



IDM Mining Updates Continued Engineering Advancement for the Red Mountain Gold Project and EA/EIS Review Status

March 20th, 2018, Vancouver, BC – IDM Mining Ltd. (TSX.V:IDM) (OTCQB:IDMMF) (“IDM” or the “Company”) is pleased to provide an Engineering and Development update on the Red Mountain Gold Project (“Red Mountain” or the “Project”), located 15 km east of Stewart, B.C., as well as an update on the ongoing B.C. provincial Environmental Assessment (“EA”) and federal Environmental Impact Statement (“EIS”) review processes.

During the EA and EIS review, IDM’s engineering team and consultants continue to advance the Value Engineering Phase of predevelopment for Red Mountain. This work has primarily focused on enhancing economics, quantifying and de-risking the Project, and defining scope through the completion of additional engineering and various trade-off studies. During the past few months, emphasis has been on: metallurgy and processing, road design, geohazards, and powerline interconnection with BC Hydro. These studies are in addition to previously announced engineering updates, which includes options for underground mine design, since the completion of the 2017 Feasibility Study (“FS”).

“While the Red Mountain Project continues to advance through the review periods under the BC Environmental Assessment Act and Canadian Environmental Assessment Act, the engineering team continues to optimize all components of the proposed mine,” said Robert McLeod, President and CEO of IDM Mining. *“The Value Engineering phase continues to reduce Project risk and identify potential opportunities to enhance Red Mountain’s economics. We are on-track to be one of the few near-term, high-grade underground development projects in North America.”*

The EA and EIS review includes respectful, thorough and ongoing consultation with Nisga’a Nation, as well as over 50 regulatory members.

“The Red Mountain Project is moving well through the EA and EIS review processes as anticipated,” stated Michael McPhie, Chair of IDM Mining. *“With only a few issues left to resolve, and all of those being easily addressed in the near term, we expect both the provincial and federal environmental assessment processes to be completed this summer and fall. Permitting a mine is never an easy endeavour, but at Red Mountain we have a modern, well-designed, highly-economic project that has tremendous support locally and positive working relationships with Nisga’a Nation and the Province of BC. We look forward to completing these final steps in a timely manner and potentially proceeding ahead with development.”*

Information pertaining to the environmental assessment for the Red Mountain Underground Gold Project can be viewed on the BC Environmental Assessment Office’s website at <https://projects.eao.gov.bc.ca/p/red-mountain-underground-gold/detail> and on the Canadian Environmental Assessment Agency’s website at <http://www.ceaa.gc.ca/050/details-eng.cfm?evaluation=80093>.

ENGINEERING UPDATE

Metallurgy & Processing

IDM engaged ALS Metallurgy Kamloops to complete additional fine-grinding (“Signature Plot”) test work to verify energy requirements and operational costs associated with a secondary grinding mill to treat Red Mountain ore. The testing confirmed the required specific energy to achieve a K₈₀ of 25 µm to be



approximately 20.9 kWhr/tonne, which has no impact on the sizing of the vertical stirred mill included in the 2017 FS.

In Q4 2017, IDM engaged Ausenco Engineering Canada (“Ausenco”) to complete an audit of the 2017 FS metallurgical test work, manage additional flotation testing and complete multiple trade-off studies with the objective of optimizing and de-risking processing design.

Ausenco’s audit of the 2017 FS metallurgical test work verified the work carried out by JDS Energy & Mining Inc. (“JDS”) met all requirements for a feasibility study level design and identified opportunities for further evaluation. This audit was preceded by an earlier audit conducted by BBA Inc. in October 2017, which recommended that an alternative flotation-regrind-leach (“FRL”) flowsheet be tested and compared to the 2017 FS whole ore leach (“WOL”) flowsheet. Ausenco managed the metallurgical test work required to evaluate the FRL flowsheet, which was conducted at BaseMet Labs (“BML”), located in Kamloops, BC (results discussed below).

In addition to the evaluation of the FRL flowsheet, a comprehensive metallurgical study was developed to determine the optimal WOL parameters. The additional WOL test work results were positive and within the ranges expected of gold and silver recoveries, as outlined in the FS.

Infrastructure

In November 2017, IDM engaged Mining Plus Engineering Canada Ltd. and PHC Inc. to advance the lower portal design in preparation for BC *Mines Act* Permitting. During the summer of 2017, three geotechnical core holes were completed at the proposed lower portal location. A level of design required for EA and EIS level of review has been submitted to regulators.

Power

IDM continues to work with BC Hydro to evaluate the proposed interconnection point and peak load requirements for the Project, with the grid located approximately 14 km to the east of the proposed Red Mountain mill site. BC Hydro completed a System Impact Study (“SIS”), verifying that it is technically feasible to supply the Project with the anticipated connected load. Following the SIS, BC Hydro commenced work on the SIS Conceptual Design phase required to produce a conceptual level estimate (+100%/-35%).

IDM has had discussions with BC Hydro to initiate the Basic Transmission Extension (“BTE”) design and Facilities Study phase required to produce a preliminary budget estimate (+15%/-10%). IDM remains on schedule for potential Project energization date in H2 2019.

IDM engaged Allnorth Consultants Ltd. (“Allnorth”), in partnership with BC Hydro, to conduct an energy efficiency feasibility study for the Project. The energy efficiency feasibility study is funded by BC Hydro and evaluates opportunities to reduce Project energy requirements. Through the initial phase of the study, several opportunities have been identified to reduce energy requirements and enhance Project economics. IDM anticipates completing the energy efficiency feasibility study in Q2 2018.

Access & Haul Road

IDM continues to work with Onsite Engineering Ltd. (“Onsite”) to advance the Access and Haul Road design to incorporate snow management and to meet detailed engineering requirements necessary for BC *Mines Act* permitting. During the 2017 field season, all required field studies, including surveying and



materials testing, were completed throughout the entire road route from Highway 37A to the lower portal location. Currently, a wider haul road at a reduced grade is being contemplated, potentially using articulated rock trucks rather than highway trucks for haulage from the mine site to the mill.

Avalanche Mitigation & Geohazards

IDM engaged Alpine Solutions Avalanche Services (“ASAS”), Knight Piesold Ltd. and PHC to conduct detailed mapping and risk analysis of avalanches and geo-hazards, including rock slides, debris slides, debris flood hazards, rock slumps and rock fall.

Additional dynamic run-out modeling and mitigation planning will be incorporated into BC *Mines Act* permitting level designs.

VALUE ENGINEERING UPDATE

WOL vs. FRL Trade-Off Study

The 2017 FS metallurgical optimization study was based on the results of the test work completed at BML. The final flowsheet included: three stages of crushing followed by two stages of grinding to target a grind size of 80% passing (P_{80}) 25 μm , followed by carbon-in-leach (“CIL”), acid wash, stripping and electrowinning for the recovery of gold and silver doré. Based on the 2017 FS mine plan, overall recoveries for Red Mountain averaged 90.9% for gold and 86.3% for silver.

IDM engaged Ausenco to complete a trade-off study to evaluate flotation-regrind-leach (“FRL”) as an alternative flowsheet to WOL based on the BBA test work audit recommendations to potentially improve Project economics.

On average, both the gold and silver recoveries for FRL were significantly reduced when compared to WOL. Gold deportment analysis of flotation gold identified fine gold associated with gangue minerals, which are unlikely to float by conventional sulphide flotation methods.

Following recovery analysis, the size and capital costs was estimated, as well as operating costs at a +/- 30% level of accuracy. Capital costs for the FRL flow sheet were estimated to be approximately \$1.64 million lower than WOL due a smaller secondary grinding mill and CIL circuit. However, the operating cost estimation for FRL was estimated to be \$17.3 million higher over the life-of-mine compared to WOL, primarily due to higher reagent consumption during the leaching process after floatation.

Based on the test work performed and capital and operating cost estimates completed, IDM has concluded that WOL is the preferred flowsheet, confirming this method as recommended in the Feasibility Study.

Leach Residency Trade-Off Study

The 2017 FS concluded that a 48-hour cyanide leach residency time was recommended to maximize gold and silver recovery. The Company engaged Ausenco to complete a trade-off study comparing the capital costs associated and incremental recoveries associated with 48-hour vs. 24-hour leach residency time.

Test work revealed potential to reduce residency time for the Marc and JW Zones; however, the reduced retention time resulted in reduced gold and silver recoveries for the AV Zone. Based on the slower leaching kinetics for the AV zone, it was determined that 48-hour leach residency time is preferred, as



outlined in the FS. However, there may be an opportunity to potentially defer initial capital, should there be a change in the sequencing of the various zones.

Fine Grinding Trade-Off Study

The 2017 FS recommended a vertical stirred mill (“Verti Mill”) for the secondary grinding technology to target a product P_{80} of 25 μm . Ausenco completed a trade-off study, incorporating the results of the Signature Plot test work to confirm the mill sizing and evaluated alternatives based on technical capabilities, layout requirements, maintenance requirements, capital costs and operating costs. In addition, an evaluation of recently commissioned fine-grinding gold mills was completed to determine operational performance, including: Isamills, VXPmills and HIGmills; many recent gold mining operations have shown excellent performance using these various technologies.

IDM will continue to evaluate fine-grinding mill alternatives through receiving vendor pricing quotes, optimizing plant throughput, evaluating optimal feed sizes, evaluating performance metrics and referrals from operating mines.

Process Plant Throughput Trade-Off Study

IDM engaged Ausenco to evaluate the connected and operating power requirements to increase plant throughput from 1,000 tonnes per day (“tpd”) to 1,200 tpd. The study concluded that the power requirements for an increase to 1,200 tpd are within the limitations provided by BC Hydro during the SIS.

Environmental & Permitting Update

Provincial Environmental Assessment Certificate

The Project commenced the 180-day legislated Application Review period under the BC *Environmental Assessment Act* on November 1, 2017. To date, IDM has received and responded to review comments from the technical working group co-led by the BC Environmental Assessment Agency (EAO) and the Canadian Environmental Assessment Agency, which includes the participation of Nisga’a Nation (as represented by Nisga’a Lisims Government) and regulatory agencies. IDM has also responded to feedback from community members and stakeholders during the public consultation period (November 14 to December 14, 2017).

On March 12, 2018, IDM requested a 30 to 45-day temporary suspension of the Application Review period from EAO to allow for final resolution of outstanding technical comments and information requests.

On March 13, 2018, EAO granted the temporary suspension, effective on day 134 of the 180-day Application Review period, which will resume once the final issues have been resolved. Following the conclusion of the Application Review period, EAO will finalize their assessment report and submit recommendations to the Minister of Environment & Climate Change Strategy and the Minister of Energy, Mines & Petroleum Resources. IDM anticipates receiving the Environmental Assessment Certificate (“EAC”) in Q3 2018.

Federal Environmental Impact Statement

The Project is also subject to a coordinated review by the Canadian Environmental Assessment Agency under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012). On December 22, 2017, IDM received supplementary information requests on the EIS, pausing the federal timeline on day 122 of the



federal legislated timeline. IDM is working with the Canadian Environmental Assessment Agency to finalize remaining information requests and align on responses in advance of recommending the federal review timeline. IDM anticipates receiving federal approval in Q4 2018.

QA/QC AND QUALIFIED PERSON

Engineering work at Red Mountain is performed under the supervision of Ryan Weymark, P.Eng, Vice President of Project Development for IDM Mining Ltd. and a 'Qualified Person' under NI 43-101. Mr. Weymark has reviewed and approved the technical content of this release.

About IDM and Red Mountain

IDM Mining Ltd. is an exploration and development company based in Vancouver, BC, Canada focused on advancing the Red Mountain Gold Project towards production. The 17,125 hectare Red Mountain Gold Project is located in northwestern BC, 15 km northeast of the mining town of Stewart. In 2017, IDM announced the results of a positive Feasibility Study for a high-grade, underground gold mine, which includes primarily bulk underground mining methods and the production of gold doré on site. The Project is advancing through the provincial and federal Environmental Assessment processes, with comprehensive, thorough, and ongoing consultation with Nisga'a Nation. The Project is currently in the Application Review phase of the BC Environmental Assessment Office and the Canadian Environmental Assessment Agency.

Additional information, including the Company's NI 43-101 Technical Reports for the Red Mountain Gold Project, are available at www.idmmining.com and at www.sedar.com.

ON BEHALF OF THE BOARD
of IDM Mining Ltd.

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