

27 July 2021

Shannon Nicholson
Principal Advisor, Listings Compliance
Australian Securities Exchange

Dear Shannon

Industrial Minerals Ltd (ASX: IND, Company): Response to ASX Aware Letter

Reference is made to your letter dated 27 July 2021 (**ASX Aware Letter**). Listed below are the Company's responses to the matters raised. Defined terms in the answer correspond with those defined terms in the ASX Aware Letter.

- 1. Does IND consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

N/A.

- 3. Please provide details regarding:**

3.1 the time and date that IND commenced discussions with MEPL with respect to the Stockyard Silica Sands Project;

IND commenced discussions with MEPL with respect to the project at approximately 11.30 am (AWST) on Tuesday 20 July 2021, after MEPL representatives made contact with the Company.

3.2 the role played by MEPL in introducing the project opportunity to IND;

MEPL held licence applications over the majority of the project area over which IND has now submitted an application. MEPL applied for licences which comprise the majority of the Stockyard project area (ELA E70/5797 and E70/5929) and subsequently approached IND to understand whether IND wished to acquire an interest in the project area.

3.3 the relationship between MEPL and IND.

MEPL is an entity controlled by Mr Peter Gianni and Mr Robert Jewson, both of whom are substantial shareholders in IND. MEPL and Mr Gianni are also counterparties to tenement

acquisition agreements with the Company for a number of other tenement interests acquired by IND as disclosed in the Company's prospectus dated 4 June 2021.

4. Did IND enter any agreement/s with MEPL with respect to the Stockyard Silica Sands Project?

Yes.

5. If the answer to question 4 is "yes", provide details of each agreement, when negotiation of each agreement commenced and when each agreement was executed.

IND has entered into a Finders Fee Agreement (FFA) with MEPL. Negotiation of the terms of the FFA commenced at the same time as the commencement of discussions with MEPL. The FFA was exchanged in agreed final form on 23 July 2021 and executed over the subsequent weekend.

6. Please provide details regarding the time and date that:

6.1 IND commenced the exploration licence applications for each of E70/5845 and E70/5846

Shortly after commencement of discussions in relation to the project and upon an initial verbal understanding of the likely FFA terms having been reached, IND instructed its tenement managers to commence preparation of the licence applications at 1.38pm (AWST) on Tuesday 20 July 2021.

; and

6.2 IND completed the exploration licence applications for each of E70/5845 and E70/5846.

IND Licence applications for E70/5845 and E70/5846 were completed at 2.38pm AWST on Thursday 22 July 2021. IND received notification from MEPL that it had withdrawn applications ELA E70/5797 and E70/5929 at 4.06 pm AWST on Friday 23 July 2021. IND management subsequently briefed the IND Board on the status of the arrangement and confirmed authority for execution of the FFA at approximately 5 pm on Friday 23 July 2021.

7. If the answer to question 1 is "yes" and IND first became aware of the Information before the relevant date, did IND make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe IND was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps IND took to ensure that the information was released promptly and without delay.

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No "Information" existed prior to the relinquishment of MEPL licence applications on ELA E70/5797 and E70/5929. IND received notification from MEPL that this had occurred at 4.06pm AWST on Friday 23 July 2021.

Concurrent with negotiations to finalise the FFA, delineation of the project areas for which licence applications were made, and preparations for the IND licence applications themselves, IND commenced the drafting of an ASX Announcement for the transaction (**Announcement**) during the week to Friday 23 July 2021 and a finalised version of the Announcement was released to the market prior to market open on Monday 26 July 2021.

8. Please confirm that IND is complying with the Listing Rules and, in particular, Listing Rule 3.1.

IND confirms that the Company is complying with the Listing Rules and, in particular, Listing Rule 3.1.

9. Please confirm that IND's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IND with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Yours sincerely



Alex Neuling

Director / Company Secretary



27 July 2021

Reference: 37074

Mr Alex Neuling
Company Secretary
Industrial Minerals Limited

By email

Dear Mr Neuling

Industrial Minerals Limited ('IND'): General – Aware Query

ASX refers to the following:

- A. IND's announcement entitled "Acquisition of Stockyard Silica Sand Project" lodged on the ASX Market Announcements Platform and released at 8.17 AM EST on 26 July 2021 (the 'Announcement'), disclosing that IND has secured two exploration license applications E70/5845 and E70/5846 comprising the 'Stockyard Silica Sands Project' and has agreed to pay Mining Equities Pty Ltd ('MEPL') an introduction fee for the introduction of the opportunity to acquire the project ('Information').
- B. The pause in trade and subsequent trading halt placed on IND's securities at the request of IND on 26 July 2021, pending the release of further information in relation to the Stockyard Project.
- C. The commencement of official quotation of IND's securities on ASX on 13 July 2021 following a capital raise of \$5,000,000 pursuant to the offer under IND's initial public offer prospectus dated 4 June 2021.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*”

- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks IND to respond separately to each of the following questions and requests for information:

1. Does IND consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. Please provide details regarding:
 - 3.1 the time and date that IND commenced discussions with MEPL with respect to the Stockyard Silica Sands Project;
 - 3.2 the role played by MEPL in introducing the project opportunity to IND; and
 - 3.3 the relationship between MEPL and IND.
4. Did IND enter any agreement/s with MEPL with respect to the Stockyard Silica Sands Project?
5. If the answer to question 4 is “yes”, provide details of each agreement, when negotiation of each agreement commenced and when each agreement was executed.
6. Please provide details regarding the time and date that:
 - 6.1 IND commenced the exploration licence applications for each of E70/5845 and E70/5846; and
 - 6.2 IND completed the exploration licence applications for each of E70/5845 and E70/5846.
7. If the answer to question 1 is “yes” and IND first became aware of the Information before the relevant date, did IND make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe IND was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps IND took to ensure that the information was released promptly and without delay.
8. Please confirm that IND is complying with the Listing Rules and, in particular, Listing Rule 3.1.
9. Please confirm that IND’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IND with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **6.30 AM AWST on 28 July 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, IND's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

IND is currently in a trading halt pending the release of further information in relation to the Stockyard Project. If you are unable to respond to this letter by the time specified above, ASX will suspend trading in IND's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to IND's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that IND's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Shannon Nicholson
Principal Adviser, Listings Compliance (Perth)