532	9,166,812
Deficit	<u>(43,730,075)</u>	<u>(48,233,578)</u>
	<u>45,422,832</u>	<u>27,223,741</u>
	<u>\$ 50,952,383</u>	<u>\$ 31,150,401</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 8)

Approved and authorized by the Board on June 29, 2017:

“Robert McLeod”

Director

“Michael McPhie”

Director

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

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

(Unaudited - Expressed in Canadian Dollars)

FOR THE

	Three Months Ended April 30, 2017	Three Months Ended April 30, 2016	Six Months Ended April 30, 2017	Six Months Ended April 30, 2016
GENERAL EXPENSES				
Consulting fees	\$ 8,896	\$ 20,964	\$ 25,946	\$ 40,938
Depreciation	638	1,000	638	2,000
Director fees and expenses (Note 6)	27,390	20,000	59,934	37,000
Foreign exchange loss (gain)	3,581	654	2,861	654
Investor relations and shareholder communication	164,961	25,000	405,309	46,552
Management fees (Note 6)	45,000	121,500	339,800	208,664
Office and miscellaneous	73,275	36,844	143,740	61,691
Professional fees	5,714	94,618	121,032	180,331
Share-based payments (Note 4)	1,021,288	-	1,059,719	-
Transfer agent and filing fees	43,081	21,580	48,938	52,771
Travel	55,250	9,743	69,319	20,909
Wages and benefits (Note 6)	141,918	-	178,756	-
Loss before income (expenses)	(1,590,992)	(351,903)	(2,455,992)	(651,510)
OTHER ITEMS INCOME (EXPENSES)				
Interest Income	5,566	-	8,875	-
Recognition of flow-through premium liability (Note 5)	958,306	145,609	1,032,120	174,511
Unrealized gain from marketable securities (Note 3)	2,460,000	-	2,460,000	-
Gain on sale of exploration and evaluation assets (Note 4)	3,458,499	-	3,458,499	-
Income/(loss) and comprehensive income/(loss) for the period	5,291,379	(206,294)	\$ 4,503,502	\$ (476,999)
Basic and diluted income/(loss) per share	\$ 0.02	\$ (0.00)	\$ 0.01	\$ (0.00)
Weighted average number of common shares				
Outstanding – basic and fully diluted	327,692,858	110,963,950	304,993,488	97,609,356

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

IDM MINING LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTH PERIOD ENDED APRIL 30,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income/(loss) for the period	\$ 4,503,502	\$ (476,999)
Items not affecting cash:		
Depreciation	638	2,000
Share-based payments	1,059,719	-
Recognition of flow-through premium liability	(1,032,120)	(174,511)
Gain on sale of exploration and evaluation assets	(3,458,499)	-
Unrealized gain from marketable securities	(2,460,000)	-
Change in non-cash working capital items:		
Receivables	373,127	(139,365)
Prepays	136,966	(208,808)
Accounts payable and accrued liabilities	(238,752)	462,712
Net cash used in operating activities	<u>(1,115,419)</u>	<u>(534,971)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(7,449,969)	(576,537)
Disposition/(Acquisition) on exploration and evaluation assets	150,000	(1,000,000)
Purchase of equipment	(796,598)	(62,236)
Net cash used in investing activities	<u>(8,096,567)</u>	<u>(1,638,773)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of share capital	16,026,786	13,430,386
Share issuance costs	(110,918)	(1,035,542)
Net cash provided by financing activities	<u>15,915,869</u>	<u>12,394,844</u>
Change in cash during the period	6,703,882	10,221,100
Cash, beginning of period	<u>9,871,063</u>	<u>508,253</u>
Cash, end of period	<u>\$ 16,574,945</u>	<u>\$ 10,729,353</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 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves	Deficit	Total
	Number	Amount			
Balance at October 31, 2015	73,649,652	\$ 44,640,462	\$ 7,222,291	\$ (46,660,037)	\$ 5,202,716
Issued for:					
Private placement	91,465,503	8,231,895	-	-	8,231,895
Flow-through private placement	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	-	(945,180)	-	-	(945,180)
Loss for the period	-	-	-	(476,999)	(476,999)
Balance at April 30, 2016	219,563,052	56,457,743	7,501,674	(47,137,036)	16,822,381
Issued for:					
Private placement	37,982,588	6,457,040	-	-	6,457,040
Flow-through private placement	12,084,129	2,537,667	-	-	2,537,667
Warrants exercised	9,593,081	1,383,277	-	-	1,383,277
Debt settlement	3,750,000	637,500	-	-	637,500
Share issue costs	-	(602,703)	-	-	(602,703)
Share-based payments	-	-	1,568,486	-	1,568,486
Agent warrants	-	(96,652)	96,652	-	-
Flow-through premium	-	(483,365)	-	-	(483,365)
Loss for the period	-	-	-	(1,096,542)	(1,096,542)
Balance at October 31, 2016	282,972,850	66,290,507	9,166,812	(48,233,578)	27,223,741
Issued for:					
Private placement	29,400,000	4,998,000	-	-	4,998,000
Flow-through private placement	41,000,000	10,250,000	-	-	10,250,000
Warrants exercised	5,350,993	778,786	-	-	778,786
Share issue costs	-	(110,918)	-	-	(110,918)
Share-based payments	-	-	1,059,719	-	1,059,719
Agent warrants	-	-	-	-	-
Flow-through premium liability	-	(3,280,000)	-	-	(3,280,000)
Net income for the period	-	-	-	4,503,502	4,503,502
Balance at April 30, 2017	358,723,843	\$ 78,926,375	\$ 10,226,532	\$ (43,730,075)	\$ 45,422,832

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

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 and 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 does not currently have the financial resources to sustain operations in the long-term. The Company believes its current working capital is sufficient to meet its work commitments and general corporate overhead for the next twelve months.

The Company will continue to have to raise funds beyond its current working capital balance in order to continue to advance the Red Mountain property. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

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, 2016.

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, 2016 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.

3. MARKETABLE SECURITIES

As at April 30, 2017, the Company holds 10,500,000 (October 31, 2016 – Nil) common shares of Strikepoint Gold Inc. (“Strikepoint”), a public company listed on the TSX Venture Exchange (*Refer to Note 4*).

The Company has been granted certain anti-dilutions rights for so long as the Company continues to hold at least 9.9% of the issued and outstanding shares of Strikepoint. The Company also has the right, but not obligated, to appoint two members of Strikepoint’s board of directors. The Company has appointed Michael McPhie to Strikepoint’s board of directors.

The Company has classified the marketable securities as fair value through profit and loss and are recorded at fair value using the quoted market price as at April 30, 2017 and are therefore classified as level 1 within the fair value hierarchy.

4. 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, paid \$2,000,000 and incurred \$7,500,000 in exploration and development expenditures. The Company has exercised its option to acquire 100% in Red Mountain gold project and completed the acquisition of the minerals claims and certain other assets in May 2017.

Upon the commencement of commercial production, the Company is required to make an additional one-time \$1,500,000 cash payment to Seabridge, and Seabridge will also retain a gold metal stream on the Red Mountain project to acquire 10% of the annual gold production from the property at a cost of US\$1,000 per ounce up to 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 annual pre-production royalty of \$50,000 (Total pre-production royalty paid to date - \$1,000,000) to Wotan Resources Corp. (“Wotan”). Production from the claims, which contain the Red Mountain gold deposit are subject to two separate royalties aggregating 3.5% net smelter return royalty (Franco-Nevada Corp – 1% and Wotan - 2.5%).

Yukon Properties (YK, Canada)

In February 2016, the Company acquired from Osisko Mining Corporation (“Osisko”) a portfolio of properties located in the 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.

In March 2017, the Company completed the sale of its Yukon portfolio of properties to StrikePoint Gold Inc. (“Strikepoint”) in exchange for consideration \$150,000 in cash and 10,500,000 common shares of StrikePoint with a deemed value of \$4,050,000. The Company recognized a gain on sale of \$3,458,499.

IDM MINING LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

	April 30, 2017		
	Red Mountain	Yukon	Total
Exploration costs:			
Balance, beginning of period	\$ 15,886,558	\$ 34,502	\$ 15,921,060
Project administration	344,804	-	344,804
Baseline studies	416,859	-	416,859
Permitting	1,152,734	-	1,152,734
First Nations and Public Engagement	75,616	-	75,616
Field personnel	972,304	-	972,304
Field equipment maintenance and rental	643,247	-	643,247
Camp	249,055	-	249,055
Drilling	454,996	-	454,996
Assaying	112,516	-	112,516
Fuel	83,315	-	83,315
Geotechnical	8,678	-	8,678
Helicopter	464,764	-	464,764
Hydrogeology	10,677	-	10,677
Metallurgical	506,842	-	506,842
Reports	1,314,038	-	1,314,038
Road Works	106,610	-	106,610
Site Preparation	84,186	-	84,186
Pre-production royalties	-	60,000	60,000
	<u>7,001,241</u>	<u>60,000</u>	<u>7,061,041</u>
Disposal	-	(94,502)	(94,502)
Balance, end of period	<u>22,887,799</u>	<u>-</u>	<u>22,887,799</u>
Acquisition costs:			
Balance, beginning of period	3,387,205	647,000	4,034,205
Disposal	-	(647,000)	(647,000)
Balance, end of period	<u>3,387,205</u>	<u>-</u>	<u>3,387,205</u>
Balance, April 30, 2017	<u>\$ 26,275,004</u>	<u>\$ -</u>	<u>\$ 26,275,004</u>

IDM MINING LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

	October 31, 2016		
	Red Mountain	Yukon	Total
Exploration costs:			
Balance, beginning of period	\$ 4,314,867	\$ -	\$ 4,314,867
Project administration	423,064	-	423,064
Baseline studies	1,115,938	-	1,115,938
Permitting	558,690	-	558,690
First Nations and public engagement	273,947	4,215	278,162
Field personnel	1,606,873	20,397	1,627,270
Field equipment maintenance and rental	1,063,104	-	1,063,104
Camp	1,194,328	-	1,194,328
Drilling	1,440,437	-	1,440,437
Assaying	167,576	-	167,576
Fuel	294,572	-	294,572
Geophysics	-	6,602	6,602
Geotechnical	1,030,385	-	1,030,385
Helicopter	1,524,776	-	1,524,776
Hydrogeology	58,090	-	58,090
Licenses/fees	-	1,205	1,205
Mapping	-	2,083	2,083
Metallurgical	14,695	-	14,695
Reports	475,636	-	475,636
Road works	99,204	-	99,204
Site preparation	230,376	-	230,376
	<u>11,571,691</u>	<u>34,502</u>	<u>11,606,193</u>
Balance, end of period	<u>15,886,558</u>	<u>34,502</u>	<u>15,921,060</u>
Acquisition costs:			
Balance, beginning of period	2,387,205	-	2,387,205
Acquisition costs during the period	<u>1,000,000</u>	<u>647,000</u>	<u>1,647,000</u>
Balance, end of period	<u>3,387,205</u>	<u>647,000</u>	<u>4,034,205</u>
Balance, October 31, 2016	<u>\$ 19,273,763</u>	<u>\$ 681,502</u>	<u>\$ 19,955,265</u>

5. SHARE CAPITAL AND RESERVES

Authorized share capital

As at April 30, 2017, 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 months period ended April 30, 2017, the Company:

- a) completed a non-brokered private placement in March 2017 for total proceeds of \$15,248,000, consisting of 29,400,000 common shares at \$0.17 per share and 41,000,000 flow-through common shares at a price of \$0.25 per flow-through share. The Company incurred \$110,918 in other share issue costs.

During the period ended October 31, 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 \$48,485 and 552,939 finders' warrants exercisable for a period of 12 months at \$0.10 per share. The finder's warrants have been recorded at a fair value of \$13,034, which is included in reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.54%, expected life of 1.00 year, expected volatility rate of 76.08% and a dividend rate of 0.00%

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

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

5. SHARE CAPITAL AND RESERVES (cont'd...)

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

Other share issuances:

During the period ended October 31, 2016, the Company

- a) Issued 7,188,889 common shares to Osisko to acquire the Yukon properties valued at \$647,000. A finder's fee payable connection with the acquisition consisted of a total \$32,350 and 359,444 finders' warrants exercisable for a period of 12 months at \$0.10 per share. The finder's warrants have been recorded at a fair value of \$5,617, which is included in reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 0.62%, expected life of 1.00 year, expected volatility rate of 68.92% and a dividend rate of 0.00%
- b) Issued 3,750,000 commons shares to settle debts relating to past operations on the Mexico Property, valued at \$637,500.

Flow Through Premium Liability:

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

Balance as of October 31, 2015	\$ 161,759
Flow-through premium liability	1,428,545
Settlement of flow through share premium liability pursuant to qualified expenditures	<u>(1,516,490)</u>
Balance as of October 31, 2016	\$ 73,814
Flow-through share premium liability	3,280,000
Settlement of flow through share premium liability pursuant to qualified expenditures	<u>(1,032,120)</u>
Balance as of April 30, 2017	<u>\$ 2,321,694</u>

IDM MINING LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

5. 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, 2015	31,695,016	\$ 0.70	7,238,335	\$ 0.19
Granted	92,777,495	0.14	11,600,000	0.19
Exercised	(9,593,081)	0.14	-	-
Forfeited	(2,883,839)	0.53	(37,501)	4.20
Outstanding, October 31, 2016	111,995,591	0.18	18,800,834	0.19
Granted	-	-	8,800,000	0.15
Exercised	(5,350,993)	0.15	-	-
Forfeited	(1,405,655)	0.15	(45,834)	2.58
Outstanding, April 30, 2017	105,238,943	\$ 0.18	27,555,000	\$ 0.17
Number currently exercisable	105,238,943	\$ 0.18	26,717,500	\$ 0.17

IDM MINING LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

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, 2017:

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 27, 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 2, 2022
1,300,000	0.17	February 9, 2022
Warrants		
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 31, 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**

*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 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 30 days from the date of notice.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2017

5. SHARE CAPITAL AND RESERVES (cont'd...)

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

During the period ended April 30, 2017, the Company granted 8,800,000 (2016 – Nil) stock options with a weighted fair value of \$0.12 (2016 – Nil) per option granted and vested to directors, officers and consultants. Total share-based payments for options vested recognized in the statement of income/(loss) and comprehensive income/(loss) for the period ended April 30, 2017 was \$1,059,745 (2016 - Nil) pursuant to vesting incentive options. This amount was also recorded as reserves on the statement of financial position.

The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the period

	2017	2016
Risk free interest rate	0.61%	-
Expected life of Option	5 years	-
Annualized volatility	118.28%	-
Dividend rate	0.00	-
Forfeiture rate	0.00	-

6. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries Minera Revolution, S.A. de C.V. (Mexico) and Minera Golondrina S.de R.L. de C.V., (Mexico).

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

- a) Salaries and Management fees of \$425,800 (2016 - \$206,000) to officers of the Company.
- b) Director fees of \$48,000 (2016 - \$37,000) to non-executive directors of the Company and companies controlled by directors of the Company.
- c) Share based compensation expense for the period April 30, 2017 includes compensation to directors and offices of \$846,960 (2016 - \$Nil) for stock options vesting during the period.

Included in accounts payable is \$215,796 (October 31, 2016 - \$147,436) due to directors 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 office and administrative services to the Company and various other public companies. Included in accounts payable and accrued liabilities is Nil (October 31, 2016 - \$125,573) due to a related private company. During the period ended April 30, 2017, the Company paid or accrued \$46,045 (2016 - \$36,857) for office and administrative expenditures.

6. RELATED PARTY TRANSACTIONS (cont'd...)

Falkirk Resource Consultants Ltd (“Falkirk”), is a private company, controlled by a director of the Company. During the period ended April 30, 2017, the Company paid or accrued \$338,145 (2016 - \$172,936) to Falkirk for services relating to the environmental baseline studies, permitting and government issues associated with the Red Mountain property.

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

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended April 30, 2017, include the Company:

- a) Including in accounts payable and accrued liabilities as at April 30, 2017 were \$2,158,815 in expenditures related to exploration and evaluation expenditures.
- b) Receiving 10,500,000 common shares values of Strikepoint valued at \$4,050,000.

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

- a) Including in accounts payable and accrued liabilities as at April 30, 2016 were \$461,568 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 issued 359,444 finder warrants with a fair value \$5,617 in relation to the acquisition of the Yukon properties.

8. SUBSEQUENT EVENTS

- a) A total of 375,000 warrants were exercised for total proceeds of \$56,250.
- b) In May 2017, the Company granted a total 200,000 stock options at an exercise price of \$0.15 with an expiry date of May 1, 2022.
- c) In May 2017, the Company completed the acquisition of the minerals claims and certain other related assets comprising the Red Mountain project from Seabridge Gold Inc.. The Company acquired 100% interest, subject to certain underlying agreements and royalties, pursuant to the Option Agreement entered into in April 2014.
- d) On June 26, 2017, the Company announced results from a feasibility study for the Red Mountain Project. Assuming a gold price of US\$1,250 per ounce, an exchange rate of C\$1.00 to US\$0.76 and applying a 5% discount rate, the Red Mountain Project’s base case estimate generates a pre-tax net value of \$155 million and an internal rate of return of 40%.