

APPENDIX 28-A

Public Consultation Report

RED MOUNTAIN UNDERGROUND GOLD PROJECT



PUBLIC CONSULTATION REPORT #2

September 2017



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ACRONYMS AND ABBREVIATIONS

Relevant acronyms and abbreviations used in this document have been listed here. Terminology used in this document is defined where it is first used.

Acronym	Abbreviation
Application	Application for an Environmental Assessment Certificate
BC	British Columbia
BCEAA	<i>BC Environmental Assessment Act</i>
CEAA 2012	<i>Canadian Environmental Assessment Act, 2012</i>
dAIR	draft Application Information Requirements
EA	Environmental Assessment
EAO	BC Environmental Assessment Office
EPIC	EAO's electronic Project Information and Collaboration website
IDM	IDM Mining Ltd., the Proponent
km	Kilometre
masl	Metres above sea level
NGO	Nisga'a Guide Outfitting LP
Project	Red Mountain Underground Gold Project
RDKS	Regional District of Kitimat-Stikine
Section 11 Order	Order under Section 11 of BCEAA
VC	Valued Component

1 INTRODUCTION

IDM Mining Ltd. (IDM), the Proponent, proposes to develop and operate the Red Mountain Underground Gold Project (the Project), an underground gold mine in the Bitter Creek valley, located approximately 15 km northeast of Stewart, in northwest British Columbia (BC). The Project will extract high-grade gold and silver ore to be processed on-site.

The proposed Project requires an environmental assessment (EA) under the *BC Environmental Assessment Act* (BCEAA) and the *Canadian Environmental Assessment Act, 2012* (CEAA 2012). The Project is also within the Nass Area and the Nass Wildlife Area and is therefore subject to the relevant requirements of the Nisga'a Final Agreement.

The BC Environmental Assessment Office (EAO) issued an order under Section 11 of BCEAA (the Section 11 Order) outlining the required EA process for the proposed Project. This Public Consultation Report has been prepared in compliance with paragraph 16 (Proponent Reporting) of the Section 11 Order.

1.1 Purpose of the Public Consultation Report

Pursuant to the Section 11 Order, IDM is required to provide the EAO Project Assessment Lead with Public Consultation Reports that are consistent with the approved Public Consultation Plan on file for the proposed Project.

Paragraph 16.1 of the Section 11 Order states that IDM must submit a Public Consultation Report to the Project Assessment Lead at the following times:

- Within 30 days of the close of a public comment period;
- At the time of submission of the Application for an Environmental Assessment Certificate (the Application); and
- At any other time specified by the Project Assessment Lead.

IDM submitted the first Public Consultation Report, dated March 2017, following the close of the EAO-led public comment period on the draft Application Information Requirements (dAIR). That report documents IDM's consultation efforts from the start of consultation up to November 25, 2016.

This Public Consultation Report is the second report prepared by IDM and is being submitted at the time of the submission for the Application. This Report summarizes IDM's public consultation efforts from November 26, 2016, to September 15 2017.

The Public Consultation Plan and all of IDM's Public Consultation Reports are available on EAO's electronic Project Information and Collaboration (EPIC) website:

<https://projects.eao.gov.bc.ca/p/red-mountain-underground-gold/detail>

The activities described in this Report may be inclusive of Aboriginal Groups or individuals; however, these activities are not considered part of the formal Aboriginal consultation process. Consultation and communication activities specific to Aboriginal Groups are described in the Project's Aboriginal Consultation Plan, dated May 2016, and Aboriginal Consultation Reports, which are all available on EAO's EPIC website.

1.2 The Proposed Project

The proposed Project will include the development of:

- A new portal at approximately 1,500 metres above sea level (masl), as well as the use and extension of the existing portal at approximately 2,000 masl;
- A mineral processing facility with a capacity of 1,000 tonnes per day;
- Waste management facilities, including:
 - Temporary waste rock storage area;
 - Tailings management facility with a capacity of up to 2 million tonnes;
- Water management facilities;
- Surface warehouse and mine dry facilities;
- Concrete batch plant (Construction Phase only);
- 34 kilovolt Powerline and step-down facilities;
- Site offices and assay lab;
- Sewage and septic works;
- Surface maintenance shop for heavy equipment and machinery; and
- An Access Road extending approximately 25 kilometres (km) from Highway 37A to the Project site, including 12 km of new access connecting the previous access road, which terminates at Otter Creek.

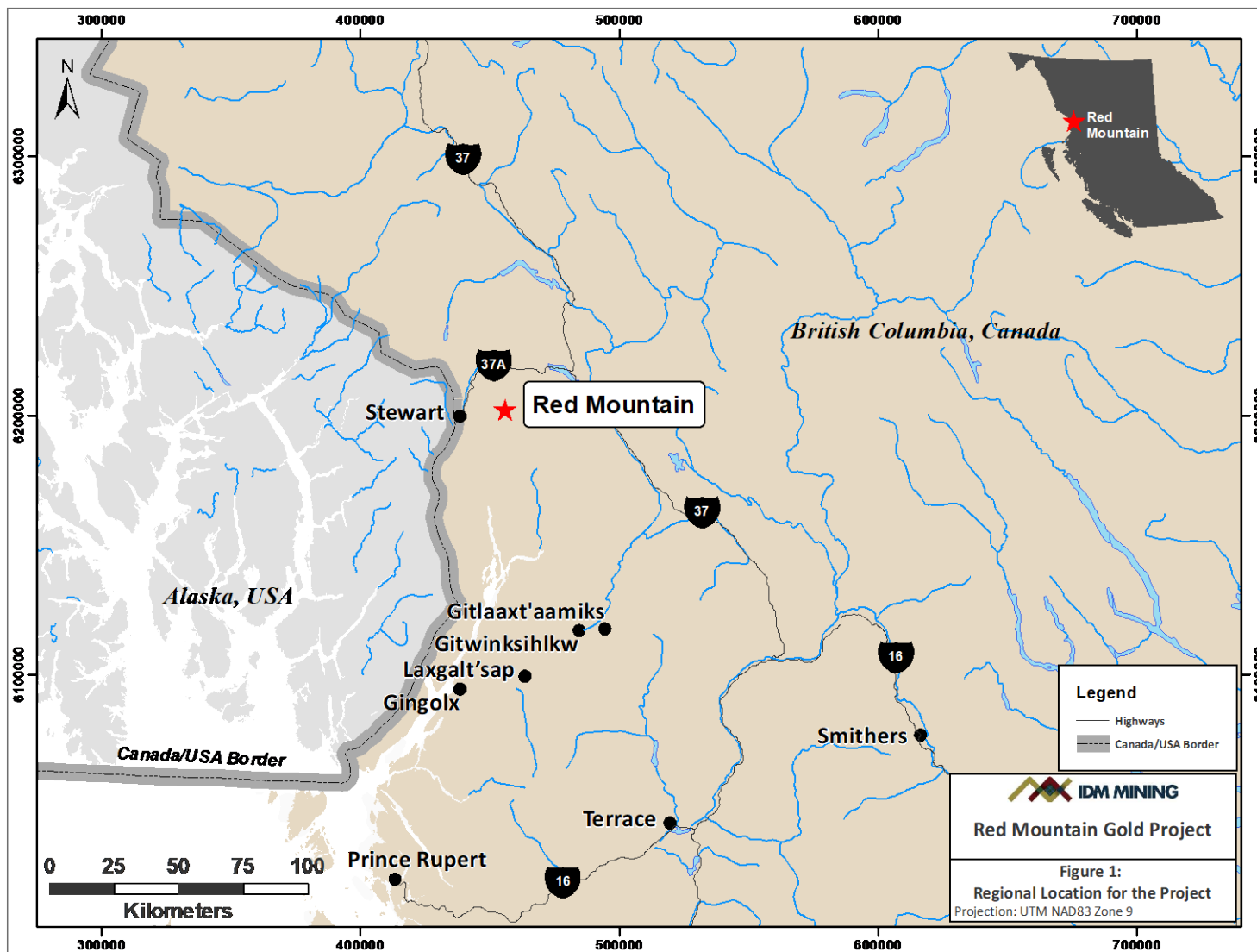
There will be no on-site camp for mine workers. All worker accommodation and services will be based in Stewart. Workers will commute to the Project from Stewart via the proposed Access Road.

Further information on the proposed Project can be found in the Project Description, dated September 2015, and subsequent Supplemental Information, dated March 2016. Both documents are available on EAO's EPIC website.

1.3 IDM's Vision and Principles for Public Consultation

IDM proactively engages with community members, stakeholders, and the public in the spirit of respect and integrity to build and maintain constructive and mutually beneficial relationships and to maximize local benefits of the Project. IDM will continue to develop these relationships through the transparent sharing of Project-related information and timely, honest, and accountable responses to questions and concerns raised. IDM will also continue to work to establish open dialogue with community members, stakeholders, and the public to better understand and integrate their priorities, feedback, and concerns into Project planning, decision-making, and operations.

Figure 1: Regional Location of the Red Mountain Underground Gold Project



1.4 Phases of Public Consultation

The Public Consultation Plan divides consultation activities with community members, stakeholders, and the public into three temporal phases, each being characterized by milestones in the EA process.

Table 1: Phases of Public Consultation

Phase	Description of Activities	Dates and Status
Early Engagement	<p>Consultation activities conducted during the exploration phase of Project development, up to and including the submission of the Project Description to EAO and EAO's issuance of the Section 10 Order.</p> <p>The goals of early consultation are to build awareness of the proposed Project and seek input from community members, stakeholders, and the public regarding the Project, current environmental and socio-economic conditions in the Project area, potential Project effects, and proposed mitigation measures.</p> <p>This phase includes consultation with government officials and identified stakeholders through introductory meetings, discussions, and letters.</p>	May 2014 – Oct 2015 Complete
Pre-Application	<p>Consultation activities conducted subsequent to the issuance of the Section 10 Order and prior to IDM's submission of the Application.</p> <p>The goals of Pre-Application phase consultation are to communicate clear and concise Project information, to share information regarding opportunities for participation in the EA process, and to gain insight from community members, stakeholders, and the public regarding their interests in the Project area and concerns of the potential effects of the Project on those interests.</p> <p>Consultation activities during this phase include a 30-day public comment period on the dAIR, an EAO-led open house, ongoing meetings and discussions with government officials, community members, and identified stakeholders, and making information regarding the proposed Project readily accessible.</p>	Nov 2015 – Sep 2017 Complete

Phase	Description of Activities	Dates and Status
Application Review	<p>Consultation activities conducted subsequent to the submission of the Application, during the Application Review phase of the provincial EA process.</p> <p>The goals of Application Review phase consultation activities are to build and strengthen existing relationships with community members, stakeholders, and the public through meetings and information sharing. The Proponent's focus during this phase is on responding to public comments on the Application.</p> <p>Consultation activities during this phase include a 30-day public comment period on the Application, an EAO-led open house, ongoing meetings and discussions with government officials, community members, and identified stakeholders, and making information regarding the proposed Project readily accessible.</p>	Oct 2017 – Mar 2018 Pending

1.5 Identified Stakeholders

IDM has identified the following communities and stakeholders as potentially affected by the proposed Project. These communities and stakeholders were selected due to the potential for the Project to affect their interests: they are either proximate to the Project or hold tenured interests in the Bitter Creek valley.

In addition to this list of communities and stakeholders, IDM will continue to share information regarding the Project and opportunities to participate in the EA process with the general public.

Communities and Governments

- District of Stewart
- Kitimat-Stikine Regional District
- Provincially- and Federally-elected officials

Trapline and Guide Outfitter License Holders

- Fred Banerd, trapline
- Nisga'a Guide Outfitting LP (NGO), a subsidiary of Nisga'a Pacific Ventures LP, guide outfitter license

Businesses and Infrastructure

- P.K. Contracting Co. Ltd.
- Syntaris Power Corp.
- Bridge Power Hydro Developments

- Last Frontier Heliskiing Ltd.
- Bear Enterprises Ltd.

Mineral Tenures

- Seabridge Gold Inc.
- Ian Alastair Logie
- Teuton Resources Corp.
- Randy John Marko
- Mountain Boy Minerals
- Skeena Resources Corp.

1.6 Assessment of Potential Project Effects

As part of the Application, IDM has undertaken an assessment of the potential effects of the Project on community members, stakeholders, and the public. The Economic and Social Effects Assessments (Application Volume 3, Chapters 19 and 20, respectively) discuss the potential interactions between social and economic aspects of the Project area, including an assessment of the potential effects of the Project on existing tenured interests in the Bitter Creek valley under the Contemporary Land and Resource Use valued component (VC). Chapters 19 and 20 also provide an overview of the mitigation and management measures IDM intends to establish and implement throughout the life of the Project to maximize the potential benefits of the Project for community members, stakeholders, and the public while minimizing potential negative effects.

2 SUMMARY OF PUBLIC CONSULTATION

This Public Consultation Report describes the consultation activities conducted with community members, stakeholders, and the public during the Pre-Application phase of the EA process from November 26, 2016, to September 15 2017.

2.1 Consultation with the Public

IDM maintains a Project website (redmountainproject.com) for the purpose of sharing current and detailed Project information on one platform. The Project website includes a community email address (community@idmmining.com) for community members, stakeholders, and the public to convey interests and concerns regarding the Project. IDM has monitored and responded to emails received by the community email address.

IDM has also developed community newsletters to share Project information with community members, stakeholders, and the public. Newsletters are distributed in hardcopy to popular and relevant locations in Stewart and the Nass Valley where the public can access them. Digital copies of the newsletters are also posted on the District of Stewart's website, the Project website, and are emailed directly to the District of Stewart Mayor and Councillors. A copy of the newsletter distributed during this reporting period (issue #3) is included in Appendix B.

In December 2016, IDM received a request for a donation to the Stewart and Area Christmas Hamper Program. Volunteers in the community collect non-perishable food, fresh produce, bread, milk, a turkey, and toys for children and donate them to individuals and families. IDM was pleased to provide a donation for this worthy program. IDM has also donated the cake used during the Canada Day celebrations in Stewart in 2016 and 2017.

IDM's Twitter account ([@IDMmining](https://twitter.com/IDMmining)) is kept up to date with Project activities and progress.

IDM intends to continue to consult with the public through information sharing. IDM will continue to consider feedback received from community members, stakeholders, and the public during the upcoming Application Review phase.

2.2 Consultation with Local Government Officials

Throughout the Pre-Application phase of consultation, IDM continued to meet and communicate by phone and email with the District of Stewart to share Project information and to discuss questions and concerns.

On November 29, 2016, IDM representatives met with the District of Stewart to discuss the socio-economic baseline conditions in Stewart and the potential effects of the Project on those conditions. The District of Stewart provided IDM with information on the condition of the community's infrastructure and housing stock during the meeting and through follow-up

emails on November 29 and February 8, 2017. On March 8, 2017, IDM emailed the District of Stewart to request further information regarding the zoning and servicing of specific lots in Stewart, and Stewart provided the information later that day by email. The information that the District of Stewart provided has been essential to the development of the Project's Application and IDM's assessment of the potential effects of the Project on socio-economic conditions in the Project area.

On January 23, 2017, IDM met with the Mayor of the District of Stewart and three other proponents of Projects in the Stewart area. The Mayor discussed the state of emergency response and health care services in Stewart and requested that the proponents support the District of Stewart in its efforts to improve those services. IDM recognizes that health and social services in the District of Stewart are limited and operate near or at capacity. IDM is committed to continuing to engage with the District of Stewart to address these issues.

On April 19, 2017, IDM provided the District of Stewart with a letter advising the Mayor and Councillors that, should the Project proceed to construction, it would require a camp in Stewart to house workers during the 20-month construction period. IDM recognizes that Stewart has had both positive and negative experiences with work camps in and around the community in the past. IDM offered to take the opportunity to explore options for a Construction Phase camp and to begin working with the District of Stewart in the investigation and planning of the potential camp to minimize, if not eliminate, adverse effects to the community.

IDM offered to hold a community meeting in Stewart to discuss the potential camp and to receive feedback from the community so that it can be incorporated into Project planning. IDM has also offered to discuss the Project with local business owners in Stewart. Discussions regarding scheduling these meetings are ongoing.

On September 9, 2017, IDM hosted a site visit for District of Stewart representatives, including the Mayor, two councillors, and the Chief Financial Officer who had recently joined in the EAO-led Working Group for the Project.

2.3 Consultation with Regional Government Officials

In December 2016, IDM and RDKS representatives discussed regional socio-economic baseline conditions, information on the quality of housing in Stewart, the role of RDKS in providing services, the replacement of the Stewart landfill, land use bylaws and maps, resource management plans, the regional socio-economic effects observed resulting from other projects, and the potential socio-economic effects of the Project. These discussions were conducted in person and through follow-up emails. The information provided by RDKS has been essential in conducting the socio-economic effects assessment for the Project and for developing management plans that are responsive and appropriate to the needs of regional stakeholders in monitoring and managing socio-economic conditions.

RDKS has continued to be an active participant in the EAO-led Working Group, and IDM looks forward to continuing to work with them during the upcoming Application Review phase.

2.4 Consultation with Provincial and Federal Government Officials

In December 2016, IDM met with Doug Donaldson, Provincial MLA for the Stikine riding, and provided him with an update on the Project's progress.

In January 2017, IDM sent a letter to BC Premier Christy Clark in support of the Northwest BC Resource Benefits Alliance and the Alliance's request to commence negotiations regarding establishing revenue sharing between the provincial and local governments to support infrastructure, services, and healthy communities. IDM noted that the Project would depend on the local infrastructure and services available in Stewart. In February 2017, Premier Clark responded to thank IDM for taking the time to voice support for the Alliance and wrote that she would share IDM's comments with the Minister of Jobs, Tourism, and Skills Training and the Minister of State for Rural Economic Development.

IDM will continue to consult with provincial and federal government officials in the upcoming Application Review phase.

2.5 Consultation with Identified Stakeholders

In November and December 2016, as part of developing the Application and preparing the assessment of potential Project effects on socio-economic conditions, including contemporary land and resource use, IDM reached out to local and regional stakeholders to discuss their thoughts and concerns regarding existing socio-economic conditions, existing interests in the Project area, the potential effects of the Project on socio-economic conditions and their interests, and proposed mitigation measures to avoid or minimize such effects. These meetings are summarized in Table 2. Follow-up emails and phone conversations pursuant to the meetings listed below have not been included.

Table 2: Meetings with Local and Regional Stakeholders

Date	Stakeholder	Topics Discussed
Nov 28, 2016	Northwest Training Ltd.	<ul style="list-style-type: none"> Socio-economic conditions in northwest BC Northwest Training Ltd.'s role in providing career counselling and employment services
Nov 28, 2016	Ministry of Children and Family Development in Stewart	<ul style="list-style-type: none"> Overview of the Poverty Reduction Initiative
Nov 29, 2016	Bear Valley School	<ul style="list-style-type: none"> Information on the school's capacity and current numbers of staff and students
Nov 29, 2016	Stewart Community Emergency Fund and Food Bank	<ul style="list-style-type: none"> Poverty levels in Stewart The services and support available to those in need

Date	Stakeholder	Topics Discussed
Nov 29, 2016	District of Stewart	<ul style="list-style-type: none"> • Current socio-economic conditions in Stewart and potential socio-economic effects of the Project, including community profile • Existing services in Stewart, including poverty reduction strategies • Stewart's experience with recent construction camps • Status and capacity of housing and infrastructure in Stewart • Tourism
Nov 29, 2016	Dave Green, trapline holder representative	<ul style="list-style-type: none"> • Concern regarding continued access to the Bitter Creek valley • Concern regarding ability to continue to trap, even if employed by IDM.
Nov 30, 2016	ServiceBC	<ul style="list-style-type: none"> • Vulnerable populations in Stewart • Poverty levels • Existing barriers to employment, education, and health care
Nov 30, 2016	Soucie Construction	<ul style="list-style-type: none"> • Recent experiences with construction camps • Current economic conditions in Stewart
Nov 30, 2016	Arrow Transportation	<ul style="list-style-type: none"> • Potential Project effects on business
Nov 30, 2016	King Edward Hotel	<ul style="list-style-type: none"> • Hotel capacity • Social conditions in Stewart
Dec 1, 2016	Ripley Creek Inn	<ul style="list-style-type: none"> • Tourism • Conservation of the estuary
Dec 1, 2016	RDKS	<ul style="list-style-type: none"> • Socio-economic conditions in Stewart, including housing • RDKS' role in providing services to Stewart • Solid waste management • Resource Benefits Alliance
Dec 1, 2016	Northern BC Tourism	<ul style="list-style-type: none"> • Tourism promotion • Tourism and economic development
Dec 1, 2016	Nisga'a Guide Outfitting LP	<ul style="list-style-type: none"> • Potential Project effects on mountain goats and guide outfitting license
Dec 1, 2016	Last Frontier Heliskiing	<ul style="list-style-type: none"> • Current use of the Bitter Creek valley • Potential interactions between the Project and current use • Communication regarding avalanche control and helicopter use.
Dec 6, 2016	Terrace and District Community Services Society	<ul style="list-style-type: none"> • Socio-economic conditions in Terrace and northwest BC • TDCSS' role in providing social services and education • Barriers to education and employment
Dec 6, 2016	Northwest Community College	<ul style="list-style-type: none"> • Socio-economic conditions in Terrace and northwest BC • NWCC's role in providing social services and education

Date	Stakeholder	Topics Discussed
Dec 12, 2016	United Way	<ul style="list-style-type: none">• Socio-economic conditions in Stewart• Population and employment levels in Stewart• Potential Project effects on housing, human health, and drinking water quality

Stakeholders' questions and concerns regarding the Project and its potential effects and IDM's responses are summarized in Table 3.

3 LOCAL EMPLOYMENT, TRAINING, AND PROCUREMENT

IDM believes the Project will have a positive economic influence on Stewart and northwest BC and is committed to working with community members, stakeholders, and the public to maximize local benefits through creating opportunities for employment, training, and local procurement.

IDM has emphasized local hiring and procurement during its exploration and baseline fieldwork in 2014, 2016, and 2017.

IDM will continue to develop and enhance the company's local hiring and procurement policy, giving preference to local residents, businesses, and contractors. IDM looks forward to developing training opportunities in collaboration with various employment and training services in northwest BC.

As the Project progresses, IDM will continue to share information with the public regarding upcoming procurement, employment, and training opportunities.

4 SUMMARY OF PUBLIC ISSUES AND CONCERNS RAISED

Table 3 summarizes the unresolved issues and concerns raised by community members, stakeholders, and the public during this reporting period (November 25, 2016, through September 15, 2017) and provides a response from IDM. Issues and concerns raised prior to this reporting period are included in the first Public Consultation Report, available on EAO's EPIC website.

Table 3: Summary of Public Comments Received (Nov 25, 2016, to Sep 15, 2017)

Stakeholder	Date Comment Received	Source (meeting, etc.)	Comment Received	IDM Response	Issue Status
Northwest Training Ltd.	Nov 28, 2016	Meeting	Concern regarding the potential effects of the Project on housing availability and affordability.	<p>An assessment of the potential Project effects on Housing is included in Chapter 20 of the Application. IDM will work closely with the District of Stewart to develop a housing plan with a comprehensive description of housing availability, quality, and affordability.</p> <p>IDM and the District of Stewart will consult with other jurisdictions in northwest BC who have completed Housing Action Plans to solicit advice on good practices for housing policies and measures to ensure housing remains affordable in Stewart.</p> <p>IDM is committed to ensuring that the Project maximizes positive effects for community health and well-being through population growth. Housing options that maintain housing availability and affordability while allowing for permanent in-migration and population growth will be implemented.</p>	Ongoing
District of Stewart	Nov 29, 2016	Meeting	Concern regarding the community's experience with construction camps in and around the town.	IDM respects that community members have had concerns and/or issues with construction camps in the recent past. IDM intends to learn from those issues and engage in dialogue with community members to maximize the effects of the Project in the community, including the construction camp.	Ongoing
Trapline Holder	Nov 29, 2016	Meeting	Concern regarding continued access to the Bitter Creek valley. Concern regarding ability to continue trapping, even if employed by IDM and subject to the proposed "no hunting, no fishing" policy.	<p>IDM will work with all relevant parties to ensure that the Project's Access Management Plan has minimal effect on stakeholders' access to the valley.</p> <p>IDM will communicate with the relevant individuals regarding this potential conflict.</p>	Ongoing

Stakeholder	Date Comment Received	Source (meeting, etc.)	Comment Received	IDM Response	Issue Status
RDKS	Dec 1, 2016	Meeting	The importance of planning regarding waste disposal. The disposal of special waste has been an issue with recent mining projects.	IDM will continue to communicate with RDKS regarding waste disposal plans for the Project's construction and operation.	Ongoing
Nisga'a Guide Outfitting	Dec 1, 2016	Meeting	The Project may result in effects to mountain goats, which in turn could affect the revenues of Nisga'a Guide Outfitting.	Based on the Wildlife and Wildlife Habitat Effects Assessment (Application: Volume 3, Chapter 16), the Project will not have significant adverse effects on mountain goats in the Bitter Creek valley, therefore IDM does not anticipate an adverse effect on NGO's revenue based on effects to mountain goats.	Resolved
Last Frontier Heliskiing	Dec 1, 2016	Meeting	Request that IDM communicate with Last Frontier Heliskiing regarding avalanche control at the Project site and helicopter operations.	IDM will continue to communicate with LFH regarding avalanche control and helicopter use in the Bitter Creek valley. This will include discussion regarding a Transportation Management Plan for the Project's Construction and Operation phases.	Ongoing
United Way	Dec 12, 2016	Phone Call	Concern regarding the potential effect of the increased population on Stewart's infrastructure, housing, and medical services. Concern regarding the potential effects of the Project on Stewart's drinking water.	Based on the Social Effects Assessment (Application: Volume 3, Chapter 20), the Project will not result in significant adverse effects on infrastructure, housing, or social and health services in Stewart. Throughout the life of the Project, IDM will maintain consistent and open dialogue with the District of Stewart and other regulatory agencies and will support the monitoring of demands on services and infrastructure. IDM will also initiate an operational group to share information and address issues as they arise and before they lead to chronic effects on services. Based on the Health Effects Assessment (Application: Volume 3, Chapter 22) the Project will not result in adverse effects on drinking water.	Ongoing

5 NEXT STEPS

5.1 Application Review

During the Application Review phase, IDM will continue to consult with community members, stakeholders, and the public through:

- Responding to written comments received during the public comment period on the Application, in accordance with paragraph 15.5 of the Section 11 Order;
- Advertising and participating in EAO-led community open houses during the public comment period on the Application, in accordance with paragraph 15.2 of the Section 11 Order;
- Making the Application available on the Red Mountain Project website, on EAO's Project Information and Collaboration website, and at the locations described in the Project's Public Consultation Plan, in accordance with paragraph 15.3 of the Section 11 Order;
- Meeting with community members, stakeholders, and the public, as requested, to share Project information and to gather community feedback on the Project;
- Continuing to meet and share information with local, regional, provincial, and federal government representatives; and
- Continuing to share Project information through the Project website, new editions of Project newsletters, and social media.

5.2 Post-EA

IDM has developed a Community Involvement Plan that outlines IDM's commitment to continuing to engage and consult with community members, stakeholders, and the public following the completion of the EA process, should the Project proceed. The Community Involvement Plan can be found in Volume 5, Chapter 29 of the Project Application.

6 CONCLUSION

IDM is committed to open and meaningful consultation with the goal of establishing collaborative dialogue and ensuring that the proposed Project is aligned with community and regional objectives and aspirations. This includes an incorporation of community priorities, feedback, and concerns into Project planning and decision-making during the EA and, subsequently, throughout the life of the Project.

This Public Consultation Report has outlined the consultation efforts that IDM has undertaken between November 25, 2016 and September 15, 2017. As the proposed Project moves forward in the EA process, IDM will continue to conduct the activities outlined in the Project's Public Consultation Plan and Section 5 of this report with the aim of building mutually respectful and beneficial relationships with community members, stakeholders, and the public.

IDM anticipates preparing and submitting the next Public Consultation Report following the close of the EAO-led public comment period on the Application during the Application Review phase.

APPENDIX A

Table 4: List of Overlapping Tenure Holders

Tenure Holder	Tenure Type	Tenure Number
P.K. Contracting Co. Ltd.	Forest Tenure	A01497
Syntaris Power Corp.	Hydropower Licence	636485
Bridge Power Hydro Developments	Hydropower Licence	636511
Seabridge Gold Inc.	Mineral Tenures	512985, 512991, 512997, 512998, 513000, 513001, 513002, 513003, 513005, 513007, 513008, 513009, 513011, 513014, 513017, 513019, 513020, 513022, 513023, 513024, 513025, 513027, 513028, 513029, 513030, 513031, 513032, 513035, 513037, 513040, 513041, 513042, 513045, 513046, 513054, 513056, 513128, 513130, 513662, 513663, 513682, 513683, 513680
Ian Alastair Logie	Mineral Tenures	250482, 250481, 250472
Teuton Resources Corp.	Mineral Tenures	513826, 1028305, 1028306, 1028307, 1030934
Randy John Marko	Mineral Tenure	1033757
Mountain Boy Minerals	Mineral Tenure	546600
Last Frontier Heliskiing Ltd.	Commercial Recreation Licence	SK910116
Bear Enterprises Ltd.	Commercial Recreation Licence	910352
Nisga'a Guide Outfitting LP	Guide Outfitter	601036
Fred Banerd	Trapline	TR614T101

APPENDIX B

RED MOUNTAIN UNDERGROUND GOLD PROJECT COMMUNITY NEWSLETTER – ISSUE #3

IDM MINING LTD. RED MOUNTAIN UNDERGROUND GOLD PROJECT Community Newsletter



ISSUE 3 - SPRING 2017

RESOURCE UPDATE

Our hard work in 2016 paid off!

Based on the exploration drilling conducted last year, IDM has been able to **increase the Measured and Indicated gold ounces by 32%** and to **increase the average grade** from 8.36 grams per tonne to 8.75 grams per tonne. IDM has also expanded mapping of the mineralization along strike to the north, south, and down-dip.

The technical report is available at Sedar.com

What does this mean for Red Mountain?

This is great news for Red Mountain because it means that IDM can speak about the mineral resource with more certainty and confidence. This makes it easier to attract investors and get funding to support the development of the Project.

It also makes Project planning easier because we now have a better idea of how much mineral resource there is to mine and where it is.

continued next page: 'Resource Update Continued: What's the ...'

DRILLER'S ASSISTANT COURSE

In early March, we worked together with More Core (our local diamond driller) and Nisga'a Employment Skills and Training (NEST) to put on a 10-day driller's assistant course for eight Nisga'a citizens. The course participants gained training on working safely with and around diamond drills, both on the surface and underground.

A big thank you to NEST for organizing travel and gear and to More Core for putting on the course and providing food and accommodation in the bunk house.

We look forward to seeing everyone on the drills this spring!





GETTING TO KNOW OUR CHIEF FINANCIAL OFFICER

Hello, my name is Susan Neale, and I am the Chief Financial Officer at IDM. I am a chartered accountant with over 20 years experience in corporate transactions, public markets, in-depth accounting, and auditing. I've worked with mineral exploration, development, and operating companies in Canada and throughout the world.

My job at IDM is to ensure that we have resources and funds to continue exploration and progress towards Red Mountain becoming an operating mine. The best part about my job is laying the financial groundwork of what I believe is a great project for the communities of Stewart, the Nass Valley, and northwest BC. The work that I do keeps our local contractors working.

RESOURCE UPDATE CONTINUED: WHAT'S THE DIFFERENCE BETWEEN MEASURED, INDICATED, AND INFERRED?

To provide certainty and transparency for the mineral exploration industry, the Canadian Securities Administrators (CSA) developed specific terms to describe mineral resources. These are based on the exploration company's level of confidence in the geological information, the quality and quantity of data available on the deposit, the technical and economic information that has been generated about the deposit, and the interpretation of the results. Measured provides a high degree of certainty and confidence for a resource, followed by indicated, and then inferred. **Measured** means that the resource is well defined. **Indicated** means that there is a high level of certainty that the resource is there, but there is less confidence about the details of the resources. **Inferred** resources are based on an understanding of the geology of the area and are not based on actual fieldwork.

The CSA also developed guidelines to designate a Qualified Person who can make professional findings about measured, indicated, and inferred resources.

For more information:

<http://www.amebc.ca/resources-publications/useful-links/exploring-bc>

OPEN HOUSES

Thank you to everyone who attended the open houses in Stewart, Gitwinksihlkw, and Gitlaxt'aamiks last October. It was a pleasure to meet everyone and speak to you about the Project.

We'll be back for more open houses during the BC Environmental Assessment Office's (EAO)'s public comment period on the Application for an Environmental Assessment Certificate.



Stewart Open House



Gitwinksihlkw Open House



ENVIRONMENTAL ASSESSMENT UPDATE

We continue to move the Project through the EA process, in collaboration with Nisga'a Nation, EAO, and the Canadian Environmental Assessment Agency. We've accomplished some major milestones in the last few months!

DRAFT APPLICATION INFORMATION REQUIREMENTS PUBLIC COMMENT PERIOD

In October 2016, EAO ran a public comment period on the draft Application Information Requirements (dAIR). Members of the public were able to submit comments or questions about the Project to EAO either electronically, by fax, or by mail. We appreciate EAO's effort in running this public comment period and allowing us to hear people's feedback on the Project. We also appreciate the people who took the time to submit thoughtful and sincere questions and comments.

A second public comment period will take place during the Application Review phase of the EA.

FINAL APPLICATION INFORMATION REQUIREMENTS

Following the public comment period and open houses, we worked closely with EAO and Nisga'a Nation to finalize the Application Information Requirements (AIR). The AIR outlines everything that IDM will include in the Project's Application for an Environmental Assessment Certificate. When we submit the Application, it will include a checklist that will confirm that everything listed in the AIR is included in the Application and where to find it.



A low snow year at camp!

The final AIR is available on EAO's electronic Project Information and Collaboration website (ePIC): <https://projects.eao.gov.bc.ca/p/red-mountain-underground-gold/docs>

PREPARING THE APPLICATION

We've begun to focus on preparing the Application in advance of submitting it to EAO and the Canadian Environmental Assessment Agency. When IDM submits the Application to EAO, EAO takes 30 days to compare it with the AIR and ensure that the Application is complete. Once EAO confirms that they accept the Application, they will begin the 180-day Application Review phase, which will include a second public comment period and community open houses. During this Application Review phase, IDM, EAO, the Canadian Environmental Assessment Agency, Nisga'a Nation, and the Project's Advisory Working Group will discuss the potential effects of the Project on the environment (including consideration of biophysical, socio-economic, health, and heritage aspects of the environment) and the appropriate measures IDM needs to take to avoid, minimize, mitigate, or otherwise address the identified potential adverse effects. If all goes well, these discussions will become the conditions in the Project's Environmental Assessment Certificate.



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

DRILLING AND EXPLORATION



Portal entrance

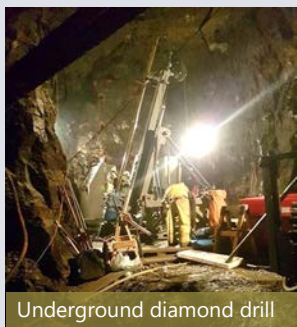
We're back at Red Mountain this spring and summer to do some more underground drilling and geotechnical investigations. We're happy to have our crew from Matrix back, including the Stewart and Nisga'a locals who make the camp a home away from home.

To get the drilling program up and running, IDM has hired Stewart-based David Green as our Mine Manager. We are excited to have David's experience, leadership, and local knowledge to guide the team of miners.

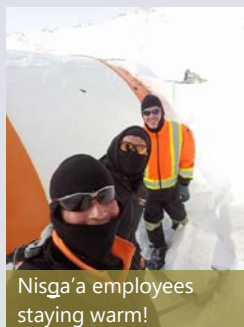
Safety is our priority. Employees are trained in underground mine rescue, avalanche safety, and emergency response.



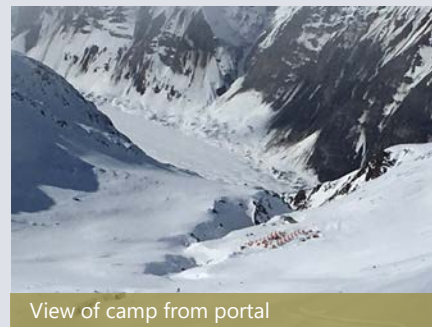
Equipment near the portal



Underground diamond drill



Nisga'a employees staying warm!



View of camp from portal

DON MCLEOD INDUCTED TO THE MINING HALL OF FAME



IDM Mining is named in honour of Stewart-born miners Ian and Don McLeod. Don was recently inducted to the Canadian Mining Hall of Fame, and his family was on hand to celebrate. Don's career in mining spanned every role, from pack-horse operator to CEO. The tenacity and spirit that led to Don's induction to the hall of fame are qualities IDM hopes to keep alive.

DROP US A LINE ANYTIME



Workshop and equipment near portal

We are IDM Mining Ltd., a Canadian, publically traded company based in Vancouver, listed on the TSX.V:IDM; OTCQB:IDMMF., and led by Stewart-raised Rob McLeod. The gold and silver resources of the Red Mountain Project are our core assets and primary focus.

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.

