



STOCK EXCHANGE ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

OREGON HEAVY MINERALS PROJECT

During the quarter ended 31 December 2011, IDM International (“IDM” or “the Company”) continued with plant commissioning, concluded a settlement agreement with Outotec with respect to rectifications for plant deficiencies and performance together with product sales from the Oregon mineral sands project.

Contracted mining operations produced ore at rates sufficient to meet the feed requirement of the processing plant. Critical to achieving nameplate is the completion of fixes including modifications and additions to the wet and dry plants due to Outotec’s design and equipment faults . The detailed scheduling for the implementation for all necessary fixes had not been provided to the Company at the end of the quarter although the principal items of equipment needed were known and significant long lead items had been ordered by Outotec. The Company has planned for two processing plant shut downs expected to be in February and April which will facilitate the installation of the major equipment for these and other improvements.

The Company estimates a delay of approximately six months from its original plan and is confident of achieving budgeted production efficiency and recoveries.

The fixes for the equipment issues were defined in early December and the draft schedule for repairs / rectification was agreed with Outotec. The majority of the capital cost for these will be borne by Outotec. IDM is currently impacted by the reduction in efficiencies and percentage of recovered product.



SpheriChrome™ Bagging Facility



SpheriChrome™ in shipping container

PRODUCTION

Wet and Dry plant commissioning continued with intermittent stoppages for equipment servicing, adjustment and in some cases replacement. Production was focused on SpheriChrome, Zircon and Hi-Fe Ilmenite.

Recovery and product levels have not significantly improved during the quarter and is a direct result of equipment and process issues previously mentioned. On average the plant operated for 69 days during the period. Wet mill availability decreased by 1.5% (83.2% to 81.9%) and dry mill availability decreased by 8.4% (95.7% to 87.6%) during the period.

EXPLORATION

The Company progressed the planning for the addition of mineral leases and resources and expects to be able to complete agreements covering land holdings within our area of interest in the coming months. Completion of the necessary preliminary analysis is a precursor to the acquisition and finalisation of terms for additional mineral leases covering 2,546 acres (1,030 Hectares). This work was completed at the latter stage of the quarter and the Company expects the lease including an exploration and outline of the potential subsequent development schedule (assuming economic viability) being finalised by mid year. The Company's exploration objective is to maintain in excess of a twenty year mine life from the leases under our control and continue to add properties or leases that fall within our area of interest.

ENVIRONMENT HEALTH AND SAFETY.

There was one one Lost Time Accident for the quarter. The incident which was the first for the project, occurred in October and involved an employee suffering ear trauma from a loud noise in the vicinity of the fluid bed dryer. The individual received the appropriate level of care and medical attention and has returned to work.

MARKETING

The markets for the majority of minerals slowed significantly in the final months of 2011 evidenced primarily by volume and some price reduction in some, but not all markets. The North American auto sector is running at or close to capacity and this has a direct impact on the foundries which are consumers of zircon and foundry grade chromite. Similar levels of economic activity are evident in portions of central and South America where the auto sector has a significant manufacturing presence or sources components. Europe and portions of Asia seem to have been affected by the economic slowing and several bulk shipments scheduled to Asia and Europe for December were deferred.

CHROMITE

Ongoing product and comparison trials undertaken during the period by leading foundries continue to confirm the benefits of **SpheriChrome**™ as a zircon substitute and enhancer of tensile strength, product finish with virtual elimination of after casting defects. These and other benefits such as the ability to reduce emissions and save by significantly reducing the need for binder or resin are attributed to the unique roundness and uniform particle size. In addition, when formed in a casting, the spherical nature of the grains inherently provides a superior bridge with the adjoining grains and enhances heat transfer which results in superior tensile strength of the casting and clean break out from the mould.

ZIRCON

The Company is benefiting from the increases in price and levelling of demand.



Rail Car Load out Facility

LITIGATION

As previously reported the Company's subsidiary (ORC) had sought to be included as an intervener in the litigation brought against two of the regulatory agencies responsible for issuing several permits enabling the commercial operation of the project.

In early October the United States District Court dismissed the law suit brought by various groups and granted motions for summary judgement filed by ORC and the two government agencies and issued a final judgement in ORC's favour. ORC received notice on November 16, 2011 that various groups and individuals are appealing a prior trial court ruling dismissing their claims that the U.S. Army Corps of Engineers and National Marine Fisheries Service violated certain environmental laws in issuing a wetlands fill permit for the heavy mineral sands mining project operated by, Oregon Resources Corporation ("ORC"). The plaintiffs have until February 24, 2012 to file their opening brief and ORC has until March 26, 2012 to file a responsive brief. Oral argument will be scheduled after the briefing is complete. A final decision is not expected until late 2012. The appeal process should not have any affect on ORC's ongoing operations.

CORPORATE

Cash

The Company's cash balance at 31 December 2011 was A\$2.254 million.

Shareholder Information

As at 31 December 2011 the Company had 858 shareholders and 566,658,000 ordinary fully paid shares on issue with the top 20 shareholders holding 78.63% of the total issued capital.

During the quarter the Company issued 3,000,000 options exercisable at 23 cents and expiring 1 November 2016.

During the quarter 43,350,000 \$0.06 options were exercised.

ENDS