RC DRILL RIG MOBILISED TO TEST HISTORICAL LITHIUM RESULTS AT PIPPINGARRA PROJECT

Experienced Lithium Technical Team Appointed

Highlights

- **First RC drill rig mobilised to the Pippingarra Project to undertake Phase 1 Exploration Program**
- **Initial drilling will focus on testing and validating historical drill data adjacent to existing open pit and along strike**
- **Experienced lithium geological consultants, Bourke and Associates appointed to manage Industrial Minerals' Pilbara Lithium Projects, initially focusing on Pippingarra Project**
- **IND has received increased inbound interest in High Purity Quartz (HPQ) from Pippingarra with samples being sent to potential buyers for assessment**

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

Following IND's announcement on 27 October 2023 that it had secured an option to acquire 80% of the mineral rights to the Pippingarra mining lease owned by North West Quarries Pty Ltd (**NWQ**), IND has now mobilised the first RC rig to site to commence drilling of a 3,500m Phase 1 Exploration program as shown in Figure 1 below.

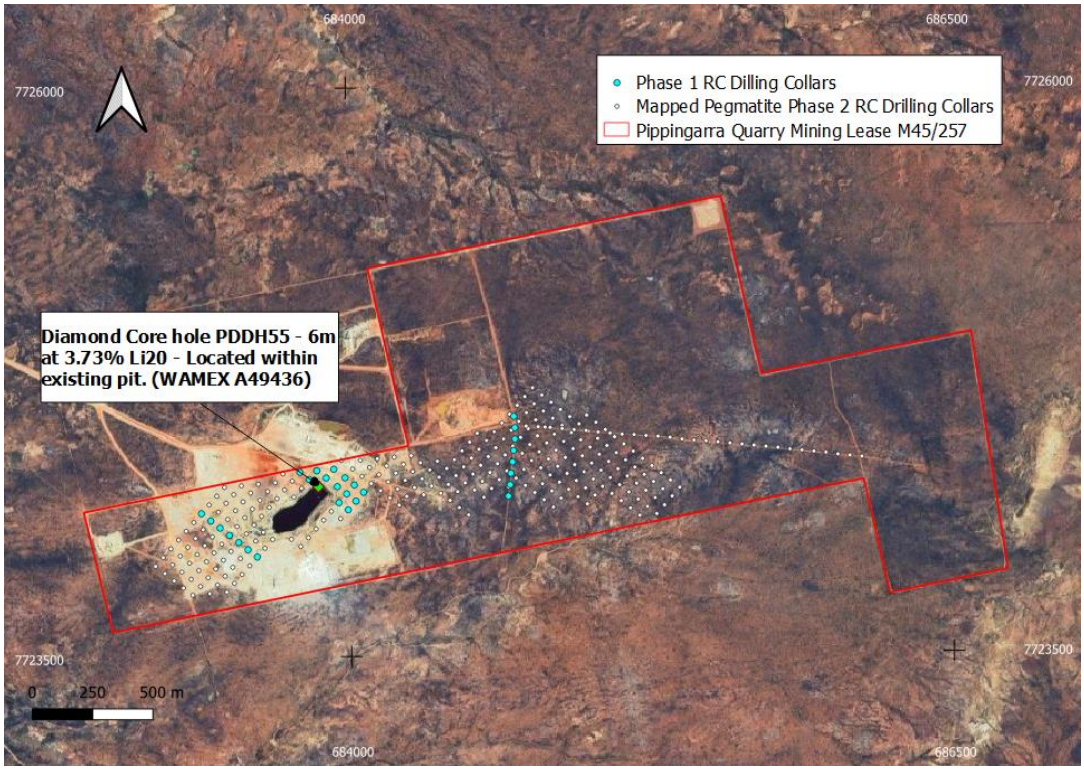

Figure 1: Phase 1 Priority RC Drill Program, as represented in turquoise dots.

The vertical RC holes will be drilled on a 50m x 50m spacing up to 100m depth to test the extent and variability of the flat lying pegmatite identified in previous drilling, and to also test for potential repetition of the pegmatite unit at depth.

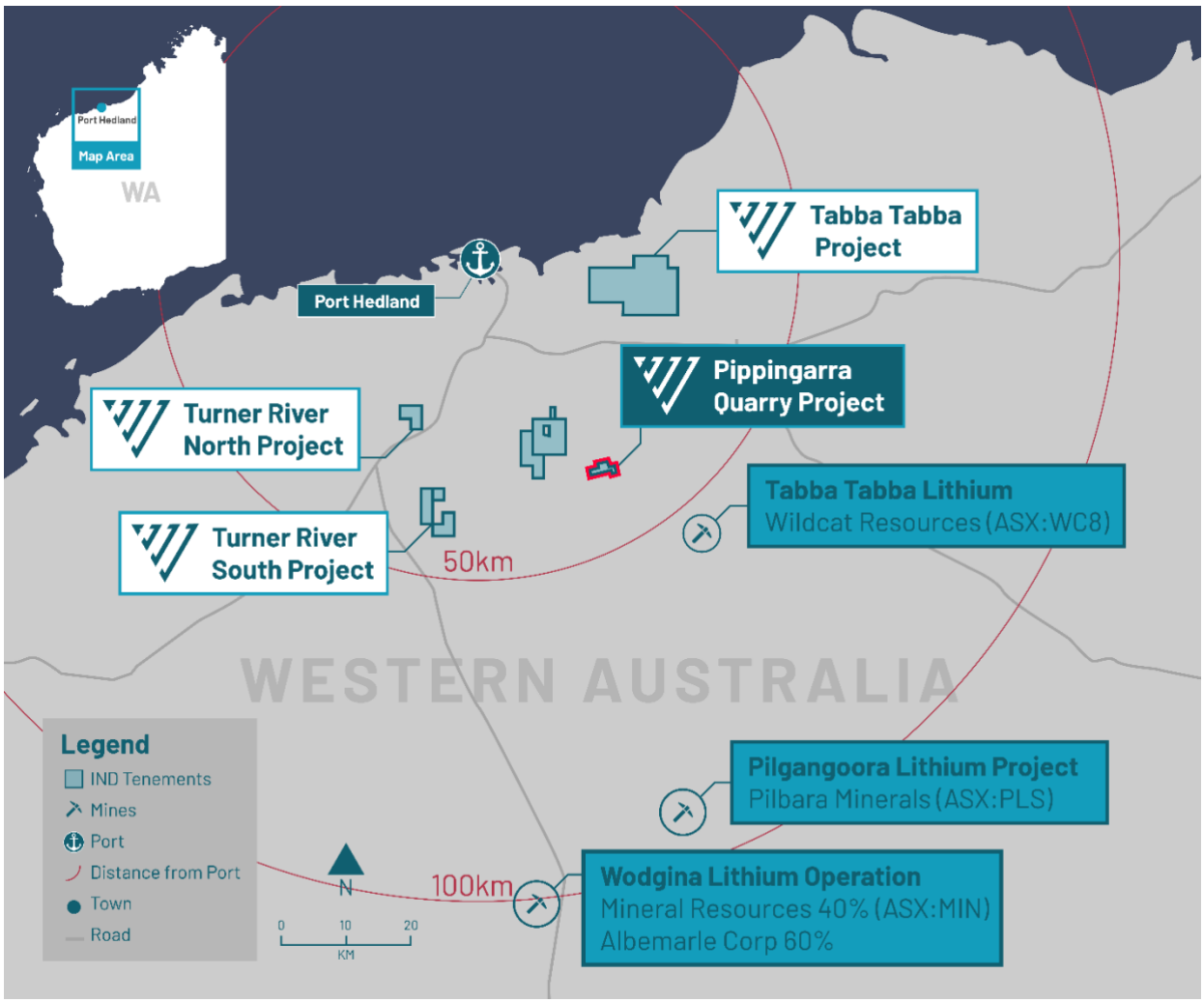

Figure 2: Pippingarra Quarry Project and IND tenure in relation to neighbouring lithium projects in the Pilbara Region of Western Australia.

IND's Managing Director Jeff Sweet commented:

"IND is pleased to have secured an RC drill rig to commence drilling of this highly prospective project. We are also seeking to mobilise a diamond drill rig to site by then end of November 2023 to target the deeper pegmatites and the HPQ core of the pegmatite for laboratory and customer testing.

"We are also very pleased to have engaged Bourke and Associates to manage our projects in the Pilbara region which are extensive and to date have seen very little lithium focused exploration conducted on them.

"We look forward to updating shareholders and the market on results from our drill program and other exploration activities as they come to hand."

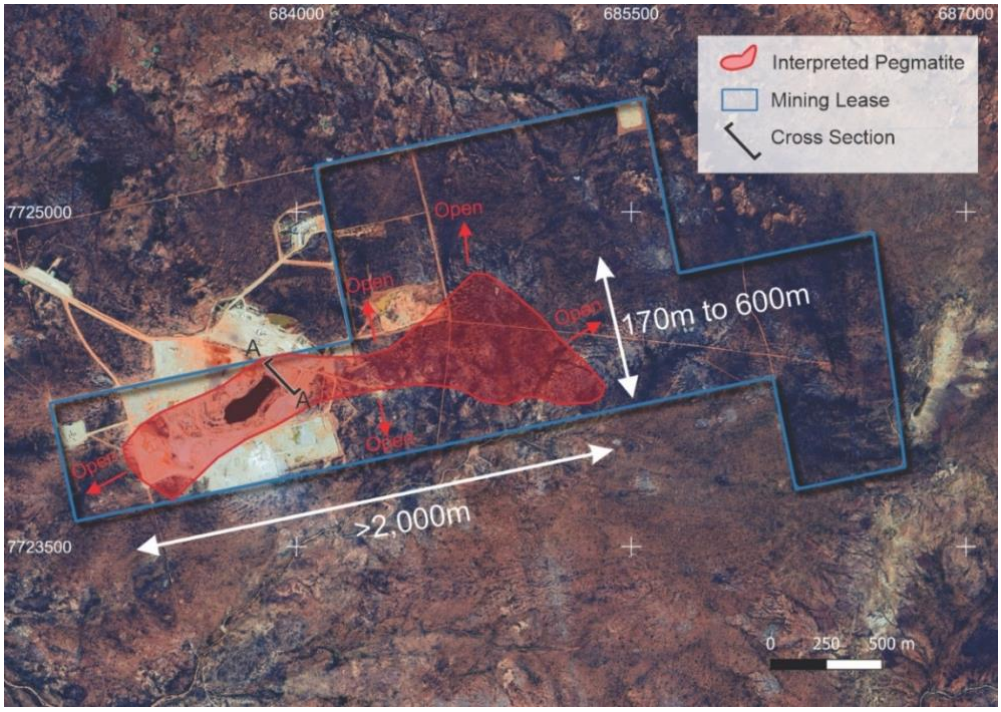

Figure 3: Pippingarra Project Mining lease. The pegmatite shown above was partially mined for mica and feldspar from the 1970's to early 2000 and has not been tested for lithium.[1]

Phase 1 RC Drill Program

The Pippingarra Project (**Pippingarra** or **the Project**) consists of an extensive pegmatite body that has intruded into an Archaean aged granitoid. The pegmatite body is interpreted to be a broad, flat-lying body that strikes over 2km, with an average width of 200m and thickness of 20m.

The pegmatite unit lies under approximately 10m of cover and was mined for mica in the 1970's and feldspar in the 1980's through to completion of mining in the early 2000's. The Granite host unit is now being developed by NWQ for construction material given the projects' close proximity to Port Headland and Pilbara infrastructure projects.

WAMEX exploration reports note the pegmatite to be coarse grained, composed of 20-25% mica, 50-55% feldspar and 20-25% quartz. In the greisen (metamorphosed granite or pegmatite) near the contact with the pegmatite, both beryl and columbite have been reported to occur, which are both indicator minerals of LCT-type pegmatites.

Historical drilling in the mining lease consisted of 442 holes, and whilst we have not been able to locate the historical diamond core, as it is believed to have been destroyed by a previous project owner, we do have the detailed hole logs for all holes drilled and core photos for historical work completed on the project which provides IND with an extensive dataset for targeting.

The Phase 1 RC drill program is designed to target three priority areas within the mining lease for lithium potential. The vertical RC holes will be drilled on a 50m x 50m spacing and up to 100m deep to test the flat lying pegmatite identified in previous drilling and to also test for potential repetition of the pegmatite unit at depth.

[1] For further details on the Pippingarra Quarry Project, refer to ASX announcement dated 27th October 2023

Appointment of Bourke & Associates

Bourke and Associates was founded by Bryan Bourke, who has over 35 years' experience in exploration, mining and the evaluation of mineral properties. Bryan has the relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided by the JORC and Valmin Codes.

Bryan has recently served as Exploration Manager/Consultant to Global Lithium Ltd (GL1:ASX) for 1 ½ years and was also Exploration Manager for Altura Mining Ltd for almost 7 years, where he gained substantial experience in the Pilbara region for lithium, from both an exploration and development perspective. In particular, Brian was responsible for initiating exploration for lithium bearing pegmatites at Altura's Pilgangoora Project.

Bryan and his team will be on site this week to oversee the RC drill program and to commence other complementary exploration activities at Pippingarra.

High Purity Quartz Update

IND is also pleased to report that it has received numerous requests from end users and traders for samples of the HPQ product following our announcement of securing the option over the Project. As previously reported, IND has been working with industry and university experts in the HPQ field in China, assessing its historical High Purity Quartz (HPQ) rock samples for suitability for the premium HPQ market.

Historical diamond drilling at Pippingarra showed wide bands (~10-15m) of very white clean quartz close to surface and this has been interpreted to be the core of the first pegmatite body which has been intersected in historical drilling.

HPQ is a key feedstock for photo voltaic (PV) solar panels, semi-conductors, specialty glass and other high-tech applications. In China, HPQ is also classified as a critical mineral. China also has a heavy dependence on imports from countries such as the USA for premium HPQ product.

Being able to mine and extract this commodity from Pippingarra has the potential to fast-track IND's exposure to these rapidly growing end markets.



Plate 1: Substantial quartz outcrop on the Pippingarra mining lease



Plate 2: Samples of HPQ collected from the Pippingarra Project

Investors should note that while the presence of "clean" white quartz is promising, it does not confirm the presence of quartz that is suitable for HPQ applications.

HPQ Market

- HPQ is a special feedstock used in industries with high-tech applications, for example, the solar industry and semi-conductors, whilst lower quality HPQ is used in glass manufacturing. The source materials for HPQ may come from either quartz sand or quartzite rock that is beneficiated to remove impurities and further processed to reach strict quality specifications.

- The starting quality of feedstock for solar panels and semi-conductors is generally considered to be 99.95 % SiO_2, with <500 ppm of total impurities.

- The ultra-premium market requires higher quality feedstock, and the Ultra HPQ product mix is summarised in Table 1.

PRODUCT	PURITY	APPLICATION
HP5 (Powder)	99.995%	High Purity Filler, specialty glass/ceramics, and Epoxy Molding Compounds
HP5 (Sand)	99.995%	Halogen and mercury lamps, fused quartz tubing, crucibles and ingots
HP7	99.997%	Solar Mono-crystalline crucibles, high quality fused glass tubing and quartzware
HP9	99.999%	Semiconductor grade crucibles and high-end solar and semiconductor applications

Table 1: Ultra HPQ product mix

Next Steps

- Surface geochemical programs across the wider tenement
- Drilling of the Pippingarra pegmatite for HPQ and Lithium bearing minerals
- Sampling of quartz outcrops and testing in China for HPQ suitability
- Ongoing desktop and in-field assessment of all of IND's tenements in the Pilbara region

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 in the established lithium province of Pilbara in Western Australia, where is 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), that includes lithium and High Purity Quartz (HPQ).

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.

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Competent Person's Statement

The information in this announcement that relates to Exploration Results for the Pippingarra 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.

Appendix 1: Lithium assay results reported for diamond core from drill hole PDDH55 (WAMEX Report A49436).

Sample No.	From (m)	To (m)	Interval (m)	Li_2O (%)
586576	24	26	2	3.16
586577	26	28	2	4.38
586578	28	30	2	3.64
			Average	**3.73**

Refer to the Pippingarra Option announcement dated 27 October 2023 for full details on the project and historical exploration and mining activities undertaken on the mining lease.