FIRST RC DRILLING RESULTS RECEIVED FOR PIPPINGARRA QUARRY PROJECT

Interpretation & Next Steps Planning Underway

Highlights

- **First results received for Pippingarra Quarry RC drilling with significant intercepts including 1m @ 1.72% LiO2 from 30m, and 2m @ 1.03% LiO2 from 37m in INRC002**
- **Assay results pending for remaining 24 holes, however wide intervals of pegmatite and quartz successfully intersected in drilling, supporting historical data**
- **Several quartz samples sent to potential offtake partners and mineral processing specialists to determine suitability as feedstock for High Purity Quartz crucible and electronics industry applications**

Figure 1: Phase 1 drill collar locations

Figure 2: Significant Intersections

IND Managing Director, Jeff Sweet, commented:

"We are delighted to have received the first batch of assays from our December RC drilling program at Pippingarra after a delay due to laboratory backlogs.

"These results demonstrate high grade lithium outside of the mapped pegmatite, which is very encouraging. Equally, the identification of a clean white quartz zone to the eastern end of Pippingarra provides us with additional potential value for our shareholders.

"We eagerly await the remaining assays and the results of the high purity quartz testwork and look forward to providing updates to the market as results are received."

Phase 1 RC Drilling

Industrial Minerals Ltd (ASX: **IND** or **the Company**) is pleased to advise that it has received the first batch of results for the reverse circulation (**RC**) drill program completed in December 2023 at its Pippingarra Quarry Project (**Pippingarra**) located 30km south-east of Port Hedland, within the world class Pilbara lithium province of Western Australia.

In December 2023, IND completed an initial drilling program comprising 28 RC drillholes for 2,860 metres. The Phase 1 RC drilling program was designed to validate historical drill data and test for the presence of stacked flat lying pegmatites and massive quartz zones. All drill samples were sent to North Australian Laboratories (NAL) for lithium and Rare Earth Element (REE) suite mineral analysis.

Historical drilling at Pippingarra returned a significant intercept of **6m at 3.73% Li_2O from 26m**[1] and the Company's drilling was designed to test lateral and depth extension opportunities for further high tenor lithium mineralisation at the Pippingarra Quarry Project.

The Company has received results for 4 of the 28 drill holes and has been informed by NAL that the pending results will be available in the coming weeks. Pleasingly, elevated lithium grades were intersected in 2 of the 4 drillholes. Significant results returned include:

- INRC001: 1m at 0.89% LiO_2 from 88m
- INRC002: 1m at 1.72% LiO_2 from 30m and 2m at 1.03% LiO_2 from 37m.

Interestingly, the elevated lithium grades were located within the host granite, not in the mapped pegmatite.

The Pippingarra pegmatite units have been interpreted to be north-east striking, and near flat lying with a length of 1500–2000m and width of 200-300m. The majority of historical drilling within the Pippingarra ML was limited to a depth 20-30m and very few holes were drilled beyond these depths.

Drilling undertaken by IND targeted the presence of near surface pegmatite and also tested the potential for repetitions of the pegmatite at depth, thus extending drill hole depths to 100m. IND conducted several traverses of RC drilling testing along strike potential to the southwest and northeast of the existing open cut quarry.

The initial traverse of 5 drillholes (INRC01-INRC05) covered a distance of 300m and was located at the eastern end of the open cut. The first two holes, INRC01 and INRC02, intersected the granite host rock with the remaining three holes (INRC03,04 and 05) intersecting a very wide fractionated pegmatite comprising a range of different lithological units that are interpreted to be associated with an intrusive pegmatite. The pegmatite remains open to the north of this traverse.

The second drill traverse was undertaken along the western end of the open cut. Seven drill holes (INRC013 to INRC019) were completed along this traverse with granite being intersected at the northern and southern ends and the central lithology being fractionated pegmatite.

The third drill traverse was undertaken on a cleared line about 700m northeast of the open cut, where eight holes were drilled at 50m spacings, covering a distance of about 400m. These holes were exploratory in nature, designed to establish if the Pippingarra pegmatite extended to the northeast. All eight holes intersected a weathered granite profile. Assays are pending for these drillholes.

High Purity Quartz

In addition to the lithium exploration at Pippingarra, IND has also been assessing the prospectivity of the mining leases for high purity quartz (HPQ), a high demand critical mineral for solar PV, semiconductors, fibre optics and electronics applications. One of the highest value applications that quartz can be used in is the inner layer of quartz crucibles.

[1] For further details on the Pippingarra Quarry Project, refer to ASX announcements dated 27th October 2023 and 23 November 2023.

Quartz crucibles are made from ultra-pure HPQ and are an important component in various industries including semiconductors, solar energy, and electronics. According to Shanghai Metals Market, High-purity Quartz Sand (quartz crucible for the inner layer) is currently priced at ~US$58,000.

IND has received numerous requests from end users and traders for samples of the quartz that is found at Pippingarra both from past mining operations, and from the recent RC drilling completed at the eastern end of the open cut.

Historical drilling at Pippingarra has intersected wide bands (10 – 15m) of very clean, white quartz that is close to surface and is interpreted to be part of the pegmatite fractionation and zonation.

The Company's Phase 1 RC drilling undertaken at the eastern end of the open cut was successful in intersecting wide zones of clean, white quartz up to 20m wide, as reported by IND in drillhole INRC08. In addition to the lithium, this quartz zone is being further assessed by IND, and samples have been sent for separate analysis to determine the purity of the quartz and its suitability for the HPQ market.

In addition to quartz samples from the Phase 1 RC Drilling, IND has collected and crushed quartz rock that has been previously mined from the Pippingarra open cut. A 300kg bulk sample has been shipped to an interested party in China targeting the premium crucible market and the initial feedback from this prospective offtake partner has been encouraging.

Figure 3: RC drill hole INRC08 - 20m white quartz intersection 35m to 55m

Cautionary Statement: Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

Next Steps – Pippingarra Quarry Project

- Receive and assess all drill assay results – expected over the coming weeks.
- Planning of Phase 2 drilling program, estimated to commence late Q1 2024.
- High Purity Quartz potential to be determined based on results received from samples currently being tested by potential buyers in China and industry experts in USA.

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

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About IND

Industrial Minerals Ltd is a critical minerals explorer and a developer of high purity silica sand and quartz. The Company has HPSS and HPQ advanced projects in Western Australia positioned to supply the rapidly expanding solar PV industry. IND holds 100% of 21 High Purity Silica Sand projects and seven complementary Industrial Mineral projects across Western Australia and is focused on exploring and developing these projects.

IND is also exploring for lithium and high purity quartz (HPQ) in the established lithium province of Pilbara in Western Australia, where is has recently secured an option to acquire an 80% interest in the non-construction material mineral rights to the operating Pippingarra Quarry (Granted Mining Lease, M45/258), which includes lithium and HPQ.

Competent Person

The information in this announcement that relates to exploration activities on the Projects is based on information compiled and fairly represented by Mr Bryan Bourke, who is a Member of the Australian Institute of Geoscientists and consultant to Industrial Minerals Ltd. Mr Bourke has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he 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". Mr Bourke 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.

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Appendix 1 - Drill collar details and Significant Intercepts

Table 1 – Pippingarra Quarry Project RC Drill Hole Collar Details

Hole ID	GDA94-Z50 E (m)	GDA94-Z50 N (m)	RL	Azimuth	Dip	Total Depth (m)
INRC001	683864.6	7724317.9	63.9	0	-90	100
INRC002	683897.9	7724289.8	64.5	0	-90	100
INRC003	683946.6	7724249.2	65.3	0	-90	100
INRC004	683977.9	7724220.3	66.3	0	-90	100
INRC005	684021.2	7724196.3	66.3	0	-90	100
INRC006	683981.2	7724147.4	66.4	0	-90	100
INRC007	683949.0	7724176.0	69.0	0	-90	100
INRC008	684056.1	7724219.0	65.6	0	-90	100
INRC009	684022.1	7724249.2	65.4	0	-90	100
INRC010	683975.2	7724286.8	64.9	0	-90	100
INRC011	683927.2	7724322.3	63.9	0	-90	100
INRC012	683737.5	7724191.2	64.5	0	-90	100
INRC013	683382.2	7724138.4	63.9	0	-90	100
INRC014	683416.0	7724109.0	64.0	0	-90	100
INRC015	683441.4	7724048.5	70.1	0	-90	100
INRC016	683475.5	7724029.0	71.9	0	-90	100
INRC017	683528.7	7723988.7	70.7	0	-90	100
INRC018	683574.8	7723983.0	69.2	0	-90	100
INRC019	683610.3	7723934.8	64.5	0	-90	100
INRC020	683746.4	7724009.7	65.8	0	-90	160
INRC021	684686.8	7724542.8	68.2	0	-90	100
INRC022	684686.4	7724494.2	68.3	0	-90	100
INRC023	684683.0	7724443.7	68.4	0	-90	100
INRC024	684678.7	7724391.9	68.8	0	-90	100
INRC025	684670.7	7724343.2	68.3	0	-90	100
INRC026	684667.5	7724292.7	67.1	0	-90	100
INRC027	684662.8	7724244.0	66.2	0	-90	100
INRC028	684655.4	7724191.9	65.4	0	-90	100

Table 2 - Pippingarra Quarry Project RC Drilling Significant Intercepts

Hole ID	From	To	Interval (m)	Li (ppm)	Li_2O (%)	Cs (ppm)	Ta (ppm)	Rb (ppm)	Nb (ppm)
INRC001	88	89	1	4000	0.86	2.8	L	194	7
INRC002	30	31	1	8000	1.72	2.2	L	201	7
INRC002	37	39	2	4771	1.03	2.55	0.25	162	8
INRC003	No significant intercepts								
INRC018	No significant intercepts								

Table 3 – Summary of visual estimates of mineralisation – INRC008

Hole ID	From	To	Interval (m)	Nature of Mineralisation	Visual Estimate %	Mineralisation observed (in order of abundance)
INRC008	35	55	20	Qtz	100	White quartz

Appendix 2 - JORC Code, 2012 Edition

Table 3: JORC Code, 2012 Edition. Section 1.

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	At the Pippingarra Project the samples from RC drilling were split on a 1.0 metre sample interval at the rig cyclone. All samples were delivered by Industrial Minerals Ltd (IND) to the Port Hedland - Wedgefield depot of Bruce Avery Transport for freighting to North Australian Laboratory located in Pine Creek, NT. All samples from RC drilling are submitted for Four Acid Multi-Element Analysis using ICP-OES and ICP-MS.

Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Reverse Circulation drilling was carried out by Orlando Drilling using a track-mounted Atlas Copco rig accompanied by an Atlas Copco booster. The drill sample material is recovered as pulverised rock chips. All the drill holes were vertical and drilled to a depth of 100m with one hole being 160m. The deviation of the drill string with holes of a vertical orientation and limited hole depth was considered to be minimal and therefore the holes were not downhole surveyed.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	RC samples were logged in detail at the drill site by the supervising geologist and recorded in the company's database. Overall recoveries were excellent and there were no significant sample recovery problems. Sample depths are continually checked against the rod string depth during the drilling process by the senior driller.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Detailed geological logging of the entirety of each hole by the IND geologist is carried out on the RC chips and recorded as a qualitative description of colour, lithological type, grain size, structures, minerals, alteration, and various other features. Representative material was sieved and collected as 1m individual samples in number-coded plastic chip trays. Photos of the chip trays was done to provide a reference.

Criteria	JORC Code explanation	Commentary
	The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	Rock chip samples are prepared and analysed by independent certified laboratory, North Australian Laboratory, located in Pine Creek, NT. The samples are dried, crushed and pulverised to 85% passing 75um prior element analysis by ICP – OES and ICP – MS methods. The majority of RC samples were dry. Minor water ingress occurred during rod/bit changes however samples were generally dry once active drilling recommenced. Samples were collected at 1m intervals via on-board cone splitter then laid out on the ground. Each 1.0m split sample was collected in a pre-numbered calico bag. Sample quality was ensured by monitoring sample volume and by regularly cleaning the rig cyclone & sample splitters (RC). Sampling sheets were prepared and checked by IND site geologist and field technicians to ensure correct sample representation. In RC drilling QA/QC samples are included at the rates of 1:25 as duplicate samples and one certified reference material (CRM standard) for every 60 samples. The QAQC samples will be analysed, and the results compared with the original sample to provide an assessment of the sampling procedures and laboratory results.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether	Certified Reference Materials (CRM or standards) are inserted at the rates 1:60 sample to assess the assaying accuracy of the external laboratories. Duplicate samples were collected at 1:25 samples.

Criteria	JORC Code explanation	Commentary
	the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Standards, blanks, and duplicates are used by the laboratory for QAQC. No laboratory audits were undertaken.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Primary data (geological) was collected using previously defined standard codes and the information uploaded in Excel files on laptop computers by the supervising geologist. No twin holes were drilled. All data is received and stored securely in digital format in the IND's database. Final data is rigorously interpreted by IND's personnel.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	IND's drill hole collars were surveyed by a Trimble DGPS by a registered mining engineer with an accuracy of +/- 0.10m. Co-ordinates are provided in MGA94 Zone 50 (GDA94).

Criteria	JORC Code explanation	Commentary
	Specification of the grid system used. Quality and adequacy of topographic control.	
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	Minimal sample spacing for assay samples is 1m intervals. The RC drilling at the Pippingarra Project was a nominal 50m hole spacing.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	All RC holes are drilled at -90 degrees to provide a true width intersection of the targeted horizon. Holes are designed to intersect the geological contacts/targets as close to perpendicular as possible in order to provide approximate true width intercepts.
Sample security	The measures taken to ensure sample security.	The sample chain of custody is managed by IND. All samples were collected in the field at the project site in number-coded calico bags placed in bulk bags by IND's geological and field personnel. All samples were delivered directly to the associated carrier by IND personnel before

Criteria	JORC Code explanation	Commentary
		being transported to the laboratory in Pine Creek, NT for final analysis.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No reviews or audits have been undertaken.

Table 4: JORC Code, 2012 Edition. Section 2.

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Industrial Minerals Limited (IND) has an 80% interest in the non-construction mineral rights within M45/258. IND is not aware of any existing impediments nor of any potential impediments which may impact ongoing exploration and development activities at the project site. Tenements are located on the Wallareenya pastoral lease.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration within and around the Pippingarra M45/258 has been carried out since the 1950's - initially for tantalum and beryl, then muscovite and in the 1980's for microcline feldspar. The mining operations for feldspar ended in the late 1990's and from this time onwards activities within M45/258 have primarily been quarrying. The quarrying operations are presently carried out by North West Quarries who supply a wide range of civil and construction materials. All prior exploration studies including drilling were focused on the exploration for and

Criteria	JORC Code explanation	Commentary
		development of the microcline feldspar resources.
Geology	Deposit type, geological setting and style of mineralisation.	The Pippingarra Project area is located about 30km south east of the Port Hedland town site in the Pilbara Region of WA. The Pippingarra pegmatite was an area of mining activity in the 1950's where beryl and columbite concentrates were mined from alluvial material shed from the pegmatites in the immediate area of M45/258. The Pippingarra pegmatite is wholly within the Archaean porphyritic adamellite that is part of the Carlindi Batholith. It has been variously described as being a flat lying pegmatite with a strike of about 2000m, a width of 200m and up to 30m thick. The pegmatites in the Pilbara region are known for their prospective Lithium mineralisation and this this is the commodity being explored for at Pippingarra.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.	Drill hole data is reported on in the body of the announcement. RL has been provided with the collar data.

Criteria	JORC Code explanation	Commentary
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Assay data has not yet been received.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a	Geological intercepts are provided as downhole lengths; holes were oriented vertically to be perpendicular to pegmatite.

Criteria	JORC Code explanation	Commentary
	clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Maps and cross sections are included in the body of the announcement.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Results are yet to be reported
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All relevant data are reported in this release.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Field work, including mapping and sampling, to better evaluate pegmatite areas is planned.

Criteria	JORC Code explanation	Commentary
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Infill and extensional drilling will be undertaken once the assay data is available for interpretation.