

IDM MINING LTD. RED MOUNTAIN UNDERGROUND GOLD PROJECT Community Newsletter

ISSUE 1 - SUMMER 2016

Welcome

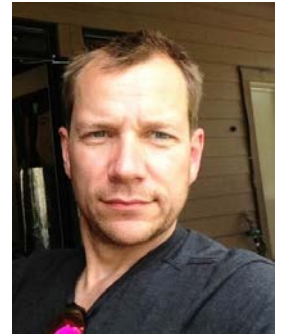
to IDM's first RED MOUNTAIN
Community Newsletter!

Our newsletters are for sharing information and updates with you regarding the Red Mountain Underground Gold Project. We want to ensure that you have the information necessary to provide comments and feedback to us during the continued exploration, development, and advancement of the Project.

ABOUT US

We are IDM Mining Ltd., a Canadian, publically traded company based in Vancouver and listed on the TSX.V. IDM is led by Stewart-raised Rob McLeod and is developing the Red Mountain Underground Gold Project, an underground gold and silver mine in the Bitter Creek Valley. The gold and silver resources of the Project are our core assets and primary focus.

GETTING TO KNOW OUR PRESIDENT & CEO!



Hello, I'm Rob McLeod, and I was born and raised in Stewart. I'm a geologist by profession and the President & CEO of IDM. In addition to managing the overall operations of IDM, my role is to lead our team in making decisions around the strategy and direction of the company.

My job is great because I get to put my knowledge of the geology in the Stewart area towards the bigger picture. I initially worked at Red Mountain as a Junior Geologist with Lac Minerals in the early 90's, and I've always believed in the potential of this property to be a great project for communities in northwest BC, including Stewart and the Nisga'a Villages. It's exciting for me to see this Project grow from the ground up! The best days at work for me are when I get share my enthusiasm for the geology of this region with others.



ABOUT RED MOUNTAIN

The **Red Mountain Underground Gold Project** is a proposed underground gold and silver mine located in the Bitter Creek Valley, approximately 18 km northeast of Stewart. The Project also lies within the Nass Wildlife Area, as set out in the Nisga'a Treaty. Based on the current proven resource, the mine will have a lifespan of between five to seven years. Underground mining is proposed to take place approximately eight months per year, stopping for seasonal closure during the winter months. Mineral processing will take place all year round.

Locals may already be familiar with Red Mountain, as exploration has taken place on the property since 1989 under various owners, including Lac Minerals, Royal Oak Mines, and Seabridge Gold.

The proposed Project facilities include underground mine development, mineral processing facilities, including a 1,000 tonne per day mill, waste management facilities, water management facilities, and structures and infrastructure to support mine operations, such as a warehouse, mine dry facilities, site offices, an assay lab, maintenance shop, and sewage and septic works. Currently, the site is only accessible by helicopter. To create ground access to the site, we plan to restore the Bitter Creek access road that was previously decommissioned by Royal Oak and subsequently washed out by the flooding in 2012.

During the construction and operation of the Project, Red Mountain employees will be encouraged to live in Stewart and commute to site each day. There will be no on-site accommodation during the construction or operation of the Project. We are interested in hearing suggestions from you about ways to encourage workers from the Nisga'a Villages and local communities to work at the Project, too.



RED MOUNTAIN & NISGA'A

We are actively engaging with the Nisga'a Nation, as represented by the Nisga'a Lisims Government, on all aspects of exploration and environmental assessment activities related to the Project. Respecting the Nisga'a Treaty always guides our Project planning and decision-making. We enjoy learning about Nisga'a's culture and Treaty rights, and look forward to continuing to work together as the Project progresses.



WHERE ARE WE IN THE EA PROCESS?

Red Mountain commenced the environmental assessment (EA) process in November 2015.

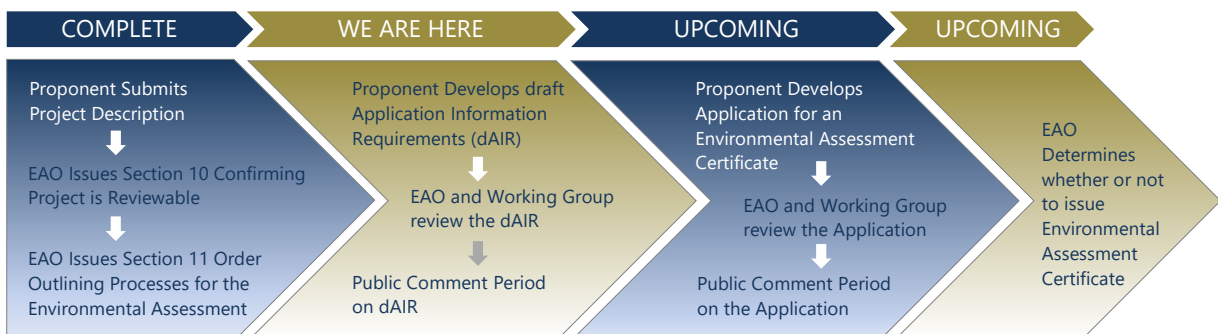
Prior to applying for permits to build and operate a mine, IDM is required to go through the EA process. Both the Canadian Environmental Assessment Agency (CEAA) and the BC Environmental Assessment Office (EAO) undertake this process, and the Project must receive approval from both agencies in order for the Project to proceed. The EA process examines the environmental, economic, social, heritage, and health effects of proposed projects.

An assessment of any potential effects of the Project on the economic, social, and cultural well-being of Nisga'a citizens will also be conducted through the EA and protection requirements outlined in Chapter 10 of the Nisga'a Treaty.

Red Mountain is in the Pre-Application Phase of the EA process. We are working with our independent environmental consultants, Nisga'a Nation, and provincial and federal regulators to ensure that all necessary and relevant studies and information are identified.

Public participation in the EA process is provided through public comment periods and public open houses. EAO will hold two public comment periods and two open houses during Red Mountain's EA. The open houses provide an opportunity for us to meet you in person, answer any questions you have, and hear your feedback. IDM will advertise the dates and times of the open houses at least seven days in advance in the newspaper and other local media. We will also post the information on the Project website (redmountainproject.com). Keep an eye out for it!

The first public comment period will be on the draft Application Information Requirements (AIR). The draft AIR is important because it outlines all of the information that will be presented in the Project's Application for an Environmental Assessment Certificate (EAC). The draft AIR will be developed in close consultation with Nisga'a Nation and provincial and federal regulators. You have the opportunity to review and comment on it, too, during the public comment period. The draft AIR will be posted on EAO's website (listed below) and will be available in hard copies at various locations during the public comment period.



FOLLOW RED MOUNTAIN IN THE EA PROCESS

If you are interested in learning more about Red Mountain's EA, all of the documents are available at the following sites:
EAO's Project Information Centre: <http://www.eao.gov.bc.ca/> | CEAA's Environmental Assessment Registry: www.ceaa-acee.gc.ca/050/index-eng.cfm

SUMMER 2016 AT RED MOUNTAIN



This summer, we will be on the ground at Red Mountain to conduct further mineral and geotechnical exploration. We are working with Stewart-based More Core Drilling Services to conduct the drilling and with Matrix Aviation Solutions to run the small exploration camp.

We are also conducting additional, detailed environmental baseline studies in the Bitter Creek Valley to learn more about the water, wildlife, fish, and vegetation around Red Mountain. The information from

these field studies will help us to develop management plans and mitigation measures that will help to avoid or minimize the potential environmental effects of the Project.

WHAT'S NEXT FOR RED MOUNTAIN?



Following the busy summer season, we will continue to work through the environmental assessment (EA) process.

When the draft Application Information Requirements (AIR) has been revised in response to feedback from the public, Nisga'a Nation, government agencies, and other stakeholders, BC Environmental Assessment Office (EAO) will finalize the document as the official AIR. Using that final AIR as a template, IDM will prepare and submit its Application for an Environmental Assessment Certificate

(EAC). You'll have a chance to review and comment on the Application for an EAC through the second public comment period.

WHAT CAN YOU EXPECT FROM US?



IDM is committed to developing open dialogue with the residents of Stewart, the Nisga'a Villages, and northwest BC. We will provide you with transparent information about Red Mountain, and will be accountable, honest, and timely in responding to your questions and concerns.

Red Mountain is a local project, and we want to work collaboratively with you to better understand and integrate your community's priorities, feedback, and concerns into Project planning, decision-making, and implementation.

