

## Highlights

- Latest round of auger drilling completed at the Stockyard Project has identified and extended multiple large areas of High Purity Silica Sand (HPSS);
- Key workstreams advancing for Stockyard Scoping Study in preparation for maiden Mineral Resource Estimate and Mining Lease application;
- Additional HPSS targets confirmed by regional soil sampling over the wider Stockyard project, with a best result of 99.1% SiO<sub>2</sub> returned, and several high priority areas identified for follow up; and
- Addition of tenements in key strategic locations including in close proximity to the Port of Albany.

Industrial Minerals Ltd (ASX: **IND** or the **Company**) is pleased to provide an update on its activities during the March 2022 Quarter.

During the period, the Company continued targeting High Purity Silica Sand (HPSS) in line with its Low Impact Mining Strategy at the Stockyard Project. Recent auger drilling at the Stockyard Project has highlighted multiple large HPSS mineralised bodies. The latest round of results returned 635 samples grading greater than 98.5% SiO<sub>2</sub>, for an average grade of 98.9% SiO<sub>2</sub> and 976 ppm Fe<sub>2</sub>O<sub>3</sub> ppm, further validating the technical team's approach to identifying suitable target areas for drill testing and delineating HPSS. Table 1 below provides a summary of recent drilling results from Stockyard.

	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> ppm	Fe <sub>2</sub> O <sub>3</sub> ppm	TiO <sub>2</sub> ppm	LOI-1000°C %
Average	98.9	1948	976	2653	0.39
Range	98.5 - 99.5	615 - 5571	303 - 9308	1180 - 5766	0.03 – 0.91

**Table 1. Summary of Stockyard assay results reported greater than 98.5 % SiO<sub>2</sub>**

The HPSS mineralised bodies defined by drilling now extend over a combined area of more than 230 hectares, and have an average depth of 1.1 metres, as highlighted by assays returned from auger drilling in Figure 1.

These latest assay results confirm and extend the positive results returned from IND's previous campaign of auger drilling at Stockyard, reported to the ASX in November 2021, giving the Company confidence to progress key Scoping Study workstreams already underway, with the metallurgical testwork program, process flowsheet design, mining and logistics studies also set to be expanded this quarter.

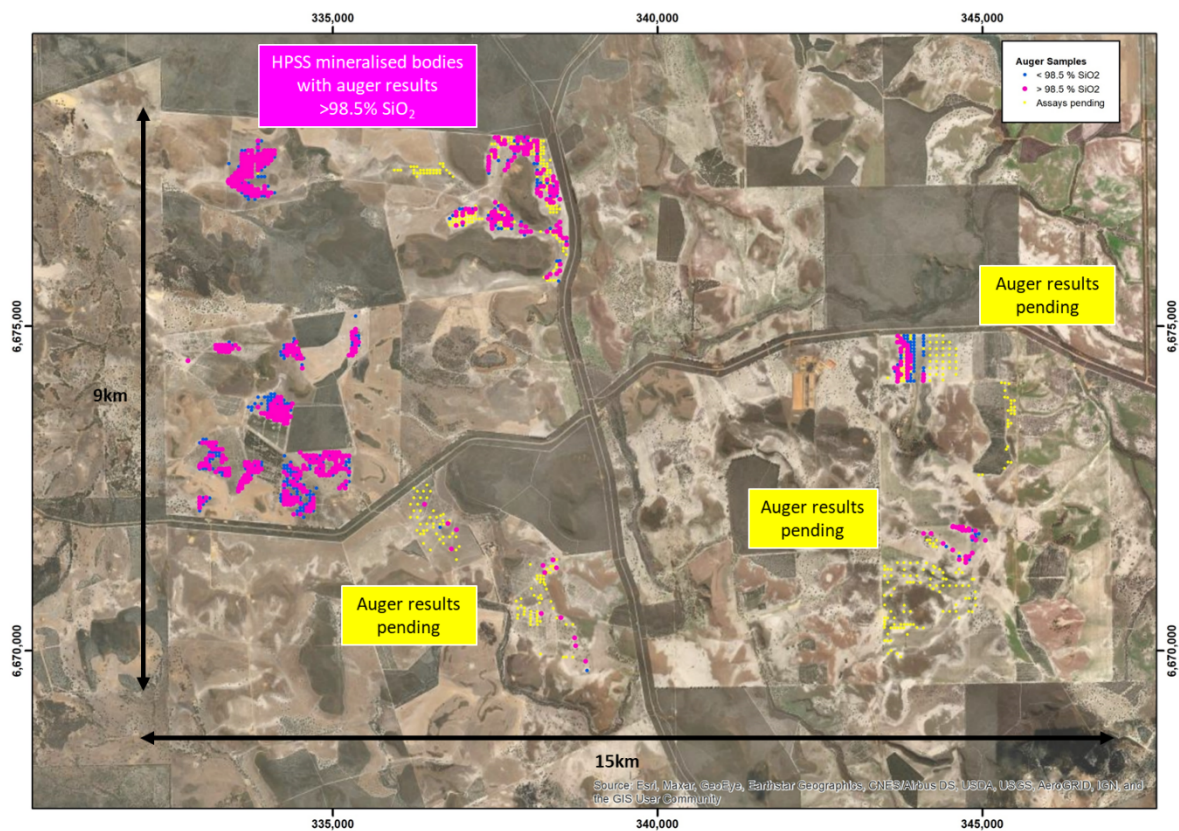
Stockyard represents the first in a pipeline of exciting projects that IND intend to evaluate through low impact and low-cost exploration, enabling a rapid pathway to development and mining HPSS for export to the high-growth Asian markets. The development of the Stockyard Project will form a blueprint for IND's development strategy going forward, with a further eleven HPSS projects set to feature in upcoming exploration campaigns.

Further reconnaissance soil sampling was recently undertaken over the broader Stockyard Project with results highlighting the presence of HPSS, with grades returned ranging between 97.7% and 99.1% SiO<sub>2</sub>. The locations and significant results from the Stockyard regional soil sampling program is detailed in Figure 2.

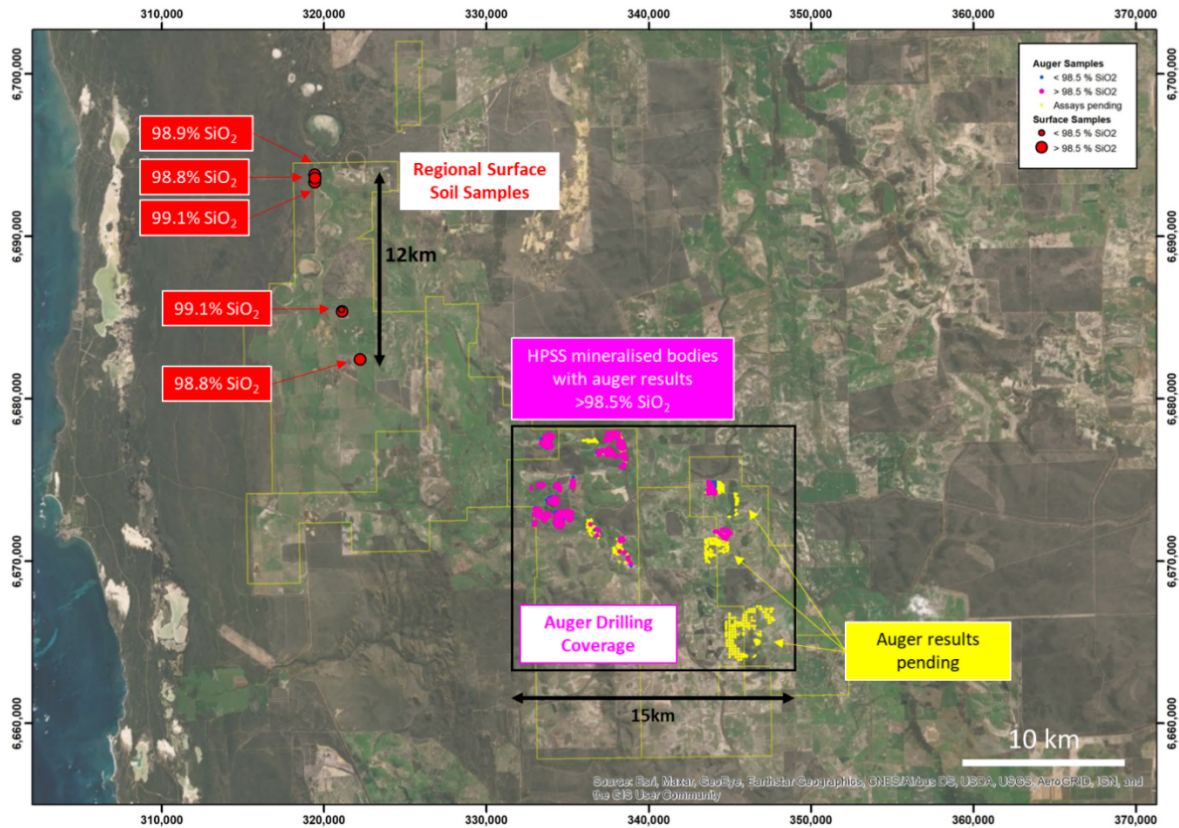
IND's Technical Director Jeff Sweet commented,

*"We have continued to identify, sample and test further target areas within the Stockyard Project with promising results. All targets are intercepting white sand at surface and are outside areas of native vegetation."*

*"Close relationships have been built with landowners at ten properties within the Stockyard Project area, adding support to IND's plans to explore and develop multiple low impact mining targets and reduce the risks associated with single source projects."*



**Figure 1. Stockyard Project plan view displaying multiple high purity silica sand mineralised bodies, as defined by auger drilling - significant intercepts greater than 98.5% SiO<sub>2</sub> in magenta, results less than 98.5% SiO<sub>2</sub> in blue, and assays pending in yellow.**



**Figure 2. Significant regional soil sample results in relation to auger drilling completed on farmland within the Stockyard Project**

The results contained within this Quarterly Report were reported to the ASX in April 2022 and can be found on the Company website.

**Company Landholdings**

During the quarter, the Company has applied for two further Exploration Tenements prospective for High Purity Silica Sand. E70/6041 is located east of Image Resources NL’s Boonanarring Project and 20km north of Gingin, Western Australia. E70/6065 is located 40km north of the Port of Albany, diversifying the Company’s export options.





**Figure 3. E70/6041 Location Map.**

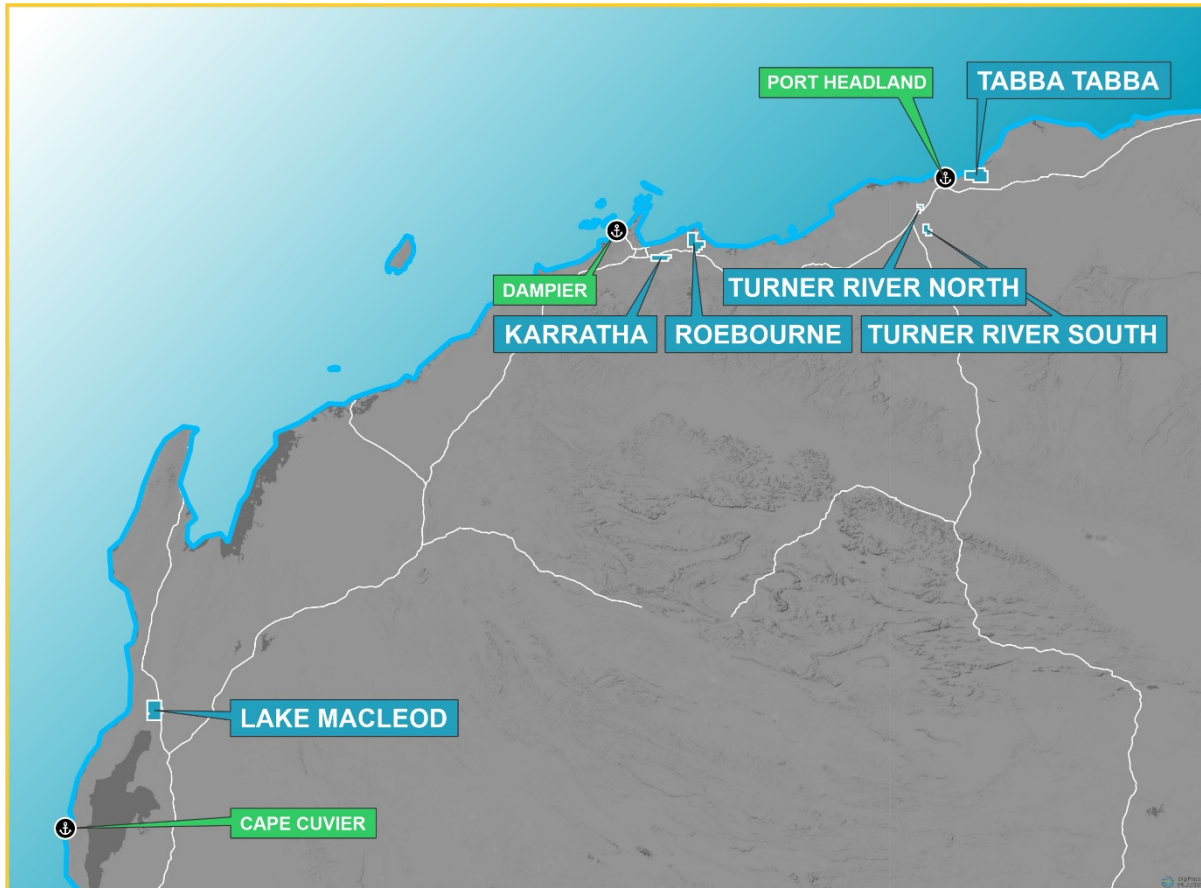


**Figure 4. E70/6065 Location Map.**





**Figure 2 : High Purity Silica Sands Projects**



**Figure 3 : Strategic Industrial Mineral Projects**

### **Plans for coming quarters**

IND's primary objective for 2022 is the rapid development of the Stockyard project. This will entail achieving key results including:

- Assessment and reporting of a Maiden Resource and Scoping Study;
- The application and approval of a Mining Lease within the Stockyard Project;
- Submission and approval of statutory requirements including Mining Proposal, Mine Closure Plan, Project Management Plan and Works Approvals;
- Engagement of mining, processing and logistics service providers;
- The further growth and development of potential customers with the aim to enter into offtake agreements and commence trial shipments.

IND will continue to maintain momentum across its portfolio of High Purity Silica Sand and Strategic Industrial Mineral Projects with continued systematic assessment and exploration. The Company looks forward to further engaging with landowners and stakeholders, presenting its Low Impact Mining Strategy and highlighting the benefits to agricultural productivity while minimising negative effects to the surrounding environment.



### Corporate and Financial

As at 31 March 2022, the Company had \$3.8M in cash. An Appendix 5B for the quarter (**5B**) is attached to this activities report. Exploration expenditure for the period (items 1.2a and 2.1d in the 5B) was \$221,000.

#### **Listing Rule 5.3.5**

Payments to related parties (as detailed in item 6 of the 5B) comprise payment of Directors fees, technical and management consulting fees as well as payments to a drilling services company in which Mr Sweet and Mr Pattison have a minority equity interest. Payments to related parties in the March 2022 Period totalled \$106,000 and payments in the December 2021 period (as restated to include payments for drilling services of \$94,000) totalled \$185,000.

#### **Listing Rule 5.3.4 Use of funds**

IND was admitted to trading on the ASX on 15 July 2021. The 31 March 2022 quarter is included in a period covered by a Use of Funds statement in a prospectus lodged with ASX under Listing Rule 1.a, condition 3. A comparison of the Company's expenditure against the estimated Use of Funds statement is set out below as required under Listing Rule 5.3.4.

<b>Expenditure item</b>	<b>Note</b>	<b>Use of Funds (2 years) \$</b>	<b>Actual to 31 December 2021 (excluding GST) \$</b>	<b>Variance \$</b>
Exploration at the projects	1	2,855,000	148,000	2,707,000
Cash reimbursement to project vendors		53,557	41,062	12,495
Expenses of the offer	2	540,000	503,000	37,000
Administration costs	1	1,260,000	411,217	848,783
Working capital	1	772,093	629,650	142,443
		<b>5,480,650</b>	<b>1,732,929</b>	<b>3,747,721</b>

Note:

1. The Use of Funds statement covers a 2 year period whereas current actual expenditure covers the period since incorporation (11 months). Expenditure items are budgeted to be incurred over the full 2 year period.
2. Initial listing fees, Independent Geologist's Fees, Printing and miscellaneous expenses were lower than budgeted in the use of funds statement

#### **For enquiries regarding this Quarterly Report please contact:**

Mr. Ashley Pattison  
Executive Chair  
(08) 6270 6316

Mr. Jeff Sweet  
Technical Director  
(08) 6270 6316

**About IND:**

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 now holds 100% of 14 High Purity Silica Sand projects and six 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 stakeholders.

Website: [www.industmin.com](http://www.industmin.com)

**Stockyard Project Exploration Results**

Exploration Results relating to the Stockyard Project were originally reported in the Company's ASX Announcement dated 6 April 2022.

**Competent Person**

The information in this announcement that relates to exploration activities on the Projects is based on information compiled and fairly represented by Ms Melanie Leighton, who is a Member of the Australasian Institute of Geologists (MAIG). Ms Leighton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which she has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Leighton consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

**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.

**Disclaimer**

No representation or warranty, express or implied, is made by IND that the material contained in this document will be achieved or proved correct. Except for statutory liability and the ASX Listing Rules which cannot be excluded, IND and each of its directors, officers, employees, advisors and agents expressly disclaims any responsibility for the accuracy, correctness, reliability or completeness of the material contained in this document and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person through use or reliance on any information contained in or omitted from this document.



**Appendix A – Tenement Schedule as at 31 December 2021**

Project	Location	Tenement Number	Status	% Interest
Arrowsmith East	Arrowsmith East, WA	E70/5856	Granted	100%
Bookara	Bookara, WA	E70/5855	Granted	100%
Bookara	Bookara, WA	E70/6006	Application	100%
Bookara	Bookara, WA	E70/6007	Application	100%
Cataby West	Mimegarra, WA	E70/5714	Application	100%
Cataby West	Mimegarra, WA	E70/5778 <sup>2</sup>	Application	100%
Gingin	Gingin, WA	E70/5742 <sup>2</sup>	Granted	100%
Gingin	Gingin, WA	E70/5868	Granted	100%
Gingin	Gingin, WA	E70/5918	Granted	100%
Gingin	Gingin, WA	E70/5782 <sup>2</sup>	Application	100%
Jurien	Cataby, WA	E70/5741 <sup>2</sup>	Granted	100%
Karratha	Hammersley Range, WA	E47/3144 <sup>2</sup>	Granted	100%
Lake MacLeod	Lyndon River, WA	E08/3089 <sup>1</sup>	Granted	100%
Mindarra	Mindarra, WA	E70/6041	Application	100%
Mount Lefroy	Mount Lefroy, WA	E70/5857	Granted	100%
Mullering	Cataby, WA	E70/5715 <sup>1</sup>	Granted	100%
Narricup	Albany, WA	E70/6065	Application	100%
Quins	Cowalla, WA	E70/5340 <sup>1</sup>	Granted	100%
Quins	Cowalla, WA	E70/5720 <sup>1</sup>	Granted	100%
Regans Ford	Regans Ford, WA	E70/5858	Application	100%
Roebourne	Roebourne, WA	E47/4582	Application	100%
Stockyard	Stockyard, WA	E70/5845	Granted	100%
Stockyard	Stockyard, WA	E70/5846	Granted	100%
Stockyard	Stockyard, WA	E70/5873	Granted	100%
Stockyard	Stockyard, WA	E70/5936	Granted	100%
Stockyard	Stockyard, WA	E70/5937	Application	100%
Stockyard	Stockyard, WA	E70/5938	Application	100%
Tabba Tabba	Tabba Tabba, WA	E45/6091	Application	100%
Turner River	Turner River, WA	E45/5268 <sup>3</sup>	Application	100%
Turner River North	Turner River, WA	E45/4570	Granted	100%
Turner River North	Turner River, WA	E45/6062	Application	100%
Unicup	North Unicup, WA	E70/5713 <sup>2</sup>	Granted	100%
Unicup	North Unicup, WA	E70/5870	Granted	100%
Waroona	Harvey, WA	E70/5887	Application	100%
Waroona	Waroona, WA	E70/5888	Application	100%

1. Tenement currently held by Mining Equities Pty Ltd. Applications have been submitted for the transfer to Industrial Minerals Ltd.

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2. Tenement currently held by Gundara Enterprises Pty Ltd. Applications have been submitted for the transfer to Industrial Minerals Ltd.
3. Tenement currently held by Peter Gianni. Applications have been submitted for the transfer to Industrial Minerals Ltd.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Industrial Minerals Ltd

ABN

87 648 183 297

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(115)	(449)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(83)	(372)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(198)</b>	<b>(821)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(41)
(c) property, plant and equipment	-	(8)
(d) exploration & evaluation	(106)	(271)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(106)</b>	<b>(320)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(374)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>4,626</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,065	275
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(820)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(106)	(320)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,626



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,761</b>	<b>3,761</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,761	4,065
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,761</b>	<b>4,065</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(26)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(80)

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

- 6.1 Payment of directors' fees to related parties on an arm's length basis under the terms disclosed in the IPO prospectus
- 6.2 Payment of directors' fees to related parties on an arm's length basis under the terms disclosed in the IPO prospectus related to exploration activities at granted tenements. In addition, includes \$27,110 paid to a drilling services company in which Mr Pattison and Mr Sweet hold a minority equity interest (prior quarter \$94,446 including GST).

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		-
- Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(198)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(106)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(304)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,761
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,761
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	12.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..29 April 2022.....

Authorised by: ..Natalie Madden – Company Secretary.....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.