



April 19, 2018

File no.: 005533

Michael McPhie
Executive Chairman
IDM Mining Ltd.
Suite 1500 - 409 Granville St.
Vancouver, BC V6C 1T2

Dear Mr. McPhie:

Re: Review of IDM Mining Ltd.'s Responses to Information Requests for the Red Mountain Underground Gold Project

The Canadian Environmental Assessment Agency (the Agency) has completed its review of IDM Mining Ltd.'s April 4, 2018 and April 9, 2018 responses to the Agency's December 22, 2017 and March 16, 2018 Information Requests (IRs), respectively for the Red Mountain Underground Gold Project. The Agency has determined that IDM Mining Ltd. has provided the requested information related to fish and fish habitat (IR2-01), but that information regarding the human health risk assessment (IR1-03, IR1-04, IR1-05) remains outstanding.

Although IDM Mining Ltd. has addressed some specific errors and issues as part of its response to the Agency's December 22, 2017 IR (IR1-03, IR1-04, IR1-05), Health Canada has identified similar issues in IDM Mining Ltd.'s April 4, 2018 version of the human health risk assessment. In order to fully respond to IR1-03, IR1-04, IR1-05, the Agency requires the following in an updated version of the Human Health Risk Assessment:

- Provide the absolute (project plus baseline) risk estimates associated with the use of a arsenic bioabsorption factor of 0.6 for the soil ingestion pathway;
- Provide a complete and consistent list of target organs/systems for each Toxicological Reference Value (TRV), and summed risk estimates based on the correct target organs/systems;
- Update risk estimates so that risk estimates for carcinogens are summed based on the same target organ/system;
- Clarify why predicted concentrations of contaminants of potential concern in country foods are higher in the baseline case than the Project case;

.../2



- Describe the mutagenicity of non-threshold carcinogens to support use of the age-dependent adjustment factors; and
- Provide the calculations for risk estimates for the country foods consumer receptor, which is introduced in the Human Health Effects Assessment (Chapter 22), but not described in the Human Health Risk Assessment (Appendix 22-A).

While you are preparing responses to the IR, the Agency and federal authorities will continue to work on the environmental assessment to improve the Agency's understanding of the environmental effects of the Project.

The federal timeline for the environmental assessment remains paused at day 122 of 365. Upon receipt of a response from IDM Mining Ltd. to address these deficiencies, the Agency may take up to 15 days that is not counted against the federal timeline for the environmental assessment to form an opinion about whether the requested information has been provided. If the Agency has not come to a conclusion regarding the sufficiency of the IR responses during this period, the federal timeline will resume on the following day.

Please do not hesitate to contact me with any questions at 604-666-9162 or andrea.raska@ceaa-acee.gc.ca.

Sincerely,

<Original signed by>

Andrea Raska
Project Manager, Pacific and Yukon Region

c.c.: Max Brownhill, Falkirk Resource Consultants Ltd.
Jasmin Flores, Falkirk Resource Consultants Ltd.
Claire Backus, Catana Consulting Ltd.
Lindsay Luke, British Columbia Environmental Assessment Office
Paula Smith, Health Canada
Sabrina Lachance, Major Projects Management Office
Collier Azak, Nisga'a Lisims Government
Mansell Griffin, Nisga'a Lisims Government