



STOCK EXCHANGE ANNOUNCEMENT

30 March 2015

Company Update

The board of IDM International Limited ("IDM") hereby provides shareholders with the following Company update.

As shareholders would be aware, IDM was put into suspension on the Australian Securities Exchange ("ASX") on 4th December 2012 as a result of suspending the Oregon Resources Corporation ("ORC") operations in Oregon, USA. ORC is a 100% subsidiary of IDM. The suspension of operations was a result of the market price for chromite falling significantly due to the worldwide downturn in the steel industry and the resulting oversupply of chromite. This price fall and the resulting fall in worldwide demand for premium quality ORC SpheriChrome, resulted in the ORC operations becoming cash flow negative and IDM was not in a position to source sufficient additional funding for operations to be financially viable.

During this period of care and maintenance, the chromite market has not developed and demand for chromite is low and the price of chromite remains depressed.

The board of IDM, along with its major shareholder and debt financier, The Sentient Group, has been considering alternatives to restructure IDM for a clear path forward.

The consolidated IDM group currently has over US\$45m in principal debt, all of which is held by The Sentient Group and is secured by ORC under the Project Debt Facility Agreement signed by the Company in 2010, in which IDM was a guarantor.

As a result of detailed discussions between the board of IDM and Sentient, it has been agreed to extinguish the debt finance facility, for the spin out of 100% shares in ORC to Sentient therefore releasing the Oregon Minerals Sands Project (which is the only material asset of ORC) from IDM, subject to shareholder approval.

During this period of suspension, Sentient has supported IDM financially for the costs associated with care and maintenance, ASX listing and restructure, which includes audit fees etc. As a result, IDM will have a US\$1.074m loan to Sentient that will be converted to equity once IDM recapitalises.

Next Steps

- Finalisation of Annual Reports for 2013 and 2014

- Notice of Meeting to be sent to shareholders for 2013 and 2014 AGM's which will include a resolution for the approval of the spin out of ORC in exchange for the extinguishment of the debt owed to Sentient.
- If approved, IDM will transfer all ORC shares to Sentient
- IDM will continue to evaluate other projects / businesses and be recapitalised when appropriate
- IDM will seek to relist of ASX by the end of 2015

For further information please contact:

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ENDS