

RC DRILLING COMMENCES AT PIPPINGARRA QUARRY PROJECT

Testing Historical Lithium Drill Results

Highlights

- RC Drilling has commenced at the Pippingarra Quarry Project in the highly prospective Pilbara Lithium district following the receipt of all drill permits.
- A second, larger RC rig has been mobilised to test targets at depth and accelerate the drill program.
- 3,500m RC program planned for completion during December 2023.
- Initial program aims to follow up historical drill results along strike from the existing pit, where previous assay results recorded 6m at 3.73% Li₂O from 26m in a vertical diamond hole (PDDH55), as well as testing the presence of stacked flat lying pegmatites¹.

Industrial Minerals Ltd (ASX: **IND** or the **Company**) is pleased to provide an update on the Pippingarra Quarry Project (**Pippingarra**) located 30km south-east of Port Hedland, within the world class Pilbara lithium province of Western Australia.

The Company has received approval of its Program of Works from the Department of Mines, Industry Regulation and Safety (**DMIRS**), allowing the immediate commencement of drilling at Pippingarra.



Figure 1: RC Drilling commences at Pippingarra Quarry Project

¹ For more information about the Pippingarra historical results refer to announcement dated 27 October 2023

IND's Managing Director Jeff Sweet commented:

"We are delighted to be progressing our exploration activities in the Pilbara, and it is very pleasing to have received rapid approval of our PoW from DMIRS allowing for the commencement of RC Drilling at Pippingarra.

"The drill rig and crew have mobilised to site, and drilling has commenced at the eastern extent of the existing pit near the previously drilled historical lithium mineralised zone.

"The second RC rig we have secured also allows us to test the stacked pegmatite theory at Pippingarra down to ~200m vertical depth."

Phase 1 RC Exploration Program

The aim of the first phase of drilling is to target three priority areas within the mining lease for lithium potential. The first series of holes will be drilled immediately to the east of the historical feldspar open pit, where previous assay results recorded 6m at 3.73% Li₂O from 26m in a vertical diamond hole (PDDH55) (Refer Table 1).

The majority of vertical RC holes will be drilled on a 50m x 50m spacing, up to 100m depth to test the first and second flat lying pegmatites units, identified through previous drilling. Historical drilling has well defined the first pegmatite unit, and multiple historical holes have intersected and ended in the second, deeper pegmatite unit.

A track mounted RC drill rig has been secured and has arrived on site. The larger rig will enable drilling up to 200m vertically to test for potential repetition of the pegmatite units at depth.

The Company also advises that it has secured a Laser-induced breakdown spectroscopy (**LIBS**) unit for onsite analysis of RC chips and diamond core. LIBS is a type of atomic emission spectroscopy which uses a highly energetic laser pulse as the excitation source. The laser is focused to form a plasma, which atomizes and excites samples. LIBS is widely considered to be a very reliable tool for in-field evaluation of lithium minerals.

Table 1: Historic lithium assay results reported for diamond core from drill hole PDDH55 (WAMEX Report A49436)².

Sample No.	From (m)	To (m)	Interval (m)	Li ₂ O (%)
586576	24	26	2	3.16
586577	26	28	2	4.38
586578	28	30	2	3.64
Average				3.73

² For more information about the Pippingarra Option refer to announcement dated 27 October 2023

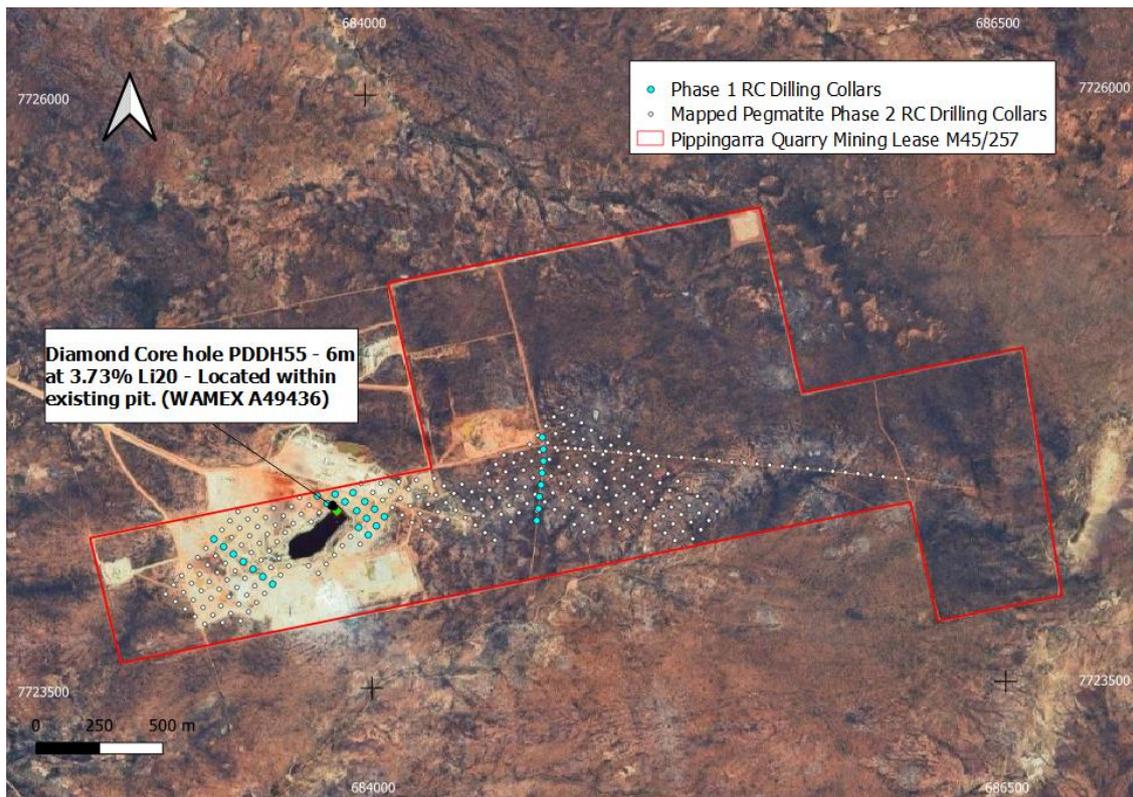


Figure 2: Phase 1 drill collar locations

High Purity Quartz Samples

Quartz samples have been collected and sent to two potential buyers in China. The samples will be tested for suitability as feedstock for the manufacture of high-grade crucibles, which are used in the electronics industry. Initial feedback received from one potential Offtake Partner has been very encouraging and IND looks forward to receipt of the results following full testing and analysis.

Next Steps – Pippingarra Quarry Project

- Completion of Phase 1 drilling by end of 2023
- Receive and assess drill assay results by end of January 2024
- Planning of Phase 2 drilling program, estimated to commence early 2024
- Determine High Purity Quartz potential once results received from samples sent to potential buyers in China

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 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), which includes lithium and HPQ.

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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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Competent Person's Statement

The information in this announcement that relates to Exploration Results for the Pippingarra Quarry Project is based on, and fairly represents, information compiled by Mr Rob Jewson, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Jewson is a consultant to Industrial Minerals Limited. Mr Jewson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Jewson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.