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## **IDM Mining Closes Private Placement for \$9 Million**

**October 4, 2016, Vancouver, BC – IDM Mining Ltd. (TSX:IDM)** (“IDM” or the “Company”) is pleased to announce that it has closed its previously announced private placement co-led by Paradigm Capital Inc. and Medalist Capital Ltd. (the “**Co-Lead Agents**”), and including Haywood Securities Inc. and Red Cloud Klondike Strike Inc. (together with the Co-Lead Agents the “**Agents**”) for CAD\$8,994,707 (the “**Offering**”), which includes the exercise by the Agents of their option to sell an additional 20% of the Offering. The Offering was upsized on September 12, 2016 due to strong demand.

The Company issued 37,982,589 units (the “**Units**”) at \$0.17 each for gross proceeds of \$6,457,040 and 12,084,129 flow-through shares (the “**Flow-Through Shares**”) at \$0.21 each for gross proceeds of \$2,537,667. Each Unit is comprised of one common share (a “**Common Share**”) of the Company and one half of one common share purchase warrant, each whole warrant (a “**Warrant**”) entitling the holder thereof to acquire one Common Share of the Company at a price of \$0.25 for a period of 24 months from the date of closing of the Offering. In the event that the share price on the TSX-Venture Exchange closes at or above \$0.37 for a period of 20 consecutive trading days, the Company may provide holders of the Warrants with a notice of expiry, 30 days after which the Warrants will expire.

The proceeds from the Offering will be primarily used for additional resource expansion drilling, exploration and permitting at the Red Mountain project (“**Red Mountain**”) as well as work towards the completion of a feasibility study for Red Mountain and for general corporate and working capital purposes. Gross proceeds from the Flow-Through Shares will be used to incur “Canadian exploration expenses” that will also qualify as “flow-through mining expenditures”.

The securities issued in the Offering are subject to a four month hold period that will expire on February 5, 2017.

Certain insiders of the Company participated in the private placement, therefore the Offering is considered a related party transaction and is exempt from the formal valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 in reliance on the exemptions set forth in sections 5.5(a) and (b) and 5.7(1)(a) of MI 61-101. The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

The Company paid to the Agents a total of \$385,745 and 2,138,739 non-transferrable compensation options. Each compensation option entitles the holder to purchase one Common Share at a price of \$0.25 for a period of twelve months.

### **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 \$45 million has been spent on the Red Mountain property including a production sized underground ramp.

**About IDM Mining Ltd.**

IDM Mining Ltd. is mineral exploration and development company (TSX-V:IDM) based in Vancouver, BC, Canada. The Company's current 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 has entered the BC and Canadian environmental assessment process. Further information can be found on the Company's website at [www.IDMmining.com](http://www.IDMmining.com).

ON BEHALF OF THE BOARD of IDM Mining Ltd.

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**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 the use of proceeds from the Offering, proposed exploration and development activities and their timing, 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, 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 regulatory approvals 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.