



**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2017**

INTRODUCTION

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

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 April 3, 2017.

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

Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website at www.idmmining.com.

DESCRIPTION OF BUSINESS

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

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

HIGHLIGHTS AND SIGNIFICANT EVENTS

The following is a summary of highlights and significant events that occurred during the period ended January 31, 2017 and up to the date of this MD&A:

- In January 2017, the Company updated its NI 43-101 compliant resource estimate for the Red Mountain Project to include the results from the additional drilling completed during 2016. This revised estimate yielded a 32% increase in contained Measured & Indicated ("M&I") gold ounces and an increase in average grade from 8.36 grams per tonne ("g/t") to 8.75 g/t. The January 2017 resource update for the Project has a resource of 2,074,700 tonnes in the M&I category averaging 8.75 g/t gold and 25 g/t silver for 583,700 ounces of gold and 1,655,700 ounces of silver with an additional 324,700 tonnes in the Inferred category, averaging 6.21 g/t gold and 10.0 g/t silver, for 64,800 ounces of gold and 105,500 ounces of silver.
- In February 2017, the Company granted a total of 7,500,000 stock options at an exercise price of \$0.15 with an expiry date of February 1, 2022 and 1,300,000 stock options at an exercise price of \$0.17 with an expiry date of February 9, 2022 to certain directors, officers and consultants of the Company.
- In March 2017, the Company completed a private placement with Osisko Gold Royalties Ltd ("Osisko Royalties") for total proceeds of \$15,248,000. Osisko Royalties purchased 29,400,000 common shares at a price of \$0.17 per share and 41,000,000 flow-through common shares at a price of \$0.25. The shares are subject to a four month hold period that will expire on July 8, 2017.
- In February 2017, Mr. Duncan Middlemiss, P.Eng., President and CEO of Wesdome Gold Mines Ltd., was appointed a director.
- In March 2017, the Company mobilized to Red Mountain for its Spring 2017 Phase 1 underground exploration and resource expansion drilling program. It is anticipated that the Phase 1 program will consist of 8,000 meters of core drilling in approximately 35 holes, using two diamond drills.
- In March 2017, the Company completed the sale of its portfolio of properties located in the Yukon to StrikePoint Gold Inc. ("Strikepoint") in exchange for \$150,000 in cash and 10,500,000 common shares of StrikePoint. In addition, StrikePoint will be required to incur \$1,500,000 in exploration expenditures on the Yukon Properties by December 31, 2017 and to pay any deficiency to the Company in cash.
- On March 31, 2017, the British Columbia Environmental Assessment Office ("EAO") approved the Application Information Requirements ("AIR") for the proposed Red Mountain Underground Gold Project. The AIR specifies the information that must be contained in the application for an Environmental Certificate/Environmental Impact Statement.

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

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

Upon the commencement of commercial production, the Company will make an additional one-time payment of \$1.5 million to Seabridge. Seabridge will also retain a gold metal stream on the Red Mountain Project, allowing Seabridge to acquire 10% of the annual gold production from the property at a cost of US\$1,000 per ounce up to a maximum of 500,000 ounces produced (50,000 to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of \$4.0 million at the commencement of production in exchange for the buy-back of the gold metal stream.

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

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

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

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

Red Mountain Updated Preliminary Economic Assessment Results

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

- Base case economics utilize a gold price of US\$1,250 per ounce and silver price of US\$15 per ounce and an exchange rate of C\$1.00 equals US\$0.80.
- The pre-tax base case economics indicate a Net Present Value (NPV) of \$133.1 million at a 5% discount rate with an Internal Rate of Return (IRR) of 42.4% and a 1.9 year payback of initial capital.
- The after-tax base case economics indicate a NPV of \$86.6 million at a 5% discount rate with an IRR of 32.3% and a 2.0 year payback of initial capital.
- Due to the wide nature of the mineralized zones, the majority of the deposit is amenable to bulk underground longhole mining methods. The project utilizes a year round design processing rate of 1,000 tonnes per day ("tpd") and underground mining rate of 1,500 tpd for 8 months per year.
- Average life of mine head grade is 7.00 g/t Au and 21.5 g/t Ag
- Life of project direct operating cost is estimated at US\$488 per ounce of gold recovered. Net of the silver by-product, costs drop to US\$446 per ounce.
- Initial capital costs are estimated at CAD\$111.2 million, which includes a 10% contingency.
- The economic model assumes base case gold recovery rates ranging from 90.1% to 88.0% for gold and 84.6% to 76.0% for silver, depending on the mineralized zone.
- Average annual payable production has increased by 25% over the 2014 PEA to 70,000 ounces of gold and 194,000 ounces of silver.
- Mine life is estimated at 5 years with a 15 to 18 month pre-production period.
- Opportunity to reduce project capital costs include sourcing used mining and processing equipment and possible sharing of infrastructure costs for the road and powerline with an established independent power producer looking to develop a run-of-river hydroelectric project adjacent to the proposed mill site location.
- Opportunity to increase potentially mineable ounces through the conversion of additional inferred resource by way of infill drilling and through immediately proximal exploration efforts.

Key Aspects and Assumptions of the 2016 PEA Study:

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

Summary Economics:

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

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

*Sensitivities**Metal Price Sensitivity:*

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

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

Discount Rate Sensitivity:

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

Summary of Operating Costs

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

2017 Resource Estimate

Numerous resource estimates were completed from 1989 to present. During 2000, North American Metal Corp (“NAMC”) conducted a detailed review of all data, relogged all core within a 20 m envelope of the mineralized material within the Marc, AV and JW zones and reviewed all exploration holes for potential inclusion into the resource. An extensive quality control and quality assurance (“QA/QC”) review was completed on all exploration work and a comparative analysis was performed on drill hole data, underground bulk sampling and geology. The 2000 NAMC resource was reviewed, cross checked and verified for accuracy in May 2014 and was the basis for IDM Mining’s 2014 initial resource estimate. In 2016, the Company updated the resource to include the results of the additional drilling that was completed by the Company in 2014 and a revised geological interpretation which resulted in extensions of multiple previously defined zones as well as the inclusion of mineral resources in two new zones (the “April 2016 Resource Estimate”). In January 2017, the Company updated the April 2016 Resource Estimate incorporating results from drilling completed during the 2016 program. The resource estimate is as follows:

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

Deposit	Tonnage	In situ Gold Grade	In situ Silver Grade	In situ Contained Gold	In situ Contained Silver
	(tonnes)	g/t	g/t	(Troy ounces)	(Troy ounces)
MEASURED					
MARC	682,000	10.62	38.33	232,800	840,500
AV	519,400	7.73	20.03	129,100	334,500
JW	44,600	10.11	13.21	14,500	19,000
INDICATED					
Marc	32,200	9.69	32.61	10,100	33,800
AV	236,300	9.07	19.25	68,900	146,300
JW	314,200	8.54	17.98	86,300	181,600
141	188,600	4.91	11.1	29,700	67,300
Marc FW	18,100	6.15	12.05	3,600	7,000
Marc Outliers	4,200	3.43	16.77	500	2,300
NK	10,700	5.58	7.57	1,900	2,600
JW Lower	24,300	8.15	26.58	6,400	20,800
TOTAL MEASURED & INDICATED	2,074,700	8.75	24.82	583,700	1,655,700
INFERRED					
MARC	4,500	10.43	43.35	1,500	6,200
AV	43,300	8.13	15.39	11,300	21,400
JW	111,700	6.78	7.39	24,400	26,500
141	15,100	4.67	4.69	2,300	2,300
Marc FW	12,600	5.12	6.38	2,100	2,600
Marc Outliers	7,300	6.54	27.36	1,500	6,400
NK	7,300	5.98	9.05	1,400	2,100
JW Lower	2,000	13.94	9.26	900	600
AV Lower	42,500	5.55	6.05	7,600	8,300
132	78,700	4.73	11.51	12,000	29,100
TOTAL INFERRED	324,700	6.21	10.11	64,800	105,500

*3 g/t Au is calculated as the cut-off grade for underground long hole stoping. Totals may not add due to rounding

The mineral resource estimate, effective date January 23, 2017, was prepared by Dr. Gilles Arseneau, P. Geo, and Andrew Hamilton, P. Geo, using 3D GEMS block modeling software. Resources were estimated from 538 surface and underground drill holes in 4 by 4 by 4 m blocks by ordinary kriging and anisotropic search ellipsoids designed to fit the geology. Grade estimates were based on capped 1.5 m composited assay data. Gold values used in the interpolation runs were top cut to 55 g/t gold, and silver top cut to 220 g/t silver

2016 Fiscal Year and First Quarter 2017 Activities

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

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

Trade –Off Studies and 2016 PEA

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

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

In July 2016, the Company announced the results of its 2016 PEA (refer to “*Red Mountain Updated Preliminary Economic Assessment Results*”). The 2016 PEA includes the alternate mill and TMF location, as well as the April 2016 Resource Estimate and current metal prices, foreign exchange rates, capital and operating costs.

A Feasibility Study for the Red Mountain Project is currently underway, with results expected in second quarter of calendar year 2017.

Metallurgy

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

Resources

Underground drilling during 2016 included infill drilling and primarily targeted the AV and JW zones, with the objective of potentially upgrading Inferred Resources to Measured and Indicated classification. Additionally, 25 meter spaced step-out underground and surface drill holes were completed at all of the major zones, the minimum spacing required for Indicated Resource classification at the Red Mountain deposit. In January 2017, the Company announced an updated Resource Estimate at a 3.0 g/t Au cut-off representing an increase from the April 2016

Resource Estimate by 142,200 oz Au and 275,900 oz Ag in the Measured & Indicated categories. Resources in the inferred category decreased by 42,700 oz Au and 48,200 oz Ag (refer to “2017 Resource Estimate” for the updated mineral resources for the Red Mountain project).

Tailings Management and Design

An extensive site investigation program of overburden and geotechnical core drilling (14 holes totalling 616 meters), mapping and lab testing was performed at the proposed Bromley Humps tailings site during 2016. Design work for the tailings management facility is underway and will be completed to environmental assessment (“EA”) and relevant BC Mines Act standards, which can be more detailed than feasibility-level design. The Company has been working closely with regulators, Nisga’a Nation, on the TMF design and assessment of alternatives, including incorporating Best Available Technology (BAT) into all aspects of the Project.

Underground Geotechnical and Hydrogeology

During the 2016 field season, SRK Consulting gathered extensive surface, underground and drill core geotechnical data, supplemented by historical work at Red Mountain. Ground conditions at Red Mountain are excellent: minimal ground support was previously required during the construction of the five by five meter decline in the early 1990s, and minimal work was needed by the Company during the 2016 underground rehabilitation work. SRK is also modeling groundwater hydrology and chemistry. Significant but manageable melt water inflows were encountered during the 2016 summer months in the underground workings, and a water management plan will be included in the feasibility study.

Surface Exploration

In July 2016, the Company initiated a comprehensive surface program of mapping and sampling, including targeting new areas of the 17,000 hectare property that have been recently been exposed by rapid glacial melts. As a result, the Company identified a new, extensive zone of multiphase veining and shearing, hosting high-grade, intrusive-related, gold-silver molybdenum mineralization, in an area known as the “Lost Valley” within the Project area. Surface trenching, in August 2016, discovered a high grade zone at Lost Valley, named the Anda`dala`a Lo`op Zone (Nisga’a Nation language for “money rock”); 33 meter long trench averaging 18.7g/t Au and 61.4 g/t Ag over 0.84 meters. In September 2016, a further strongly mineralized structure was located less than 100 m to south of and stacked above, the Anda`adala`a Zone, named the Randell Zone. A hand trench was excavated, and a continuous 9.35 meters long channel sample of the subcrop averaged 22.2 g/t Au and 81.3 g/t Ag. A total of 509 surface rock samples were collected during the 2016 program.

Permitting and Baseline Studies

The Company is advancing the Project through the provincial and federal Environmental Assessment (“EA”) process. In February 2016, the Company received a Section 11 Order for the Project from the BC EAO. The Section 11 Order outlines the scope, requirements, processes and methods of the EA, as well as the public and Aboriginal consultation procedures. Further in January 2016, the Canadian Environmental Assessment Agency (“CEAA”) issued the guidelines for an environmental assessment of the Project.

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

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

An environmental baseline study program in support of the EA and permitting process began in the spring of 2014 and is ongoing. Baseline studies to date include: surface and groundwater quality, hydrology and hydrogeology,

climate, geochemical studies, archeological assessments, geohazards assessments, fisheries and wildlife studies. Following the completion of the 2016 spring, summer and fall sampling and monitoring program, the baseline environmental studies are expected to be sufficient to meet provincial and federal guidelines, and the data will be incorporated into the provincial and federal EA and project permit applications.

First Nations Engagement

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

YUKON PROPERTIES

In February 2016, the Company acquired Osisko's portfolio of Yukon Properties. As consideration, the Company issued 7,188,889 shares and granted a 1% net smelter royalty over the properties and certain other rights to Osisko. The properties are subject to certain other underlying royalties.

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

QA/QC

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

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

QUALIFIED PERSON

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

SELECTED QUARTERLY INFORMATION

	Three Month Period Ended			
	31-Jan-17	31-Oct-16	31-Jul-16	30-Apr-16
	\$'000	\$'000	\$'000	\$'000
Total Assets	28,834	31,150	20,732	20,517
Exploration and Evaluation				
Assets	22,735	19,955	12,654	9,189
Working Capital	3,391	6,870	4,338	7,518
Derivative liability	0	0	0	0
Shareholders' Equity/(Deficit)	26,522	27,224	17,143	16,822
Net Income/(Loss)	(788)	(330)	(1,427)	(206)
Net Income/(Loss) per Share	(0.00)	(0.00)	(0.01)	(0.00)

	Three Month Period Ended			
	31-Jan-16	31-Oct-15	31-Jul-15	30-Apr-15
	\$'000	\$'000	\$'000	\$'000
Total Assets	9,634	7,402	7,146	6,649
Exploration and Evaluation				
Assets	7,891	6,702	6,299	6,178
Working Capital	(730)	(1,554)	(1,524)	(2,408)
Derivative liability	0	0	-	2,750
Shareholders' Equity/(Deficit)	7,215	5,203	4,660	1,071
Net Income/(Loss)	(271)	947	(1,222)	232
Income/(Loss) per Share	(0.00)	0.00	(0.02)	0.00

The variability in IDM's net loss over the last the eight quarters resulted primarily from the abandonment and write-off of certain mineral properties, share-based payments, finance charges, recognition of flow-through premium, and office and administrative expenses. Changing levels in capital expenditures expenses and general and administrative costs fluctuate independently according to exploration activities and corporate activities including shareholder communication.

RESULTS OF OPERATIONS**For the three months ended January 31, 2017**

The Company's net loss for the three months ending January 31, 2017 was \$787,877 or \$0.00 per share compared to a net loss of \$270,705 or \$0.00 for the prior year's comparative figure.

Significant expenditures or movements include management fees of \$294,800 (2016 - \$87,164), office and miscellaneous \$70,465 (2016 - \$24,847), professional fees of \$115,318 (2016 - \$85,713) and investors relations and shareholder communications \$240,348 (2016 - \$21,552). Overall total expenditures were higher as result of increased level of activity relating to investor relation, marketing, financial and professional advisory services relating to corporate transaction.

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.

Investing Activities

Net cash used by the Company in investing activities on exploration and evaluation assets for the three months ended January 31, 2017 was \$4,547,781 (2016 - \$1,179,025).

Financing Activities

During the three months ended January 31, 2017, the Company received proceeds of \$47,725 (2016 - \$2,581,488) from the issuance of shares and paid share issuance costs of \$Nil (2016 - \$98,485).

Off-Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Related Party Transactions

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

During the three months ended January 31, 2017, the Company paid or accrued the following amounts as compensation to key management personnel:

- a) Management fees of \$138,300 (2016 - \$48,000) to Linus Geological Ltd, a company controlled by Robert McLeod, an officer and director of the Company of which \$Nil (2016 - \$Nil) was capitalized to exploration and evaluation assets.
- b) Management fees of \$99,000 (2016 - \$15,000) to Falkirk Resource Consultants Ltd, a company controlled by Michael McPhie, an executive director of the Company.
- c) Management fees of \$57,500 (2016 - \$22,500) to Susan Neale, an officer of the Company
- d) Director fees of \$21,000 (2016 - \$17,000) to non-executive directors.

Included in accounts payable is \$375,521 (October 31, 2016 - \$147,436) due to directors, officers and companies controlled by directors and officers of the Company.

The Company operates from the premises of a group of public and private companies with a common director. Certain companies provide geological consulting and office and administrative services to the Company and various other public companies. Included in accounts payable and accrued liabilities is \$133,155 (October 31, 2016 - \$125,573) due to McLeod Williams Capital Corp, a related private company. During the three months ended January 31, 2017, the Company paid or accrued \$21,750 (2016 - \$18,942) for office and administrative expenditures.

Falkirk Resource Consultants Ltd, a private company controlled by Michael McPhie, that specializes in government affairs, project permitting and environmental assessment and baseline studies provides these services to public and private companies. During the three months ended January 31, 2017, the Company paid or accrued \$159,115 (2016 - \$58,231) for these services relating to the environmental baseline studies, permitting and governmental affairs associated with the Red Mountain property.

Subsequent Events

- a) A total of 7,500,000 stock options with an exercise price of \$0.15 with an expiry date Feb 1, 2022 and 1,300,000 stock options with an exercise price of \$0.17 with an expiry date of February 9, 2022 were granted to certain directors, officers, employees and consultants. A total of 45,834 stock options expired unexercised.
- b) In February 2017, the Company completed a private placement with Osisko Gold Royalties Ltd ("Osisko Royalties") for total proceeds of \$15,248,000. Osisko Royalties purchased 29,400,000 common shares at a price of \$0.17 per share and 41,000,000 flow-through common shares at a price of \$0.25.

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

- c) In March 2017, the Company completed the sale of its Yukon portfolio of properties to Strikepoint.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash and Financial Condition

As at January 31, 2017, the Company had a working capital of approximately \$3.5 million. Included in the working capital is the \$0.8 million relating to amounts owing in Mexico for the mining property taxes (holding costs) required to keep the properties in good standing. The Company has abandoned all properties in Mexico and is in the process of winding up operations in Mexico.

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

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

Financial Instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of short-term investments, receivables, prepaid expenses, accounts payable and accrued liabilities and Mexican mining taxes and other payables approximate their fair value because of the short-term nature of these instruments.

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

OUTLOOK

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

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

Environmental baseline, engineering and socioeconomic studies and community engagement is ongoing. The Company intends to file the Project EA application with the provincial and federal regulators in the second quarter of calendar year 2017. This will initiate a 30-day review of the Project EA application for completeness. Once that is confirmed, the formal review will be initiated. Current expectations are the EA process should be completed in first quarter of calendar year 2018.

In addition, the Company has mobilized crews to the Project to initiate its spring 2017 phase I underground drilling program. It is anticipated that the phase I program will consist of 8,000 meters in approximately 35 holes, using two underground diamond drills. The objective of phase I is to expand mineralization to the north of the JW zone, following up on wide and high-grade historic intercepts. Additionally, drilling will step-out both up-dip and down-dip from the AV and JW zones, where mineralization can be traced for hundreds of meters from 2016 and historic drill intercepts, often with stacked, gently dipping mineralized zones.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had an unlimited number of common shares authorized for issuance with 353,850,102 common shares issued and outstanding.

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

	Number	Exercise price	Expiry date
Stock Options	2,850,000	0.24	July 3, 2019
	150,000	0.30	October 10, 2019
	1,230,000	0.11	April 27, 2020
	2,925,000	0.10	October 28, 2020
	10,500,000	0.19	May 11, 2021
	350,000	0.23	July 19, 2021
	750,000	0.19	August 26, 2021
	7,500,000	0.15	February 1, 2022
	1,300,000	0.17	February 9, 2022
	<u>27,555,000</u>		
Warrants	6,257,172	0.15	April 27, 2017
	3,121,875	0.15	July 2, 2017
	80,000	0.18	July 2, 2017
	320,000	0.15	July 20, 2017
	2,067,600	0.18	July 20, 2017
	1,503,852	0.18	August 13, 2017
	2,138,739	0.25	October 4, 2017
	6,596,067	0.14	December 30, 2017
	50,419,519	0.15	April 27, 2018
	18,991,291	0.25	October 4, 2018*
	20,000,000	0.20	July 31, 2020**
	<u>111,496,115</u>		

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

RISKS AND UNCERTAINTIES

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

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS

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

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

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

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