

ACQUISITION OF STOCKYARD SILICA SAND PROJECT

HIGHLIGHTS

- Two exploration licence applications covering an area of 162km² are located approximately:
 - 12km south of VRX Silica Ltd's (ASX:VRX) Arrowsmith Central Project
 - 32km south of VRX Silica Ltd's Arrowsmith North Silica Project
 - 40km south of Perpetual Resources Ltd's (ASX:PEC) Beharra Project
- Majority of land is entirely cleared and used for pastoral and grazing purposes. Exploration and potentially future development are envisaged to have minimal impact on existing native vegetation
- Evaluation of previous exploration activities and consultation with landowners commenced.

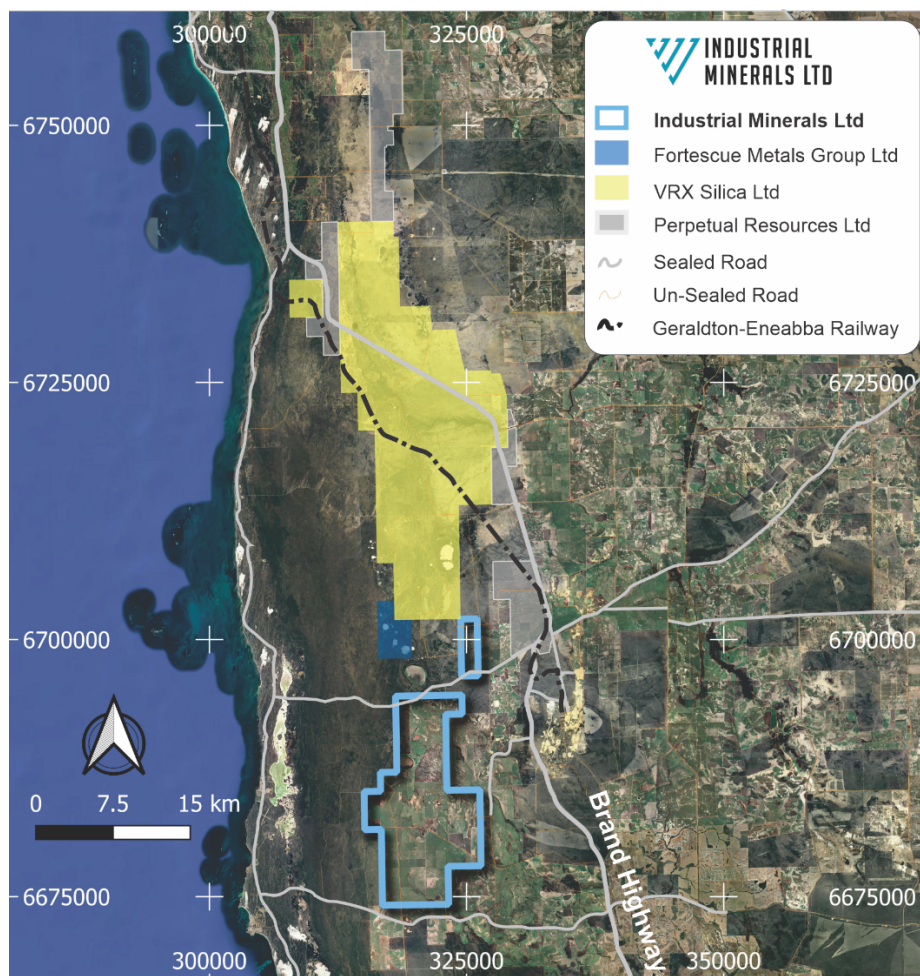


Figure 1: Location of Stockyard Silica Sands Project and Proximal Silica Sand Projects

Industrial Minerals Ltd (ASX:IND, "IND" or the "Company") is pleased to announce the securing of the Stockyard Silica Sands Project, located directly to the south of VRX Silica Ltd's Arrowsmith Project.

Stockyard is considered prospective for High Purity Silica Sand and is located largely within areas of cleared farming land, introducing potential for rapid project development, should exploration and related studies support a viable project.

Mr Ashley Pattison, Executive Chair of IND commented on the addition, "Stockyard presents IND with an additional large project in a proven High Purity Silica Sand region. The project area predominantly covers cleared farming land that will enable IND to rapidly assess the Project in conjunction with its existing portfolio of High Purity Silica Sand projects located from the Midwest to southwest region of Western Australia.

Through the diversity of the location of the Projects and potential finished silica sand product characteristics, the Company has the potential to capitalise on multiple infrastructure pathways and end user markets."

Location and Access

The Stockyard Project is located 220Kms north of Perth and located 10km west-south-west of the town of Eneabba in Western Australia. The project is located proximal to the Brand Highway.

Tenure

The Stockyard Project is comprised of two exploration license applications E70/5845 and 5846. The tenements cover a total land area of 162km².

The land is predominantly used for pastoral activities and as such, land access agreements will need to be entered into with landowners in order to facilitate exploration and development activities to be undertaken.

Upon grant of the tenure, the first year minimum expenditure totals \$54,000.

Stockyard Project Geology

Most economically significant silica sand deposits in Western Australia are located within the coastal regions of the Perth Basin. The targeted silica sand deposits are the aeolian sand dunes that overlie the Pleistocene limestones and paleo-coastline, which also host the regional heavy mineral deposits.

Within the Project area, data obtained from the Department of Agriculture soil mapping shows there are pale and yellow deep sands predominating with lesser swampy areas and occasional ironstone ridges.

Introduction Fee

IND has agreed to pay Mining Equities Pty Ltd a 1% gross revenue royalty in relation to minerals extracted, produced, and sold from the Stockyard Project for the introduction of the opportunity.

ABOUT INDUSTRIAL MINERALS LTD

IND is a diversified Industrial Mineral project developer with a primary focus on High Purity Silica Sand. IND will focus on exploring and developing its highly prospective Australian High Purity Silica Sands and complementary Industrial Mineral Projects.

IND holds 100% of nine High Purity Silica Sand projects and five complementary Industrial Mineral projects across Western Australia and is focused on exploring and developing these projects, which have the potential to add significant value to investors and shareholders.

This announcement has been approved for release by the Board of Industrial Minerals Ltd.

For enquiries regarding this release please contact:

Mr. Ashley Pattison,
Executive Chair
(08) 6270 6316

Forward-looking Statements

Certain statements contained in this document may be 'forward-looking' and may include, amongst other things, statements regarding production targets, economic analysis, resource trends, pricing, recovery costs, and capital expenditure. These 'forward-looking' statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by IND, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as 'believe', 'expect', 'anticipate', 'indicate', 'target', 'plan', 'intends', 'budget', 'estimate', 'may', 'will', 'schedule' and others of similar nature. IND does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements as they are not a guarantee of future performance.

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