



STOCK EXCHANGE ANNOUNCEMENT

US\$30 MILLION DEBT FACILITY - MACQUARIE BANK LIMITED

2 September 2009

Industrial Minerals Corporation Limited (IDM:ASX) ("**the Company**") is pleased to announce that it has received a Committed Letter of Offer ("**Offer**") from Macquarie Bank Limited ("**MBL**") to provide a Debt Facility ("**Facility**") of US\$30 million to its wholly owned subsidiary, Oregon Minerals Corporation Inc. to partially fund the development of the Company's Southern Oregon Mineral Sands project ("**Project**"). The Offer requires that an equity contribution of US\$15 million be committed to the development of the Project.

Bligh Capital ("**Bligh**") was responsible for procuring the Offer from MBL and has been engaged to secure the requisite equity component. Bligh has advised that it has engaged with several parties who have indicated a desire to provide all or part of the planned US\$15 million equity.

The Company expects the equity issue to be made at a premium to the closing price of IDM shares on ASX prior to the most recent request for a trading halt and conditional upon the irrevocable commitment for a minimum of US\$30 million debt facility.

Further details of the Company's response to the Offer from MBL and of its terms together with progress towards the equity funding will be provided as soon as is appropriate.

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