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IDM Mining Announces Investment by Delbrook Capital and Lake Shore Gold and Restructured Agreement with Lake Shore Gold

June 16, 2015, Vancouver, BC – IDM Mining Ltd. (TSX:IDM) (“IDM” or the “Company”) is pleased to announce that Delbrook Capital Advisors Inc. (“Delbrook”) and Lake Shore Gold Corp. (“Lake Shore”) have committed to invest a combined total of \$1.4 million in Common Share Units and Flow-Through Units under the Private Placement previously announced by the Company on May 19, 2015 (the “Private Placement”). As a result of these major investments, IDM will increase the size of the Private Placement to raise aggregate gross proceeds of up to \$2.5 million (see below – Private Placement).

In addition, IDM has entered into an agreement (the “Letter Agreement”) with Lake Shore to amend a Purchase and Sale Agreement dated January 2013 (the “PSA”) relating to the acquisition of certain legacy properties located in Mexico. On completion of the transactions contemplated under the Letter Agreement, IDM will eliminate its future financial obligation to Lake Shore and significantly improve its financial position.

Both the Delbrook and Lake Shore investments and the Letter Agreement represent major positive steps forward for IDM, and will help to position the Company for success as it advances its high-grade advanced stage Red Mountain gold project in BC.

“The significant investment from Delbrook will allow IDM to advance permitting and exploration this season,” stated Michael McPhie, the Company’s Executive Chairman. “We are also very pleased to have reached an agreement with Lake Shore and to welcome them as an investor. We are particularly pleased both groups share our excitement and vision for the potential of Red Mountain.”

“Over the past year the Company has been working diligently to resolve historical liabilities and adapt our business plan to the current market environment. Today’s announcement is a step forward in executing on these objectives. This is a pivotal time for the Company as it advances the Red Mountain project through the permitting process and towards a construction decision. We look forward to working with Delbrook and Lake Shore as major shareholders.”

Lake Shore Letter Agreement and Investment

In 2013, IDM entered into the PSA (replacing a previous Option Agreement) with Lake Shore to acquire a large portfolio of exploration properties in Mexico. In 2014, the Company determined that advancing these properties was no longer feasible due to both market conditions and the cost of holding the properties. As a result, the Company initiated the process of selling these properties and winding up its Mexican subsidiaries. Under the terms of the PSA, IDM remained liable for a \$5.0 million cash or share payment (at IDM’s election, and subject to a maximum of 25 million common shares) to Lake Shore on or before December 31, 2017. In an effort to improve IDM’s financial position, focus the Company on Red Mountain, resolve historical liabilities, and address shareholder concerns, IDM entered into negotiations with Lake Shore to amend the PSA.



Under the terms of the Letter Agreement, the Company and Lake Shore have agreed to the following:

- Lake Shore to subscribe for \$250,000 or 2,500,000 of Common Share Units under the terms of the Private Placement;
- IDM to issue 7,500,000 common shares to Lake Shore;
- IDM to issue 20,000,000 common share purchase warrants to Lake Shore. Each warrant will entitle Lake Shore to acquire one common share at a price of \$0.20 for a period of 60 months following the issuance of the warrants. The warrants will be subject to an acceleration provision if the Company's shares trade at or above \$0.40 per share for 20 consecutive trading days; and
- Lake Shore shall have the right, for so long as it holds common shares of the Company representing not less than 9.9% of the issued and outstanding common shares of the Company, but not the obligation, to nominate one director to the board of directors of the Company.

After giving effect to the transactions contemplated in the Letter Agreement and assuming that approximately 22 million Units are issued in the Private Placement it is anticipated that Lake Shore will have approximately an 18.43%⁽¹⁾ interest in the Company, including Lake Shore's current holdings.

The closing of the transactions are subject to completion of final documentation and receipt of approval from the Toronto Stock Exchange, including shareholder approval.

Delbrook Investment

Delbrook has committed to purchase \$1.0 million, or 7,142,857 in Flow-Through Units, and \$150,000, or 1,500,000 Common Share Units, in the Private Placement. Delbrook is a Vancouver-based alternative investment manager that focuses on the identification of catalyst driven investment opportunities in the natural resource sector. After giving effect to the transactions contemplated by the Letter Agreement and assuming that 14.5 million units are issued in the Private Placement (excluding the 2.5 million units to be acquired by Lake Shore pursuant to the Letter Agreement and the additional 5 million units anticipated to close at the second meeting of shareholders) it is anticipated that Delbrook will have approximately a 19.3%⁽²⁾ interest in the Company, including Delbrook's current holdings.

Private Placement

IDM announced in May that the Company was arranging a non-brokered private placement offering to sell flow-through share units ("Flow-Through Units") at a price of \$0.14 per Flow-Through Unit and common share units ("Common Share Units") at a price of \$0.10 per Common Share Unit, for aggregate gross proceeds of up to \$2.0 million ("First Tranche"). As a result of the major investment by Delbrook and Lake Shore, the Company is increasing the size of the Private Placement to raise aggregate gross proceeds of up to \$2.5 million.

Each Common Share Unit shall consist of one common share of the Company (a "Common Share") and one-half of one non-transferable share purchase warrant, with each such whole warrant entitling the holder thereof to acquire one Common Share at a price of \$0.15 per



Common Share for a period of twenty-four (24) months following the closing of the Private Placement.

Each Flow-Through Unit shall consist of one flow-through common share and one-half of one non-transferrable share purchase warrant, with each whole warrant entitling the holder thereof to acquire one non flow-through Common Share in the capital of the Company at a price of \$0.18 per Common Share for a period of twenty-four (24) months following the closing of the Private Placement.

The warrants issued in the Private Placement will not be listed for trading.

Annual General and Special Meeting

The Company's Annual General and Special meeting will be held on June 30, 2015. At the meeting the Company will be seeking approval from its shareholders for the First Tranche of the Private Placement and Delbrook's investment. The Company expects to seek approval of the issuance of securities to Lake Shore pursuant to the Letter Agreement and the Second Tranche of the Private Placement at a subsequent meeting of its shareholders in July, 2015.

ABOUT RED MOUNTAIN

IDM Mining is currently earning an option to acquire a 100% interest in the 17,125 hectare Red Mountain property, located 15 kilometers northeast of Stewart, BC. Numerous precious and base metal targets have been identified by IDM and previous operators over a 15 km by 4 km trend of strong alteration and mineralized prospects. Since discovery in 1989, in excess of \$40 million has been spent on the Project including a production sized underground ramp.

IDM announced positive results from a NI 43-101 PEA and revised Resource Estimate completed by JDS Energy & Mining Ltd. for Red Mountain (see IDM news release dated July 23, 2014 and the technical report entitled "Red Mountain Gold Project" dated September 3, 2014 which is available on SEDAR and the Company's website).

At a 3.0 g/t Au cutoff, Measured and Indicated Resources from the Marc and AV Zones at Red Mountain are 1,454,300 tonnes averaging 8.15 g/t Au and 29.57 g/t Ag totaling 380,900 oz Au and 1,382,800 oz Ag. Inferred Resources from the Marc, AV and JW Zones are 332,900 tonnes averaging 7.69 g/t Au and 12.72 g/t Ag totaling 82,300 oz Au and 136,200 oz Ag.

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 there is no certainty that the preliminary economic assessment will be realized. Robert McLeod, P.Geo, President and CEO of IDM Mining Ltd. and a Qualified Person as defined by NI 43-101, has reviewed and approved the technical information contained within this release.

ABOUT IDM MINING LTD.

IDM Mining Ltd. is a mineral exploration company (TSX: IDM) based in Vancouver, BC, Canada. The Company's current exploration activities are focused on precious metals in British Columbia. Further information can be found on the Company's website at www.IDMmining.com.



ON BEHALF OF THE BOARD
of IDM Mining Ltd.

“Robert McLeod”

President, CEO and Director

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- (1) Lake Shore's interest on a partially diluted basis is approximately 36% and on fully diluted basis approximately 29%
- (2) Delbrook's interest on a partially diluted basis is approximately 26% and on a fully diluted basis approximately 17%

Forward-Looking Statements: *Some statements in this news release contain forward-looking information or forward-looking statements for the purposes of applicable securities laws. These statements include, among others, statements with respect to resource estimates and potential mineralization, the PEA, including estimates of capital and sustaining costs, anticipated internal rates of return, mine production, estimated recoveries, mine life, estimated payback period and net present values, the Private Placement and the transactions contemplated by the Letter Agreement and other plans and objectives of IDM. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others and in addition to those described elsewhere in this release, inability to obtain required approvals or to satisfy closing conditions in respect of the Private Placement or the transactions contemplated in the Letter Agreement, delays in obtaining or inability to obtain required government or other regulatory approvals, permits or financing, the risk of unexpected variations in mineral resources, grade or recovery rates, of failure of plant, equipment or processes to operate as anticipated, of accidents, labor disputes, and unanticipated delays in completing other development activities, the risk that estimated costs will be higher than anticipated and the risk that the proposed mine plan and recoveries will not be achieved, equipment breakdowns and bad weather, the timing and success of future exploration and development activities, exploration and development risks, mineral resources are not as estimated, title matters, third party consents, operating hazards, metal prices, political and economic factors, competitive factors and general economic conditions. In making the forward-looking statements, the Company has applied several material assumptions including, but not limited to, the assumptions that: required approvals will be obtained and closing conditions will be satisfied in respect of the Private Placement and the transactions contemplated in the Letter Agreement, required approvals, permits and financing will be obtained; the proposed exploration and development will proceed as planned; with respect to mineral resource estimates, the key assumptions and parameters on which such estimates are based; that the proposed mine plan and recoveries will be achieved, that capital costs and sustaining costs will be as estimated, and that no unforeseen accident, fire, ground instability, flooding, labor disruption, equipment failure, metallurgical, environmental or other events that could delay or increase the cost of development will occur, and market fundamentals will result in sustained metals and minerals prices. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.*