

# QUARTERLY ACTIVITIES REPORT

## For the period ending 31 March 2024

### Highlights

- HPQ samples sent for testing to prospective offtake partners returned low impurity results from a simple flowsheet, with further samples sent to mineral processing specialists in Australia, China and USA to determine HPQ potential.
- High Purity Quartz (HPQ) at IND's Pippingarra Quarry Project warrants further exploration.
- Results received for Pippingarra Quarry RC drilling with significant intercepts including 1m @ 1.72% Li<sub>2</sub>O from 30m, and 2m @ 1.03% Li<sub>2</sub>O from 37m in INRC002.

Industrial Minerals Ltd (ASX: IND or the Company) is pleased to provide an update on its activities during the March 2024 Quarter. During the period, the Company progressed exploration activities at the Pippingarra Quarry Project to test the lithium and high purity quartz (HPQ) potential. HPQ samples were successful in returning low impurity results from a simple flowsheet, highlighting that HPQ at Pippingarra warrants further exploration. Results from the Pippingarra reverse circulation (RC) drill program returned lithium intersections, however prospectivity of exploration significance was deemed as limited.

### IND's Managing Director Jeff Sweet commented:

*"This has been a progressive quarter for IND, as we uncover the High Purity Quartz potential of our Pippingarra Quarry Project.*

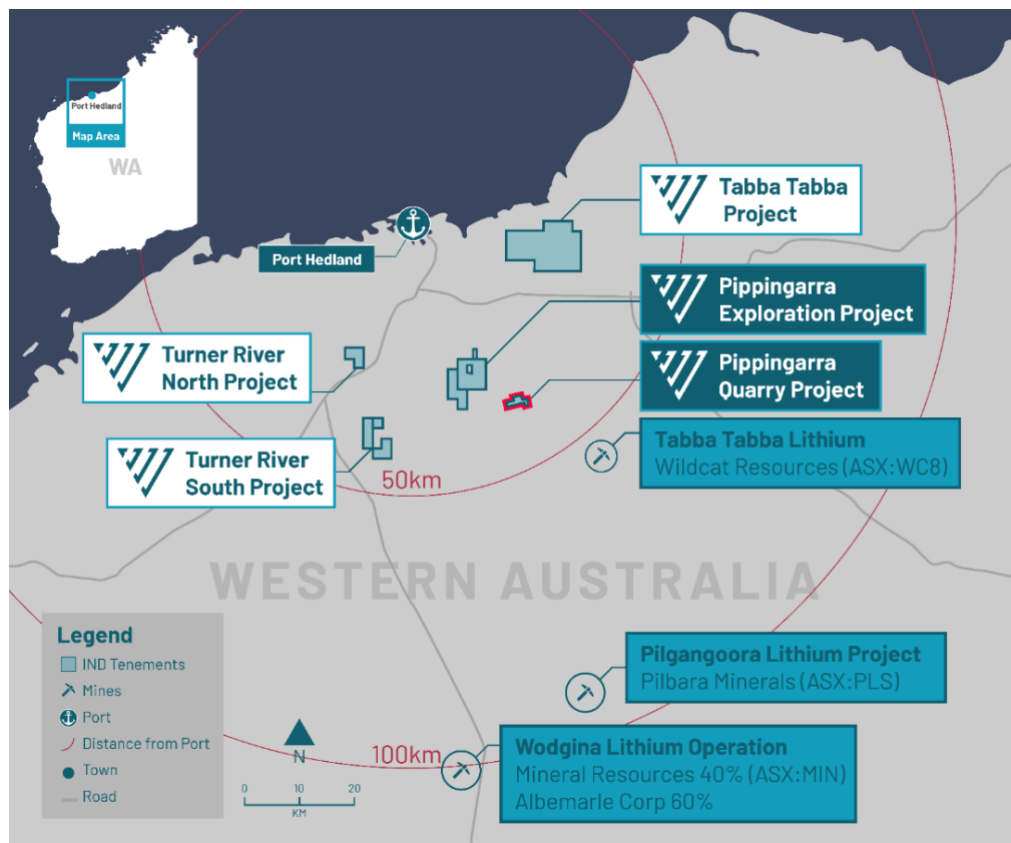
*"Confirmation of wide zones of HPQ has been very encouraging, validating our early interest in the HPQ potential of Pippingarra.*

*"With numerous requests from end users and traders for quartz samples, we are eager to plan Phase 2 of the reverse circulation drilling program to better define quartz-bearing zones.*

*"We look forward to updating our shareholders on upcoming HPQ exploration and additional exploration work programs across our broad tenure."*

## Pippingarra Quarry Project

The Pippingarra Quarry Project (Pippingarra) is prospective for High Purity Quartz (HPQ), located 30km south-east of Port Hedland, in the Pilbara region of Western Australia (Figure 1).



**Figure 1:** IND Pippingarra Quarry Project location and infrastructure.

## High Purity Quartz

A key objective of IND for the Pippingarra Quarry Project has been assessing the prospectivity of the mining lease for HPQ, a high demand critical mineral for solar PV, semiconductors, fibre optics and electronics applications.

The Company's Phase 1 RC Drilling Program was undertaken at the eastern end of the open cut validated historical drilling, intersecting wide zones of clean white quartz up to 20m thick (Figure 2).



**Figure 2:** Quartz zone identified in Phase 1 RC and historical diamond drilling results.

During the quarter, IND was pleased to release results from a 300kg quartz sample sent to a Chinese party in late 2023. Initial chemical analysis followed standard processing testwork for HPQ, with results showing the purity improved from >99.97% SiO<sub>2</sub> to >99.994% SiO<sub>2</sub> (Table 1). Total measured impurities of the raw quartz were reduced by >90% from 695ppm to 61ppm.

**Table 1:** Assay results for quartz sample MET021 achieving >99.994% SiO<sub>2</sub> purity.

Sampled	Al ppm	B ppm	Ca ppm	Cr ppm	Cu ppm	Fe ppm	K ppm	Li ppm	Mg ppm	Mn ppm	Na ppm	Ni ppm	Ti ppm	Ba ppm	Co ppm	Zr ppm	TOTAL ppm
MET0021 Ore	464	0.0	23.8	0.0	0.2	5.6	20.5	14.2	1.4	0.4	163	0.0	2.2	0.2	0.0	0.2	695.0
MET0021 Processed	45.0	0.0	3.7	0.0	0.0	0.5	1.7	4.7	0.1	0.1	3.6	0.0	2.0	0.0	0.0	0.1	61.5

IND identified and selected a larger quartz sample to allow a broader group of interested parties to conduct further testing and refine the testing process. These samples were crushed, screened, and bagged ready for shipping (Figure 3).

The Company 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 RC drilling completed at the eastern end of the open cut.

IND is planning a Phase 2 RC drilling program to better define quartz-bearing zones for HPQ applications. The Company is also in discussions with interested parties to procure larger raw quartz samples for further HPQ assessment and testwork.



## RC Drilling Program

During the quarter, IND received assay results from the Phase 1 drilling program at the Pippingarra Quarry Project comprising 28 RC drillholes for 2,860 metres. The program was designed to validate historical drill data and test for the presence of stacked flat lying pegmatites and massive quartz zones.

Initial returned results returned elevated lithium grades<sup>1</sup>, with significant intercepts including:

INRC001: 1m at 0.89% Li<sub>2</sub>O from 88m

INRC002: 1m at 1.72% Li<sub>2</sub>O from 30m and 2m at 1.03% Li<sub>2</sub>O from 37m

Remaining RC assay results were returned in March 2024 (*Figure 4*), which were subdued with only a small number of 1.0 – 2.0m intersections recording >1.0% Li<sub>2</sub>O. With these relatively narrow widths and their occurrence in granite geology their prospectivity as being of exploration significance is limited. From a geological perspective the Pippingarra pegmatite exhibits an early phase of pegmatite fractionation and although there are sporadic lithium occurrences these have been insufficient to form in any concentration or in a mineralised form such as spodumene.



**Figure 1:** Pippingarra Quarry Project Drill Hole Locations.

## Corporate and Financial

As at 31 March 2024 the Company had \$762,817 in cash. An Appendix 5B for the quarter (5B) is attached to this activities report.

### Additional ASX Listing Rule Disclosures

**ASX Listing Rule: 5.3.1** Exploration expenditure for the period (items 1.2a and 2.1d in the 5B) was \$428,000 with a further \$92,000 for acquisition of mining tenements.

**ASX Listing Rule 5.3.3:** The details of the mining tenements, the location and the Company's beneficial percentage interest held in those Tenements at the end of the Quarter is included in the Table at the end of this as Appendix 1.

**ASX 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 for office rent to a company in which Mr Pattison has an equity interest. Payments to related parties in the March 2024 Period totalled \$135,000.

### ASX Announcements included in this Report

This Quarterly Activities Report contains information reported in accordance with JORC 2012 in the following announcements released during the reporting period:

14 February 2024 – First RC Drilling Results for Pippingarra Quarry Project  
28 March 2024 - Final RC Drill Results for Pippingarra Project

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

For enquiries regarding this release please contact:

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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 high purity quartz (HPQ) in the Pilbara region in Western Australia, where it 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).

## 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.

## 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 March 2024

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	Granted	100%
Bookara	Bookara, WA	E70/6007	Granted	100%
Cataby West	Cataby, WA	E70/5714	Application	100%
Cataby West	Cataby, WA	E70/5778	Application	100%
Enneaba	Enneaba, WA	E 70/6205	Application	100%
Enneaba	Enneaba, WA	E 70/6345	Application	100%
Esperance East	Esperance, WA	E 63/2260	Granted	100%
Esperance West	Esperance, WA	E 63/2259	Granted	100%
Gingin	Gingin, WA	E70/5742	Granted	100%
Gingin	Gingin, WA	E70/5868	Granted	100%
Gingin	Gingin, WA	E70/5918	Granted	100%
Gingin	Gingin, WA	E70/5782	Application	100%
Jurien	Jurien, WA	E70/5741	Granted	100%
Karratha	Hammersley Range, WA	E47/3144	Granted	100%
Lake MacLeod	Lyndon River, WA	E08/3089	Granted	100%
Mindarra	Mindarra, WA	E70/6041	Granted	100%
Mount Lefroy	Mount Lefroy	E70/5857	Granted	100%
Mullering	Cataby, WA	E70/5715	Granted	100%
Narrikup	Albany, WA	E70/6065	Granted	100%
North Sterlings	North Sterlings, WA	E 70/6204	Granted	100%
Pinjar	Pinjar, WA	P70/1767	Application	100%
Pinjarra	Pinjarra, WA	E 70/6203	Granted	100%
Quins	Cowalla, WA	E70/5340	Granted	100%
Quins	Cowalla, WA	E70/5720	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	Granted	100%
Stockyard	Stockyard, WA	E70/5938	Granted	100%
Tabba Tabba	Tabba Tabba, WA	E45/6091	Application	100%
Turner River	Turner River, WA	E45/5268	Granted	100%
Turner River North	Turner River, WA	E45/6062	Application	100%
Turner River North	Turner River, WA	E45/4570	Granted	100%
Unicup	North Unicup, WA	E70/5713	Granted	100%
Unicup	North Unicup, WA	E70/5870	Granted	100%
Waroona	Harvey, WA	E70/5887	Application	100%
Waroona	Waroona, WA	E70/5888	Application	100%

## 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 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(89)	(203)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(143)	(586)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	12
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>(229)</b>	<b>(777)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(92)	(142)
(c) property, plant and equipment	-	(85)
(d) exploration & evaluation	(340)	(1,020)
(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>(432)</b>	<b>(1,247)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,628
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(13)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(14)	(32)
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>(16)</b>	<b>1,583</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	1,439	1,204
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(228)	(777)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(432)	(1,247)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	1,583

## 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>763</b>	<b>763</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	763	1,439
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>763</b>	<b>1,439</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	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	66

*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' and consulting 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.

A further \$14,000 is included in item 3.6 for office rental to an entity in which Mr Pattison holds 33.3% equity interest.

## 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)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 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)	(228)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(340)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(568)
8.4 Cash and cash equivalents at quarter end (item 4.6)	763
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	763
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.34
<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: Yes.	
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: The Company is confident that additional cash funding can be raised through an issue of equity securities as required.	

**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: The Company expects to continue its operations. The Company has discretion over the timing and the amount of expenditure on the bulk of its exploration activities and is also confident that additional funds can be raised to continue operating at the same level as currently reported.

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: ..30 April 2024.....

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.