**(Formerly Revolution Resources Corp.)**

**FORM 51-102F1**
**MANAGEMENT DISCUSSION AND ANALYSIS**
**FOR THE THREE MONTH PERIOD ENDED JANUARY 31, 2015**

## INTRODUCTION

This Management's discussion and analysis ("**MD&A**") reviews the significant activities of IDM Mining Ltd. ("**IDM**" or the "**Company**") and its subsidiaries and compares the financial results for the three month period ended January 31, 2015 (the "**first quarter 2015**") and the comparable period in 2014 (the "**first first quarter 2014**"). This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for first quarter 2015 and the audited consolidated financial statements and accompanying notes for the years ended October 31, 2014, and MD&A's for all relevant periods, 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 March 17, 2015.

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

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 on commenced business at that time. The Company trades on the Toronto Stock Exchange (the "TSX" or "Exchange") 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 the USA. The Company currently has two main projects:

1. The Company signed an option agreement with Seabridge Gold Inc. ("**Seabridge**") to acquire a 100-per-cent interest in the high-grade Red Mountain gold project located near Stewart, B.C.

2. The Company has entered into numerous Option and Purchase and Option and Lease Agreements (the "Agreements") covering an area known as Champion Hills, North Carolina. The various Agreements entitle the Company to acquire up to 100% of the respective properties, subject to the terms of the agreements more particularly described in the consolidated financial statements.

## HIGHLIGHTS AND SIGNIFICANT EVENTS

The following is a summary of significant events and transactions that occurred during, and subsequent to, the first quarter 2015:

- In November 2014, the Company announced that it has advanced the permitting of Red Mountain Gold Project by submitting a Project Description to British Columbia Environment Assessment Office initiating an environmental assessment.

- In November 2014, the Company announced results for step-out holes at the 141 Zone completed as part of the initial surface drilling campaign. The objective of the drilling at the 141 Zone was to target high-grade underground mineralization similar to the resource area and confirm the presence of wide intervals of lower-grade porphyry-style gold mineralization, similar to other large gold deposits in north western BC. Drill hole MC14-03 accomplished both tasks, intersecting 138 meters of 1.41 g/t Au including; 7.5 meters of 10.45g/t Au. Drilling was also completed at the Cambria Zone, Marc Extension Zone and AV Zone. Results from nine additional holes from these areas are currently pending.

- In January 2015, the Company announced that it received results from sampling of un-assayed historic drill core from the 141 Zone at the Red Mountain Gold Project. The objective of the historic drill programs at the time was to target high-grade gold, resulting in many areas of strong alteration and sulphide mineralization remaining un-sampled. The mineralized trend of the of the 141 Zone is subparallel with the resource area including the Marc/AV/JW Zones, spanning a broad area at least 325 meters long by 350 meters wide and is open for expansion in all directions.

- In January 2015, the Company announced that director Aaron Keay had resigned.

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 over the past 12 years by Seabridge, North American Metals Corp. and Banks Island Gold Ltd.

In April 2014, IDM entered into an option agreement with Seabridge granting IDM the right to acquire a 100% interest in the Red Mountain Project, subject to certain underlying royalties and gold streams. To acquire the 100%, IDM must issue 4,955,000 shares (issued), pay $2.0 million over 1.5 years ($1.0 million paid) and incur $7.5 million in exploration and development expenditures over 3 years ($2.5 million per year - $3.8 million incurred to date).

IDM has the right to extend the deadline of the final $2.5 million of exploration and development expenditures by one year upon payment of $250,000 to Seabridge. 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.

During the year ended October 31, 2014, an Independent Technical Report was prepared by JDS Energy & Mining Incorporated and TS Technical Services Ltd., following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1 report, titled "Preliminary Economic Assessment Technical Report, Red Mountain Gold Project, Northwestern, BC, Canada" ("**PEA**"). The report was filed on SEDAR on September 2, 2014 and can be viewed on the SEDAR website, www.sedar.com, and IDM's website www.idmmining.com. This report, which includes a revised resource estimate, was authored by Dunham Craig, P.Geo., Scot Klingmann, P.Eng., Gord Doerksen, P.Eng., and Tom Shouldice, P.Eng. who are independent Qualified Persons as defined under National Instrument 43-101.

The 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 PEA will be realized.

**Red Mountain Preliminary Economic Assessment Results**

A summary of the PEA results based on a US$1,250 per ounce gold price and US$20 per ounce silver price is as follows. Full details are available in the NI 43-101 Technical Report.

***Key Aspects and Assumptions of the PEA Study:***

| Summary of Results | | |
|---|---|---|
| Mine Life | Years | 5.0 |
| Resource Mined | M tonnes | 1.4 |
| Waste Mined | M tonnes | 0.0 |
| Total Mined | M tonnes | 1.4 |
| Strip Ratio | w:o | 0.0 |
| Throughput Rate | Tpd | 1,022 |
| Average Au Head Grade | g/t | 7.25 |
| Average Ag Head Grade | g/t | 24.44 |
| Au Payable | k oz. | 277.0 |
| | k oz./yr | 55.5 |
| Ag Payable | k oz. | 852.0 |
| | k oz./yr | 170.6 |

***Summary Economics:***

| Summary Economics at US$1,250/oz. gold, US$20/oz. Silver | | |
|---|---|---|
| Total LOM Pre-Tax Free Cash Flow | C$ M | $119.4 |
| Average Annual Pre-Tax Free Cash Flow | C$ M | $23.9 |
| LOM Income Taxes | C$ M | $40.1 |
| Total LOM After-Tax Free Cash Flow | C$ M | $79.2 |
| Average Annual After-Tax Free Cash Flow | C$ M | $15.9 |
| Initial Capital Costs (includes 15% contingency) | C$ M | $76.1 |
| Discount Rate | % | 5% |
| Pre-Tax NPV | C$ M | $90.1 |
| Pre-Tax IRR | % | 43.3% |
| Pre-Tax Payback | Years | 1.3 |
| After-Tax NPV | C$ M | $57.6 |
| After-Tax IRR | % | 32.9% |
| After-Tax Payback | Years | 1.5 |
| | US $* | C $ |
| Cash Cost ($/oz.) | 516.23 | 543.40 |
| Cash Cost ($/oz.) Net of By Product* | 454.73 | 478.66 |

**Exchange rate of $1.00 equals US$0.95 was used*

## 2014 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 is the basis for IDM Mining's revised resource estimate below.

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

| Zone | 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) |
| Marc Zone | | | | | |
| Measured | 651,600 | 9.26 | 40.06 | 194,000 | 839,215 |
| Indicated | 10,800 | 9.71 | 30.33 | 3,400 | 10,477 |
| Inferred | 0 | 0.00 | 0.00 | 0 | 0 |
| AV Zone | | | | | |
| Measured | 508,200 | 7.14 | 20.88 | 116,700 | 341,202 |
| Indicated | 283,800 | 7.32 | 21.03 | 66,800 | 191,935 |
| Inferred | 1,800 | 10.96 | 39.50 | 600 | 2,308 |
| JW Zone | | | | | |
| Measured | | | | | |
| Indicated | | | | | |
| Inferred | 331,100 | 7.67 | 12.57 | 81,600 | 133,900 |
| Total Measured & Indicated | 1,454,300 | 8.15 | 29.57 | 380,900 | 1,382,800 |
| Total Inferred | 332,900 | 7.69 | 12.72 | 82,300 | 136,200 |

*3 g/t Au is calculated as the cut-off grade for underground long hole stoping.

This resource estimate utilizes a more robust and conservative geologic model as compared with the previous 2013 NI 43-101 resource estimate for Red Mountain, prepared by Banks Island. Additionally, due to sparse drill density, Inferred Resources from the 141 Zone are not included in the current IDM resource estimate.

The current mineral resource estimate, effective date July 23, 2014, was prepared under the supervision of Dunham Craig, P.Geo. using 3D GEMS block modeling software. Resources were estimated from 206 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 44 g/t Au, and silver top cut to 220 g/t Ag.

Since 2000, Banks Island drilled two additional holes in the Marc Zone of which the QA/QC procedures were not available. The Banks Island holes were entered into the database and their resource effect was estimated. Although they confirmed the 2000 resource estimate well, the net change to the 2000 resource was only a 0.02 g/t Au decrease in the Marc Zone average grade. As this is well within the rounding error and well below the resource estimation accuracy, and due to a lack of available QA/QC data, the Banks Island holes are not included in the current resource estimate.

## Activities in the Current Quarter:

In November 2014, the Company advanced the permitting of Red Mountain Gold Project by submitting a Project Description to British Columbia Environment Assessment Office initiating an environment assessment.

No field work was carried out during the first quarter of 2015 due to winter conditions. Drilling was completed in the fourth quarter of fiscal year 2014. Results from the 2014 initial surface exploration program were released in November 2014 and January 2015.

### 2014 Surface Exploration Work

Surface mapping, along with rock and soil sampling, commenced in mid-June 2014 at Red Mountain. This work targeted known showings, as well as reconnaissance work in new areas.

The McAdam zone is located 3,000 m southwest, and 800 m lower in elevation from the Marc and AV zone resource area. This undrilled prospect hosts multiple en echelon shears and quartz-pyrite-molybdenite veins, ranging from 0.2 to 1.5 m in thickness. Located in steep terrain requiring rope-assisted sampling, 102 chip samples were previously collected by Lac Minerals in 1991. A total of 31 of these historic samples assayed over 1.0 g/t Au, averaging 18.7 g/t Au and 56.1 g/t Ag. Individual channel samples included: 0.2 m averaging 103.8 g/t Au, 1.0 meter averaging 24.7 g/t Au and 0.6 m averaging 57.1 g/t Au. Confirmation sampling by IDM crews of quartz-pyrite-molybdenite veins at McAdam returned assay values ranging from 1.5 g/t Au to 36.7g/t Au. The average of all 42 rock samples collected in the McAdam area is 2.8 g/t Au. The McAdam zone was identified as top priority drill target for IDM's the fall 2014 drill campaign.

A further 700 m southwest of the McAdam zone, in an area of glacial retreat that has uncovered newly exposed areas of outcrop; reconnaissance prospecting has discovered additional new areas of gold mineralization which has been collectively named the Lost Valley prospect. Two grab samples of pyrite +/- quartz stockwork returned 10.5 g/t Au and 2.2 g/t Au, respectively, 50 meters apart. Twelve other reconnaissance grab samples returned low to anomalous precious metal values.

Recent glacial retreat has exposed a large area of previously unexplored outcrop and rubble, south of the McAdam prospect. New exposure of a quartz monzonite stock (Erin stock) has revealed extensive molybdenite mineralization within quartz vein stockwork. This intrusive measures about one square kilometer in area. Of the 106 grab, subcrop and channel samples collected in the Erin stock area, all samples averaged 0.110% Mo. Individual grab samples of molybdenum rich stockwork, with veins typically 0.5 to 10 centimeters wide, included grades of 1.39%, 1.65 and 1.81% Mo. Stockwork and mineralization is typically strongest within a 25 to 50 meter wide area proximal to the quartz monzonite contact with surrounding hornfels, but molybdenite is common throughout the intrusive.

During the 2014 initial surface exploration program, a total of twelve diamond drill holes were completed at Red Mountain, primarily focused on exploration targets outside of the current resource area. Highest priority targets included: the 141 Zone, Cambria & Uxlux Zones and McAdam Zone. The objective of the drilling at the 141 Zone was to target high-grade underground mineralization similar to the resource area and confirm the presence of wide intervals of lower-grade porphyry-style gold mineralization, similar to other large gold deposits in north western BC. Drill hole MC14-03 accomplished both tasks, intersecting 138 m of 1.41g/t Au including; 7.5 meters of 10.45g/t Au. This hole was completed at 202 meters depth and ended in mineralization. Drill hole MC14-02 was completed at a shallower angle from the same pad, and intersected 84 meters averaging 0.80 g/t Au. Drill hole MC14-01, collared 65 meters west of holes MC14-02 and MC14-03, intersected 60.00 meters averaging 1.16 g/t Au.

Step-out drill hole MC14-005 intersected 9.35 meters true width averaging 6.59 g/t Au, including a 1.70 meter interval of 20.0 g/t Au. This is located approximately 15 meters updip from the JW Zone, the third of a series of en-echelon zones comprise the Resource Area at Red Mountain.

Two new zones were discovered through drilling during the 2014 season. Located near the underground decline, the Marc Zone Extension is a historic prospect with high-grade gold from surface trenching. Previous operators placed development rock from underground development over top of this prospect; drilling by IDM at the edge of the waste rock pad collared into gold mineralization, with MCEX14-01 intersecting 5.50 meters averaging 6.16 g/t Au including 2.0 meters averaging 12.92 g/t Au. A second, steeper hole from the same drill pad MCEX14-02 intersected 4.90 meters averaging 1.69 g/t Au. These two intercepts suggest a potential northerly dip to the mineralized zone. Due to the Marc Zone Extensions' close proximity to existing works, this is a priority follow-up area for future drilling.

Five drill holes were completed in the Cambria zone. Significant new areas of massive and semi-massive sulphide were identified during the 2014 field season.. These are newly exposed areas of surface mineralization that were uncovered due to glacial retreat over the past 20 years. The Cambria zone is located 500 meters southeast and on trend with the Marc-AV-JW resource area. Similar to the Marc zone, the Cambria zone hosts a large area of centimeter to several meters wide gold-bearing massive pyrite stockworks and veins. Cut-saw channel samples averaged 10.94 g/t Au over 8.13 meters and 20.31 g/t over 3.40 meters, with mineralization continuing under overburden. Located 150 and meters north of Uxlox within a contiguous north-striking structure, the Wyy Lo'oop Zone is another recently exposed outcropping of massive sulphides. A 3.94 meter long channel sample of massive and semi-massive mineralization assayed 10.6 g/t Au.

Drilling tested 200 meters of strike length, encountering stockwork of massive pyrite and pyrrhotite veins. Discovery drill hole CB14-01 intersected 4.39 meters true width averaging 5.67 g/t Au including 0.93 meters true width averaging 13.50 g/t Au starting at 41.3 meters downhole. Other holes intersected strong sulphide mineralization and anomalous gold values, with the Cambria structure wide open for expansion.

Since acquiring the Red Mountain project, IDM has conducted a sampling program of select drill holes of un-assayed core from drilling completed by Lac Minerals in 1993 and 1994. The objective of the historic drill programs at the time was to target high-grade gold, resulting in many areas of strong alteration and sulphide mineralization remaining unsampled. A total of 68 core samples were submitted, covering un-assayed intervals ranging from 1.0 to 18.2 meters from five holes. Individual samples were typically 1.0 to 1.5 meters in length.

The mineralized trend of the 141 Zone is subparallel with the Resource Area including the MARC/AV/JW Zones, spanning a broad area at least 325 ms long by 350 m wide and is open for expansion in all directions. Infill and step-out drilling is planned for 2015, with the objective of completing an initial NI43-101 resource estimate for the 141 Zone.

## About Red Mountain

Red Mountain is a 14 km$^2$ hydrothermal system, within 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 volcaniclastic rocks and sediments. Many gold mineralized zones occur on the Property, including three mineralized zones with established resource estimates. These mineralized zones have been folded, and are separated by dip-slip fault zones: the Marc, AV and JW zones. They are moderate to steeply dipping, roughly tabular and vary in widths from one to 40 m, averaging about 15 m in thickness. Gold and silver tellurides, and free milling mineralization is associated with stockworks, dissemination and patches of coarse grained pyrite. Alteration facies includes strong quartz-sericite alteration.

Throughout the Property, multiple high-grade areas have been identified through surface sampling and local drilling by previous explorers. Of particular significance, since the vast majority of exploration work was completed on the property during 1996 and prior, glacial retreat has been surrounding known mineralized areas has been very extensive, with up to a kilometer at the south end of the Property. Glacial retreat over the past couple of decades has resulted in discoveries of additional mineralized zones at Seabridge's KSM Project and Pretivm's Valley of the Kings Deposit.

### QA/QC

The 2014 exploration program at Red Mountain included a rigorous Quality Control/Quality Assurance program, overseen by Rob McLeod, P.Geo, President and CEO of IDM, a Qualified Person as defined by NI 43-101. Drill cores were logged and cut in-half using a diamond saw, with one half placed in sealed bags and shipped to Acme Analytical Labs' sample preparation facility in Smithers, BC, with pulps subsequently shipped to Acme's Lab in Vancouver, BC. 10% of all samples submitted include randomly inserted blank material or multiple quality control standards. An additional 10% of samples will be shipped to a third party analytical lab.

Additional technical information on Red Mountain including NI43-101 can be reviewed at www.IDMmining.com and www.sedar.com.

## Champion Hills, North Carolina

All Champion Hills properties are located in the Cid mining district in central North Carolina. The Loflin, Jones Keystone, Hoover Hill and Jerico Hill targets are located in west-central Randolph County. All properties are located within a 35 km trend, approximately 15 km west from the town of Asheboro, NC and 85 km northeast of Charlotte, NC. All properties are privately owned, and are currently under lease/purchase agreements with the Company. The agreements cover approximately 704 acres within the Champion Hills Mineral Trend. Mineral and surface rights are included in all lease/purchase agreements. Certain optional lease payments remain outstanding and past due. The option and purchase agreements are therefore at risk of termination by the property owners.

### Activities during the quarter

Due to working capital restraints, work on these properties is currently on hold.

### 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 under the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects.

## SELECTED QUARTERLY INFORMATION

| | Three Month Period Ended | | | |
|---|---|---|---|---|
| | Jan 31, 2015 | Oct 31, 2014 | Jul 31, 2014 | Apr 30, 2014 |
| | $'000 | $'000 | $'000 | $'000 |
| Total Assets | 7,272 | 7,533 | 11,227 | 15,691 |
| Exploration and Evaluation Assets | 6,168 | 5,997 | 9,734 | 15,590 |
| Working Capital | (2,925) | (2,552) | (1,251) | (1,768) |
| Derivative liability | 3,250 | 4,750 | 5,000 | 1,000 |
| Shareholders' Equity/(Deficit) | 50 | (1,246) | 3,493 | 12,829 |
| Net Income/(Loss) | 1,296 | (6,913) | (14,154) | (270) |
| Net Income/(Loss) per Share | 0.03 | (0.17) | (0.68) | (0.01) |

| | Three Month Period Ended | | | |
|---|---|---|---|---|
| | Jan 31, 2014 | Oct 31, 2013 | Jul 31, 2013 | Apr 30, 2013 |
| | $'000 | $'000 | $'000 | $'000 |
| Total Assets | 15,618 | 15,636 | 17,757 | 15,683 |
| Exploration and Evaluation Assets | 15,420 | 15,140 | 17,088 | 14,762 |
| Working Capital | (1,435) | (970) | 167 | 371 |
| Derivative liability | 875 | 625 | 2.342 | - |
| Shareholders' Equity/(Deficit) | 13,098 | 13,552 | 15,012 | 15,239 |
| Net Loss | (453) | (1,383) | (2,143) | (5,478) |
| Loss per Share | (0.02) | (0.07) | (0.11) | (0.35) |

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, changing levels in capital expenditures, share-based payments, finance charges, 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.

Significant financial items during previous quarters include:

During the quarter ended October 31, 2014, the Company wrote-down the carrying value of the Champion Hills properties and consequently wrote off associated capitalized costs of $$6,634,445. In addition, the Company wrote off expenditures incurred on the Mexican properties of $172,134.

During the quarter ended July 31, 2014, the Company elected to abandon the Montana de Oro Properties and consequently wrote off associated capitalized costs of $9,193,484. The Company also recognized an unrealized loss on the derivative liability of $4,000,000.

During the quarter ended April 30, 2014, the Company entered into the Red Mountain acquisition option agreement. There were no other significant items during the quarter.

During the quarter ended October 31, 2013 the Company recognized an unrealized loss on the derivative liability of $1,625,000. The Company also wrote-off an additional $3,140,588 relating to exploration and evaluation projects the Company has abandoned, of which the majority related to Mexico.

During the quarter ended July 31, 2013 the Company sold its 15% interest in certain mineral licences in Greenland, known as the Storo gold project, for $250,000; executed the purchase and sale agreement on the Mexican properties; and elected to abandon certain additional Champion Hills option agreements and wrote-off the associated capitalized costs of $1,909,067.

During the quarter ended April 30, 2013 the Company elected to abandon the Universo project in Mexico and wrote of the associated capitalized costs of $4,975,464 and elected to abandon certain Champion Hills option agreements and wrote-off the associated capitalized costs of $164,814.

## RESULTS OF OPERATIONS

The net income for the three months ended January 31, 2015 was $1,296,934 compared to a loss of $453,541 for the prior year's comparative figure. The net income included an unrealized gain on derivative liability of $1,500,000 (2014 – Loss of $250,000).

Significant expenditures or movements include management fees $57,603 (2014 - $39,000), investor relations $44,753 (2014 - $2,997), including amortization of $25,000 of prepaid services, office and miscellaneous $31,876 (2014 - $44,773), and professional fees $48,606 (2014 - $39,635). The Company realized an increase in certain general expenses over the comparable period as the restructuring and acquisition of Red Mountain project was completed in the second quarter of fiscal year 2014.

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.

## LIQUIDITY AND CAPITAL RESOURCES

IDM's mineral exploration and development activities do not provide a source of income and the Company therefore has a history of losses, working capital deficiencies and an accumulated deficit. The Company's financial success is dependent on management's ability to raise money and to discover economically viable mineral deposits. Given the nature of the Company's business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's valuation.

As at January 31, 2015 the Company has a working capital deficit of approximately $2.9 million. Included in accounts payable and accrued liabilities is $1.8 million relating to operations in Mexico. Of this, $1.4 million relates to Mexican mining property taxes (holding costs) required to keep the properties in good standing. The Company has abandoned all properties in Mexico, is in the process of winding up operations in Mexico and is working with certain vendors to settle outstanding payables with respect to the Mexican operations. Subsequent to the quarter, the Company has reached settlement agreements to issue 4,512,299 common shares in payment for services rendered to the Company by several arms-length service providers over the past twelve months at a deemed price of $0.15 per common shares. This transaction is subject to final regulatory approval. After taking into account these transactions, the Company working capital deficit is estimated to be approximately $400,000.

***Operating Activities***: The Company does not generate cash from operating activities. Net cash used by the Company for operating activities for the three months ended January 31, 2015 was $26,554 compared to $250,124 for the period ended January 31, 2014. The prior comparable period investing activities provided $68,703 as a result of short-term investments being drawn upon.

***Investing Activities***: Net cash used by the Company in investing activities on exploration and evaluation assets for three months ended January 31, 2015 was $218,894 (2014 - $60,672). During the three month period ended January 31, 2014, the Company transferred $129,375 from short-term investments to cash.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money from equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

The condensed consolidated interim financial statements for the three months ended January 31, 2015 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

## OUTLOOK

The Company will continue to evaluate financing alternatives to fund the ongoing development of the Red Mountain and ongoing administrative and overhead expenses. While the Company has been successful in the past raising funds, there can be no assurance that the Company will succeed in obtaining additional financing, now or in the future.

Dependent on the amount of financing raised, the Company plans to proceed with development of the Red Mountain project, proceed through the permitting process, complete environmental, engineering and feasibilities studies, continue to consult with the public and First Nations.

## OFF-BALANCE SHEET ARRANAGEMENT

At January 31, 2014, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

## PROPOSED TRANSACTIONS

As at the date of this report, unless disclosed elsewhere in this document, there are no proposed transactions.

## OUTSTANDING SHARE DATA

As at the date of this report, the Company had an unlimited number of common shares authorized for issuance with 44,250,701 common shares issued and outstanding.

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

| | Number | Exercise price | Expiry date |
|---|---|---|---|
| **Stock Options** | 100,000 | $ 3.00 | April 27, 2015 |
| | 37,501 | 4.20 | February 15, 2016 |
| | 45,834 | 2.58 | February 1, 2017 |
| | 2,850,000 | 0.24 | July 3, 2019 |
| | 150,000 | 0.30 | October 10, 2019 |
| **Warrants** | 663,789 | $ 0.75 | April 2, 2015 |
| | 750,000 | 4.50 | October 18, 2015 |
| | 7,186,071 | 0.36 | September 13, 2015* |
| | 142,828 | 0.55 | September 19, 2015 |
| | 42,000 | 0.55 | October 10, 2015 |
| | 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 |

***** These warrants are subject to an accelerated expiry in the event that the Company's common shares trade at a closing price greater than $0.55 per share for a period of 20 consecutive trading days. The Company 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.

## 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, S. de R.L. de C.V (Mexico).

During the three months January 31, 2015, the Company paid or accrued the following amounts as compensation to key management personnel:

a) Management fees of $50,000 (2014 - $39,000) to Robert McLeod, CEO and a director of the Company of which $Nil (2013 - $Nil) was capitalized to exploration and evaluation assets.

b) Professional fees of $15,000 (2014 - $Nil) to Falkirk Global Management, a company controlled by Mike McPhie, an executive director of the Company.

c) Professional fees of $11,250 (2014 - $Nil) to Susan Neale, an officer of the Company

d) Professional fees of $Nil (2014 - $22,500) to Red Fern Consulting Ltd, a company controlled by Jonathan Richards, a former officer of the Company.

e) Director fees of $3,000 (2014 - $Nil) to non-executive directors.

Included in accounts payable is $55,790 (October 31, 2014 - $105,126) 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 $147,243 (October 31, 2014 - $174,326) due to McLeod Williams Capital Corp, a related private company. During the three month period ended January 31, 2015, the Company paid or accrued $20,978 (2014 - $21,216) for office and administrative expenditures and $Nil (2014 - $62,324) for geological consulting.

A private company controlled by Aaron Keay, a former director of the Company provides management and professional services to public companies. During the three month period ended January 31, 2015, the Company paid or accrued $Nil (2014 - $6,000) for accounting services.

## CRITICAL ACCOUNTING ESTIMATES

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

For a complete discussion of critical accounting estimates, refer to the Company's annual 2014 Management Discussion and Analysis.

## FINANCIAL INSTRUMENTS

Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The carrying value of short-term investments, receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The derivative liability is measured at fair value using a level 2 fair value measurement. The Company calculates the fair value of the derivative liability based on the company's share price.

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

## RISKS AND UNCERTAINITIES

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.

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2014 Annual Information Form, located on SEDAR at *www.sedar.com*.

## Evaluation of Disclosure Controls and Procedures

*Disclosure Controls and Procedures*

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related condensed consolidated interim financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. Management has used the Committee of Sponsoring Organizations of the Treadway Commission 1992 framework to evaluate the effectiveness of our internal control over financial reporting. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding requiring disclosure.

*Internal controls over Financial Reporting*

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, ("IFCR") or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company`s management is satisfied that the Company has adequate financial expertise, has conducted appropriate planning and research, has performed appropriate review and has involved the board of directors and audit committee to provide reasonable assurance over the reliability of financial reporting in the transition period.

During the period ended January 31, 2015, management had established a process to coordinate communication internally, as well as to regularly consult with legal counsel to remediate a material weakness identified in the prior period. Management has conclude that the material weakness has been remediated. There were no other changes in the operations or controls, which materially affected, or are reasonably likely to materially affect the Company`s internal control over financial reporting during the period.

*Limitations of Controls and Procedures*

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND STAEMENTS

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 mineral properties in British Columbia, Canada, and North Carolina, USA, 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.