

QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2024

Highlights

- **Pippingarra Quarry Project Maiden High Purity Quartz (HPQ) Exploration Target of 1.5M-3M @ 97%-99% SiO₂.**
- **24 tonne bulk sample shipped to China for processing, metallurgical test work, and assessment by potential offtake partners.**
- **IND acquired the Exploration Licence hosting the Mukinbudin Quartz/Feldspar Project.**
- **HPQ Testwork results achieved >99.991% SiO₂ with simple processing flowsheet for Mukinbudin Quartz.**
- **Eileen Hao appointed as General Manager – Sales, Marketing and Business Development.**

Industrial Minerals Ltd (ASX: **IND** or the **Company**) is pleased to provide an update on its activities during the June 2024 Quarter.

During the period, the company progressed High Purity Quartz (HPQ) exploration efforts at the Pippingarra Quarry Project, where a maiden Exploration Target was announced. The Company also acquired the Mukinbudin Quartz/Feldspar Project, where historical production of HPQ was reported as early as the 1970s.

IND also announced the appointment of Eileen Hao as General Manager – Sales, Marketing and Business Development, supporting IND's HPQ, High Purity Silica Sand (HPSS) and complementary Industrial Mineral projects.

Subsequent to the quarter, the Company received exceptional processing testwork results from North Carolina State University, an industry leading independent High Purity Quartz laboratory, including a maiden sample from the Mukinbudin Project achieving >99.991% SiO₂ from a simple processing flow sheet, opening opportunities for early stage offtake.

IND's Managing Director Jeff Sweet commented:

"This has been a productive quarter for IND, including significant strides being made in HPQ exploration at Pippingarra.

"We are particularly encouraged by the maiden HPQ Exploration Target and the successful testwork results returned including up to 99.991% SiO₂ from a simple flowsheet, which showcases the exceptional quality of our quartz.

"These achievements, coupled with the strategic acquisition of the Mukinbudin Quartz/Feldspar Project and the appointment of Ms. Eileen Hao as General Manager – Sales, Marketing, and Business Development, position us strongly for future growth and success in the high purity quartz market."

Pippingarra Quarry Project

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

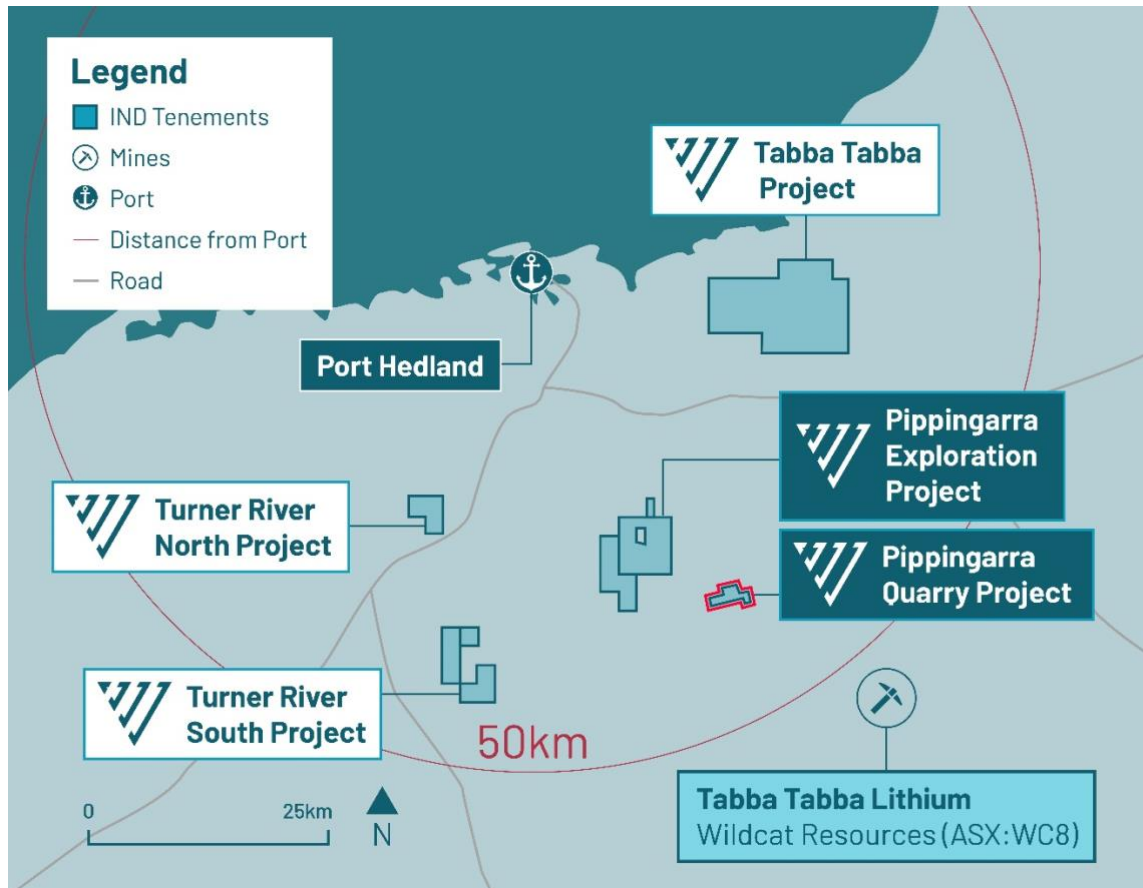


Figure 1: IND Pippingarra Quarry Project location and infrastructure.

IND assessed the prospectivity of HPQ across the Pippingarra mining leases, where historical drilling intersected wide bands (10 – 15m) of very clean, white quartz to surface, and interpreted to be part of the pegmatite fractionation and zonation.

The Company's Phase 1 Reverse Circulation (RC) drilling at the eastern end of the open cut was successful in intersecting wide zones of clean, white quartz up to 20m wide, supporting historical exploration data (*Figure 2*).

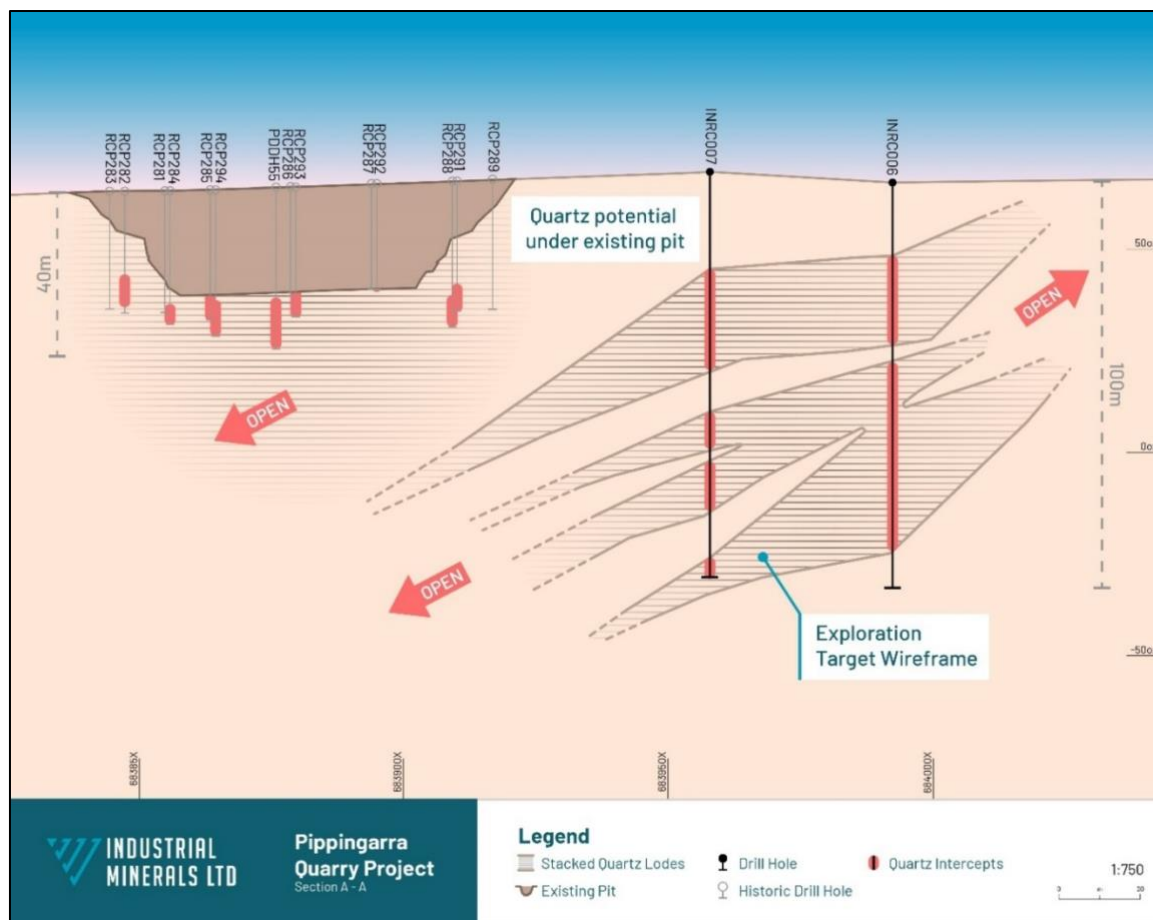


Figure 2: Quartz zone identified in Phase 1 RC and historical diamond drilling results.



Figure 3: Quartz outcrops mapped across Mining Lease highlight potential exploration upside that remains untested.

HPQ Exploration Target¹

During the quarter, IND announced a Maiden HPQ Exploration Target of **1.5M-3M @ 97%-99% SiO₂** at the Pippingarra Quarry Project. The target was based upon the completed RC Drilling program at the project.

Quartz Bulk Sample

Following successful results from a previous 300kg bulk sample, a further 24 tonne HPQ ore sample was sent to the interested party in China. The sample was crushed, screened, and bagged at the Pippingarra Quarry, prior to being transported to Port Hedland where it was loaded into 20 sea containers (*Figure 4*).



Figure 4: Crushed, screened, and bagged raw quartz samples prepared for further HPQ testwork.

Mukinbudin Quartz/Feldspar Project

Project Acquisition²

IND was pleased to announce the acquisition of Exploration Licence E70/5326, which hosts the historical Mukinbudin Quartz/Feldspar Project, located 250km north-east of Perth, Western Australia (*Figure 5*).

Mukinbudin consists of a microcline feldspar deposit within a simple, zoned, feldspar-muscovite-quartz pegmatite, similar to IND's Pippingarra Quarry Project.

During the due diligence assessment of the Project, IND collected and submitted a quartz ore sample to LabWest Minerals Analysis Pty Ltd for chemical analysis. Results reported 99.97% Si purity, which is an ideal baseline purity from which to pursue HPQ beneficiation processes to meet applications in solar PV, semiconductor, and electronic grade quartz.

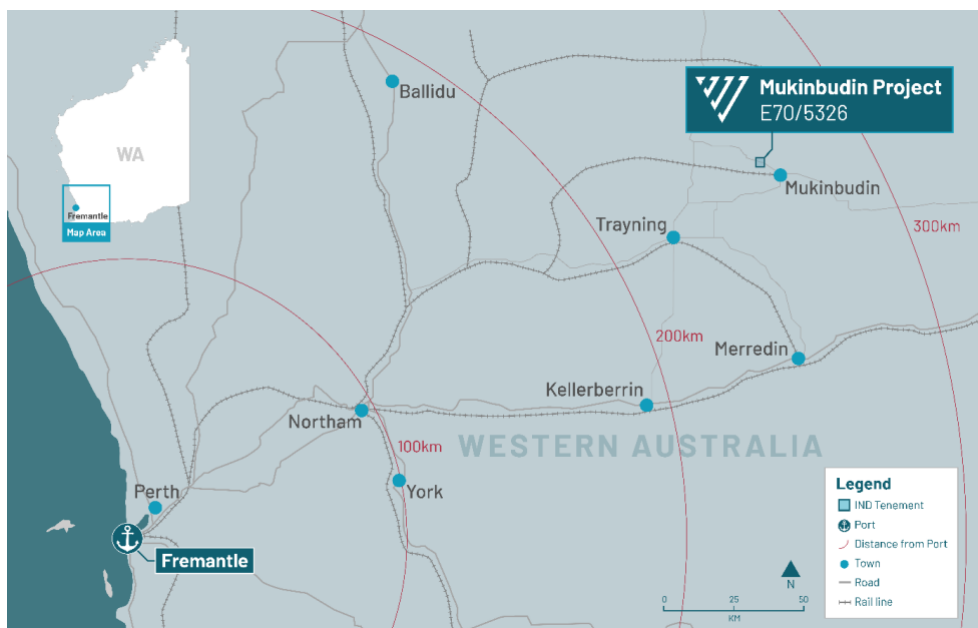


Figure 5: IND Mukinbudin Project location.



Figure 6: Mukinbudin Project site layout.

Historical production of HPQ at Mukinbudin was reported as early as the 1970s with sales going into Japan, with further production of feldspar for the glass industry reported up to 1997¹. Historical drilling also recorded quartz mineralisation in previous drill holes with best intersections including 37m from 1m (Hole MRD11)².

¹ WAMEX Report A39798

² WAMEX Report A52066

HPQ Processing Testwork³

Subsequent to the quarter, the Company reported that it had received results from High Purity Quartz Processing Testwork completed by North Carolina State University's Mineral Research Laboratory ("NCSU-MRL"). The testwork was completed on samples from IND's Pippingarra Quarry Project and Mukinbudin Quartz/Feldspar Project in Western Australia.

North Carolina State University's Minerals Research Laboratory is a world leader in research, development and implementation of mineral processing techniques. The main focus of NCSUMRL's research is the beneficiation of industrial minerals.

IND sent three 20kg quartz ore samples to NCSU-MRL for the purpose of assessing the potential to use as feedstock for the production of High Purity Quartz. Test samples T1_A and T1-B were sourced from IND's Pippingarra Quarry Project and test sample T1_C was sourced from the Mukinbudin Project.

Inductively Coupled Plasma - Mass Spectrometry ("ICP-MS") analysis was used to determine the elemental impurities, with detection limits suitable to the stringent requirements for high purity quartz. Testing was completed on the non-magnetic samples post flotation (removal of feldspar and mica minerals) and post acid leaching which was the final stage of processing.

Total yields achieved in the testwork were compelling. The standard flotation produced a quartz yield, by weight, of 98.2% for T1-A, 98.4% for T1-B, and 98.7% for T1-C. After magnetic separation, these yields were 82.5% for T1-A, for 83.6% T1-B, and 84.4% for T1-C. The leaching process resulted in a 14.5% loss by weight, due to impurity removal, for T1-A. The losses for T1-B and T1-C were 14.8% and 15.0%.

These highly encouraging results from NCSU-MRL have confirmed the potential for further assessment of beneficiation testwork. Consequently, IND has prepared samples to be sent to leading industrial minerals specialist consultancy Dorfner-ANZAPLAN ("ANZAPLAN") in Germany.

The encouraging results have enabled IND's marketing team to prioritise offtake discussions with premium end-users. The Company is now planning a drill program for both Mukinbudin and Pippingarra, focused on resource and reserve definition.

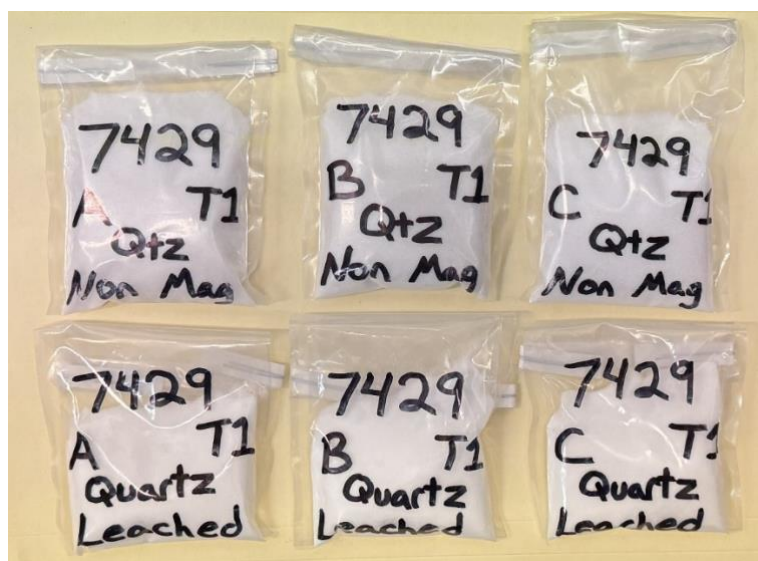


Figure 7: High Purity Quartz samples from testwork conducted at NCSU – Minerals Research Laboratory

Corporate and Financial

As at 30 June 2024 the Company had \$359,000 in cash. An Appendix 5B for the quarter (5B) is attached to this activities report.

Appointment of General Manager – Sales, Marketing and Business Development⁴

During the quarter, IND was pleased to announce the appointment of Ms Eileen Hao as General Manager – Sales, Marketing and Business Development, reflecting the Company's dual focus on advancing the technical processes within the HPQ and HPSS projects, as well as commercially developing IND's business in China and the broader Asia-Pacific region.

Ms Hao holds over three decades of experience dedicated to the Industrial Minerals sector, with broad work experience and technical knowledge including mineral resources, process evaluation, product R&D, market analysis and overseeing technical and business development, including managing the entire offtake process.

Subsequent Events

Subsequent to the end of the quarter, the Company announced a Placement and Share Purchase Plan to raise funds of up to \$2.4 million before costs. Funds will be used to complete a resource infill drilling program at the Pippingarra and Mukinbudin HPQ Projects, progress HPQ metallurgical process testwork, continuation of product marketing to advance offtake discussions, and for general working capital requirements.

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 \$296,000

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 June 2024 Period totalled \$71,000.

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:

24 April 2024 – HPQ Exploration Target Established at Pippingarra

30 April 2024 – Acquisition of Mukinbudin HPQ Project

26 July 2024 - Maiden Mukinbudin Quartz Processing Testwork Achieves Premium HPQ Product

¹ ASX Announcement 24 April 2024 - HPQ Exploration Target Established at Pippingarra

² ASX Announcement 30 April 2024 - Acquisition of Mukinbudin HPQ Project

³ ASX Announcement 26 July 2024 - Maiden Mukinbudin Quartz Processing Testwork Achieves Premium HPQ Product

⁴ ASX Announcement 2 May 2024 - IND Appoints GM Sales, Marketing & Business Development

This announcement has been approved by the Industrial Minerals Board.

For enquiries regarding this release please contact:

Company Enquiries:

Mr. Jeff Sweet

Managing Director

(08) 6270 6316

Contact: admin@industmin.com

Website: www.industmin.com

[Broker and Media Enquiries:](#)

[Fiona Marshall](#)

[Senior Communications Advisor](#)

[White Noise Communications](#)

[0400 512 109](tel:0400512109)

fiona@whitenoisecomms.com

About IND

Industrial Minerals Ltd is a critical minerals explorer and a developer of high purity silica sand and quartz. The Company holds high purity silica sand (HPSS) and high purity quartz (HPQ) advanced projects in Western Australia, positioned to supply the rapidly expanding solar PV industry.

The Company has a strategy of defining high quality resources near key infrastructure and located on granted mining leases to fast-track the pathway to production. IND's advanced testwork and large portfolio of projects gives the company a competitive advantage in presenting a range of product specifications to its broad network of potential customers.

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.

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 30 June 2024

Project	Location	Tenement Number	Status	Interest %
Albany	Albany, WA	E70/6495	Granted	100%
Albany	Albany, WA	E70/6497	Granted	100%
Albany	Albany, WA	E70/6498	Granted	100%
Bookara	Bookara, WA	E70/5855	Granted	100%
Cataby West	Cataby, WA	E70/5714	Application	100%
Cataby West	Cataby, WA	E70/5778	Application	100%
Enneaba	Enneaba, WA	E70/6345	Granted	100%
Eneabba	Eneabba, WA	E70/6490	Granted	100%
Esperance East	Esperance, WA	E63/2260	Granted	100%
Esperance East	Esperance, WA	E63/2343	Granted	100%
Esperance West	Esperance, WA	E63/2259	Granted	100%
Gingin	Gingin, WA	E70/5868	Granted	100%
Gingin	Gingin, WA	E70/5918	Granted	100%
Gingin	Gingin, WA	E70/5782	Application	100%
Gingin	Gingin, WA	E70/6417	Granted	100%
Karratha	Hamersley Range, WA	E47/3144	Granted	100%
Lake MacLeod	Lyndon River, WA	E08/3089	Granted	100%
Mindarra	Mindarra, WA	E70/6428	Application	100%
Mount Lefroy	Mount Lefroy	E70/5857	Granted	100%
Mt Regal	Mt Regal, WA	E47/5070	Application	100%
Mukinbudin	Mukinbudin, WA	E70/5326	Granted	100%
Narrikup	Albany, WA	E70/6065	Granted	100%
North Sterlings	North Sterlings, WA	E 70/6204	Granted	100%
North Trig Hill	North Trig Hill, WA	E45/6509	Application	100%
Pippingarra	Pippingarra, WA	E45/6700	Application	100%
Pippingarra	Pippingarra, WA	E45/6753	Application	100%
Pippingarra	Pippingarra, WA	E45/6754	Application	100%
Pippingarra	Pippingarra, WA	E45/6755	Application	100%
Pippingarra	Pippingarra, WA	E45/6756	Application	100%
Pippingarra	Pippingarra, WA	E45/6757	Application	100%
Pippingarra	Pippingarra, WA	E45/6758	Application	100%
Pippingarra	Pippingarra, WA	E45/6772	Application	100%
Pippingarra	Pippingarra, WA	E45/6775	Application	100%
Pippingarra	Pippingarra, WA	E45/6798	Application	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%
Tabba Tabba	Tabba Tabba, WA	E45/6759	Application	100%
Turner River	Turner River, WA	E45/5268	Granted	100%
Turner River North	Turner River, WA	E45/4570	Granted	100%

Unicup	North Unicup, WA	E70/5713	Granted	100%
Waroona	Harvey, WA	E70/5887	Application	100%
Waroona	Waroona, WA	E70/5888	Application	100%

Tenements acquired during the quarter

E70/5326 Mukinbudin

Tenements disposed during the quarter

E70/5715 Mullering

E70/5741 Jurien

E70/5742 Gingin

E70/6041 Mindarra

E70/6205 Enneabba (Application surrendered)

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")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation ¹	59	(144)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(97)	(684)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	14
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)	-	-
1.9	Net cash from / (used in) operating activities	(36)	(814)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(2)	(144)
	(c) property, plant and equipment	-	(85)
	(d) exploration & evaluation ¹	(355)	(1,375)
	(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 (12 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)	-	-
2.6	Net cash from / (used in) investing activities	(357)	(1,604)

1. Net of reallocation between operating and investing

3.	Cash flows from financing activities		
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	-	(13)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(11)	(42)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(11)	1,573

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	763	1,204
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(36)	(814)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(357)	(1,604)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	1,573

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	359	359

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	359	763
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	359	763

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	44
<p><i>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.</i></p> <p>6.1 Payment of directors' fees to related parties on an arm's length basis under the terms disclosed in the IPO prospectus.</p> <p>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.</p> <p>A further \$10,500 is included in item 3.6 for office rental to an entity in which Mr Pattison holds 33.3% equity interest.</p>		

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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		-
-	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(36)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(356)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(392)
8.4	Cash and cash equivalents at quarter end (item 4.6)	359
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	359
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.9
<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: At the date of this report, the Company has announced a Placement and Share Purchase Plan to raise \$2.4million before costs; firm commitments for \$1.9 million have been received.		

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 has announced a placement and share purchase plan to raise additional funds.

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: ..31 July 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.