

QUARTERLY ACTIVITIES REPORT

For the period ending 31 March 2025

Highlights

- IND completed Stage 2 testing on a two-tonne pegmatite sample from its Pippingarra Pegmatite Project, with positive preliminary observations subject to final verification
- Significant market interest generated based on general information shared by IND, with product bulk samples being prepared for dispatch to interested parties with marketing expanding to potential HPQ consumers in Japan, South Korea and Taiwan
- Implementation of on-site ore-sorting technology is being investigated as a potential pathway to enhance production efficiency at Pippingarra
- Initial ore-sorting trials demonstrated potential for feldspar and mica recovery as valuable co-products

Industrial Minerals Ltd (ASX: **IND** or the **Company**) is pleased to provide an update on its activities for the March 2025 quarter. Key activities during the quarter focused on High Purity Quartz (HPQ) beneficiation testwork program and ore-sorting trials being conducted in China.

IND is focused on the development of high-value industrial mineral resources, with its flagship Pippingarra project targeting the growing global market for high purity quartz products used in advanced manufacturing, semiconductor, solar, and electronics industries.

IND's Managing Director Jeff Sweet commented:

"We are very pleased with our progress in advancing our HPQ strategy for Pippingarra over the quarter.

"The second stage beneficiation test work in strategic partnership with NHICCL followed positive results from testwork in December, and we are confident that we will continue to see excellent results from the work on our independently verified stage two sample.

"Further, the ore sorting trials have identified the potential addition of feldspar to our product mix which, as well as having value, may significantly impact the economics of shipping from Pippingarra."

Pippingarra Pegmatite Project

IND holds an 80% interest in the non-construction mineral rights to the operating Pippingarra Quarry (Mining Lease M45/258). The operator, North West Quarries (NWQ), is a private contractor offering mining, quarrying and rock production services.

During the quarter, IND worked with NWQ to produce a bulk sample for shipment to China.

Additionally, IND is currently progressing activities across several key areas of the HPQ Value Chain including Resource evaluation; Assessment of crushing, screening and ore-sorting options; Beneficiation research in collaboration with NHICCL; Independent third-party testing; and Market research on potential customer requirements across multiple geographic markets

High Purity Quartz Beneficiation Testwork

IND in connection with strategic partner NANCHANG HENGSHI INDUSTRIAL & COMMERCIAL COMPANY LIMITED (NHICCL) is conducting a comprehensive HPQ Beneficiation test program in Lianyungang, China. This region is the epicentre of the China HPQ market and NHICCL has access to specialised HPQ pilot laboratory facilities utilised for this testwork.

Stage 1 testwork was successfully completed in late 2024, and building on promising results, IND completed the processing phase of Stage 2 by processing a larger two-tonne sample during the quarter. Laboratory analysis of the processed material is currently underway, with results pending.

Stage 2 Testwork Process Steps

Stage 2 testwork followed sequential process steps aligned with industry-standard HPQ beneficiation practices:

- Calcination followed by controlled quenching to volatilize certain impurities
- Precision crushing and sizing to yield quartz sand, optimized for subsequent purification processes
- Multi-stage magnetic separation to remove magnetic mineral contaminants
- Advanced flotation techniques to eliminate feldspar and mica minerals
- Specialised acid leaching to dissolve metal contaminants
- Hot chlorination for final purification to meet stringent industry specifications

To ensure the highest standards of verification, IND has retained Keypointe Pty Ltd to be in attendance for the Stage 2 test work and to conduct an independent audit of the beneficiation testwork.



Figure 1: HPQ processing testwork

Ore-Sorting Trial Results

IND visited Anhui Zhongke Optic-electronic Color Sorter Machinery Co., Ltd. (AMD), a leading manufacturer of ore-sorting equipment in China, to commence trials on sorting pegmatite-quartz samples sourced from the Pippingarra deposit.

The samples were classified into three size fractions and processed through AMD's advanced ore-sorting technology utilising dual sensors. Initial results were highly promising and will be further refined with additional calibration of the ore sorter machine sensors. These trials have demonstrated the potential to not only isolate high-purity quartz, but also to produce feldspar and mica as co-products, significantly increasing the potential resource utilisation from the deposit.



Figure 2: Ore sorting trial

The ore-sorted samples were sent to Portable Spectral Services (PSS) for detailed mineralogical assessment and XRF analysis to determine quartz content and analyse associated minerals. Discussions with potential buyers have established that a minimum quartz content of 80% will be required for their HPQ production needs.

This ore sorting test work has provided IND with its first comprehensive assessment of potential commercial by-products from ore separation. The capability to produce feldspar and mica as co-products alongside the primary HPQ material presents a significant opportunity to enhance overall project economics through improved resource utilisation.

The Company notes the historical significance of the Pippingarra mine, which operated successfully as a high-grade feldspar and mica mine from 1989, delivering over 380,000 tonnes of feldspar to Asian customers while also generating revenue from mica by-products.

HPQ Production Strategy and Implementation

IND is evaluating the implementation of ore-sorting technology at Pippingarra, with a phased installation approach designed to align with growing sales. This strategy enables low initial capital expenditure to commence production and establish IND's product in the market, with the ability to scale up as demand increases.

The combined production of quartz and feldspar creates opportunities for more economical shipping solutions, and the project benefits from the comprehensive operational capabilities of private mining contractor NWQ (please refer to IND ASX Announcement 31 March 2025 for additional details).

This staged approach to production, combined with NWQ's existing infrastructure and services, provides a capital-efficient pathway to market entry with significant potential for expansion as market demand grows.

HPQ Market Development

Further information about the Company's HPQ materials has been shared with potential buyers through IND's strategic partner NHICCL. NHICCL has leveraged industry connections, engaging HPQ processing experts to conduct the testwork and facilitating introductions to potential customers. Several parties have expressed interest in evaluating IND's material, primarily focused on HPQ for crucible production applications.

Next steps

IND is planning the following activities over the coming months:

- Receipt and verification of complete Stage 2 testwork results, with appropriate review by qualified technical experts
- Shipment of bulk sample material to China for evaluation by interested parties
- Assessment of ore-sorting technologies and their potential application at Pippingarra
- Evaluation of feldspar and mica co-product opportunities
- Continued market research with potential customers in Asia
- Evaluation of processing options and potential development pathways

Corporate and Financial

As at 31 March 2025 the Company had \$1.07M 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 \$104,000.

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 March 2025 Quarter totaled \$99,000.

ASX Announcements incorporated by Reference

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

27 October 2023 – Option to Acquire Pippingarra Lithium Project, Pilbara WA
28 August 2024 - IND HPQ Drill Program and Testwork Update
31 October 2024 - Quarterly Activities / Appendix 5B Cash Flow Report
25 November 2024 – HPQ Marketing and Exploration Update
30 January 2025 – IND Quarterly Activities Report
31 March 2025 - Pippingarra HPQ Testwork and Ore-Sorting

-ENDS-

This announcement has been approved by the Industrial Minerals Board.

For enquiries regarding this report please contact:

Mr. Jeff Sweet,
Managing Director
(08) 6270 6316

Website: www.industmin.com
Contact: admin@industmin.com

Broker and Media Enquiries:
Fiona Marshall
Senior Communications Advisor
White Noise Communications
0400 512 109
fiona@whitenoisecomms.com

About IND

Industrial Minerals Ltd (ASX: IND) is a critical minerals explorer and developer focused on high purity silica sand (HPSS) and high purity quartz (HPQ) projects in Western Australia, with its flagship Pippingarra project targeting markets in advanced manufacturing, semiconductor, solar, and electronics industries.

IND is advancing HPQ beneficiation testing, while also assessing ore-sorting technology that shows promising potential for feldspar and mica as valuable co-products. The company's strategic positioning near key infrastructure on granted mining leases, coupled with its advanced testwork capabilities, provides a competitive advantage in offering diverse product specifications to potential customers across Asia.

Website: www.industmin.com

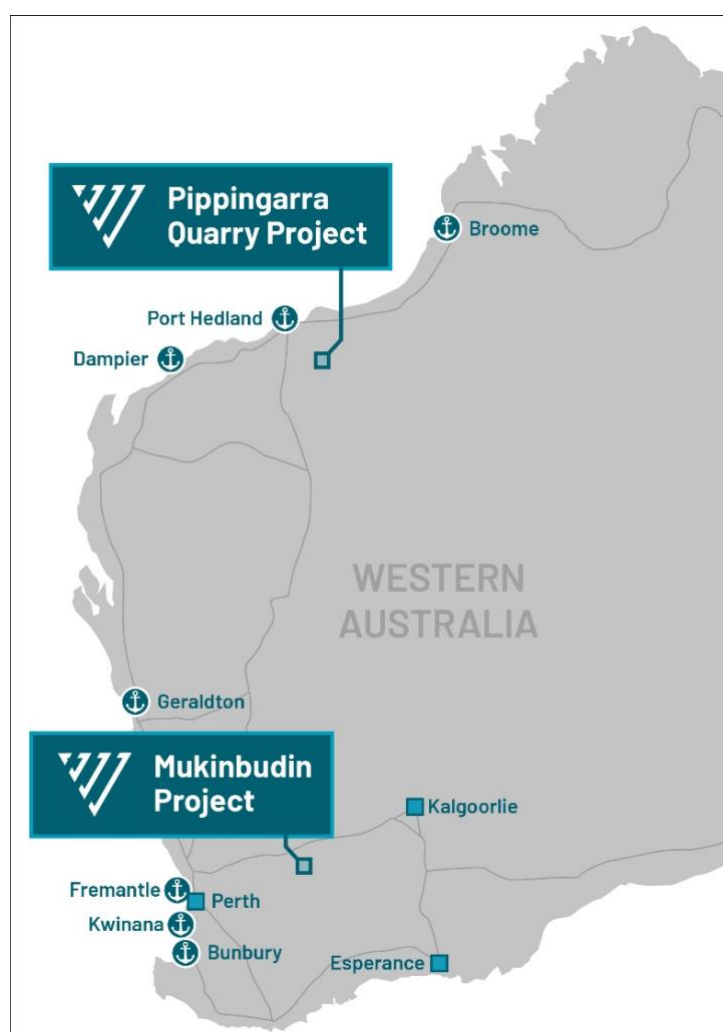


Figure 3. IND High Purity Quartz Projects in Western Australia

JORC Compliance Statements | Competent Person

The information in this announcement that relates to exploration activities on the Company's 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.

Where statements in this announcement refer to exploration results which have previously been reported, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

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 2025

Project	Location	Tenement Number	Status	Interest %
Abydos	Pilbara, WA	E 45/6817	Application	100%
Albany	Albany, WA	E 70/6495	Granted	100%
Albany	Albany, WA	E 70/6497	Granted	100%
Albany	Albany, WA	E 70/6498	Granted	100%
ANZAC Well	Pilbara, WA	E 45/5444	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	E 70/6345	Application	100%
Gingin	Gingin, WA	E70/5782	Application	100%
Karratha	Hamersley Range, WA	E47/3144	Granted	100%
Mindarra	Mindarra, WA	E 70/6428	Application	100%
Mt Regal	West Pilbara, WA	E 47/5070	Application	100%
Muckinbudin	Muckinbudin, WA	E 70/5326	Granted	100%
Narrikup	Albany, WA	E70/6065	Granted	100%
North Trig Hill	Pilbara, WA	E 45/6509	Application	100%
Pinjar	Pinjar, WA	P70/1767	Application	100%
Pippingarra	Pilbara, WA	E 45/6700	Application	100%
Pippingarra	Pilbara, WA	E 45/6753	Application	100%
Pippingarra	Pilbara, WA	E 45/6754	Application	100%
Pippingarra	Pilbara, WA	E 45/6755	Application	100%
Pippingarra	Pilbara, WA	E 45/6756	Application	100%
Pippingarra	Pilbara, WA	E 45/6757	Application	100%
Pippingarra	Pilbara, WA	E 45/6758	Application	100%
Pippingarra	Pilbara, WA	E 45/6798	Application	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	M 70/1417	Granted	100%
Stockyard	Stockyard, WA	L 70/237	Granted	100%
Stockyard	Stockyard, WA	L 70/238	Granted	100%
Stockyard	Stockyard, WA	E70/5873	Granted	100%
Stockyard	Stockyard, WA	E70/5938	Granted	100%
Tabba Tabba	Pilbara, WA	E 45/6759	Application	100%
Tabba Tabba	Tabba Tabba, WA	E45/6091	Application	100%
Turner River North	Turner River, WA	E45/4570	Granted	100%
Turner River	Turner River, WA	E45/5268	Granted	100%
Unicup	North Unicup, WA	E70/5713	Granted	100%

Tenements disposed of during the quarter ended 31 March 2025:

E08/3089, E70/5936, E70/5937

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 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	13	13
1.2	Payments for		
	(a) exploration & evaluation	(9)	(184)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(62)	(553)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	11
1.5	Interest and other costs of finance paid	(1)	(5)
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	(56)	(718)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(95)	(654)
	(e) investments	-	-
	(f) other non-current assets	-	-

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)	-	-
2.6	Net cash from / (used in) investing activities	(95)	(654)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,313
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	-	(201)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(9)	(27)
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	(9)	2,085

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,232	359
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(56)	(718)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(95)	(654)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	2,085

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
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,072	1,072

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	1,072	1,232
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)	1,072	1,232

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	32
6.2	Aggregate amount of payments to related parties and their associates included in item 2	67
<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)	(56)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(95)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(151)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,072
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,072
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.10
<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: ..30 April 2025.....

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.