

IDM MINING PERFORMANCE: 71%

1.1 Asset Performance Factors (1-7 best)

1.1.1 7 Blue Sky

They want to extend the mine life to 7 years

It hasn't been explored before

They think a lot more is to be found in the region

1.1.2 7 Country

Canada is fine

1.1.3 4 Regulatory

First Nations can be tough to deal with

British Columbia can be tough to permit in

Seems odd they've been in discussions with regulators since 2014 and doing baseline studies for 20 years

1.1.4 3 Reserves

500k ounces on top of a mountain next to a glacier isn't stellar

Grades of 9 gpt are high

Underground mining for 500k ounces is expensive

I don't believe \$440 per ounce cost for an underground operation on a mountain with a plant 5k away

1.2 External Performance Factors

1.2.1 3 Peer Valuation

\$78 per ounce valuation is high for this company. I'd expect it to be \$50

to use takeout values in a peer comparison is unreasonable since acquirers pay a 40% premium to MV on average

1.2.2 3 Marketplace

Gold prices have been soft with occasional signs of life

External financing is difficult nowadays for small companies

1.2.3 7 Business strategy

Makes sense

they are avoiding JVs, which is ood

1.3 Internal Performance Factors

1.3.1 Financial Strategy (overhang, shareholders)

Overhang is ridiculously high, 45% or so

Cash burn of \$1.5m per month means they need cash very soon

*Flow-through financings is always **a** last resort since the s/h rarely keep the stock for long*

1.3.2 Management (ownership, G&A)

*G&A of 2.6% of Market Value is low, which is **a** good thing. I'd expect more like 5%.*

*management ownership is **a** slight 4% or so. I'd expect it to be 10% or more.*

1.3.3 Project management and execution

*Given the delays, it bothers me that slide **3** says production in 2018 while **a** later slide shows 2019. It means these dates are VERY soft*

I like that the timelines are laid out

*While **I** have nothing to support this, **I** suspect the timeline will get dragged out due to all the factors **I** mentioned above*

1.4 The presentation

1.4.1 Right Speed

Too fast

1.4.2 Right amount of detail

Budget for the coming year?

Bios?

Timeline?

Milestones?

Stock chart?

1.4.3 Stuck to the presentation