

MARKETING AND OFFTAKE ACTIVITIES

Number of enquiries now being entertained across PV glass, specialty flat glass and foundry sand sectors

Highlights

- Substantial increase in potential customer appetite for IND's High Purity Silica Sand (HPSS) products following recent announcements that the Company's flagship Stockyard asset is "Mine Ready".
- IND Management visit to China in early May 2023 to assess the results of the 20T bulk sample testing program with potential offtake partner Shandong Hongbote Solar Technology Co., Ltd. (SHST).
- Discussions are ongoing with potential customers from South Korea and Vietnam in the broader speciality flat glass sectors and also the high-end refractory sand market.
- IND marketing directly to potential customers at the recent Silica Sand conference in the heart of the Anhui Province, home to many Chinese PV glass factories. IND will also attend the China Glass conference in Shanghai in early May 2023.



Plate 1. Photovoltaic Glass manufacturing facility recently visited by IND's Marketing Manager Mr Wei Li

IND's Managing Director Jeff Sweet commented:

"I am very encouraged by the level of enquiry that IND has seen in the first quarter of this year. As one of only a very few silica sand projects that is shovel ready, IND is in the enviable position of being able to deliver its product to customers in a market with significant worldwide demand for High Purity Silica Sand."

"I am looking forward to visiting China next week and meeting with Mr Hu from SHST as well as the other interested parties with whom we are currently in discussions."

Industrial Minerals Ltd (ASX: **IND** or the **Company**) is pleased to announce that its marketing activities have increased substantially in the year to date, following the announcement in early February that our Stockyard HPSS Project near Eneabba in Western Australia is fully permitted and shovel ready.¹

China Photo Voltaic (PV) Industry Update

The PV glass industry in China continues to grow, with larger and more efficient PV panels are being developed, incorporating the latest 1.6mm PV glass being commercially produced. As a result, HPSS is in high demand, and imports from countries in South-East Asia are on the rise. Domestic production continues to be restrained by environmental regulations and consolidation of private mines. Pricing for 100ppm Fe₂O₃ products stabilised in recent months, and these continue to be the most sought after products.

Demand for High Purity Quartz (HPQ), a critical raw material used in various industries, including electronics, semiconductors, solar, and optical continues to grow. The shortage for 4N (99.99%) and 5N (99.999%) HPQ products is even greater as a percentage of total demand. Chinese domestic quartz is inherently difficult to produce high-end products and industry continues to rely on imported feedstock.



Plate 2. Photovoltaic Glass Expo in Anhui Province attended by IND's Marketing Manager Mr Wei Li

¹ For further details on the status of the Stockyard Project please refer to ASX release dated 5th April 2023.

Targeted Marketing Activities

Mr. Wei Li, IND's Marketing Manager was invited to the inaugural PV Glass Manufacturing conference in Anhui Province last week where he met with a number of potential buyers of HPSS. He was also invited to tour some of the largest PV glass manufacturing plants.

Mr. Li will also be guiding the Company's MD, Mr. Jeff Sweet on a tour of the processing operations of a number of potential customers in China next week, in the lead up to a busy week of meetings at China Glass 2023 in Shanghai.



Plate 3. Tour of Silica Sand processing facility attended by IND's Marketing Manager Mr Wei Li

Potential Offtake and Sales Orders

Through the first quarter of 2023, IND has seen a large increase in expressions of interest from potential customers to supply HPSS into China, South Korea and Vietnam. Interest in HPSS has come from a wide industry base including PV, LED screen and flat glass as well as the high-end foundry sand market. IND has been in a strong position to present product specifications from its flagship Stockyard Project, emphasising its "Mine Ready" status. Quantities being sought from individual parties range from 0.5M MTPA to 1.5M MTPA.

Interest has also been received from potential customers for HPQ, following the announcement of exploration activities at IND's Karratha Project.²

² For further details on the Karratha Project please refer to ASX release dated 22nd March 2023.



Plate 4. Recent meeting between potential customer and IND MD Jeff Sweet

Next Steps

IND's primary objective is to finalise firm sales orders and/or long-term offtake over its HPSS projects, with planned activities to achieve this including:

- Customer site visits in China to take place over the next two weeks.
- Attendance at the China Glass 23 conference in Shanghai in early May 2023.
- Ongoing Metallurgical test work on the sands by both potential customers and IND, including particle size and grade distribution to assess preferred processing routes and end markets.

The Company looks forward to providing further updates as results come to hand.

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

For enquiries regarding this release please contact:

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About IND

IND is a diversified Industrial Mineral project developer with a primary focus on High Purity Quartz and 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 20 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

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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