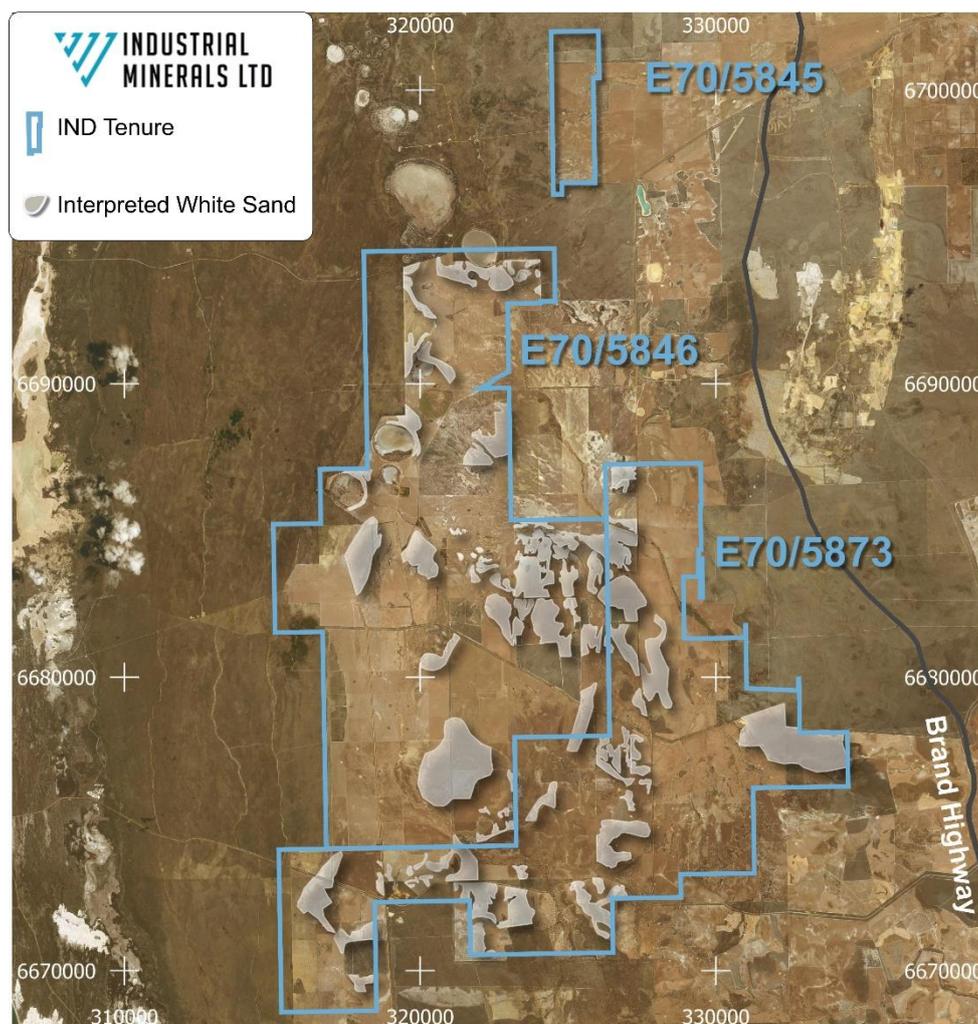


STOCKYARD PROJECT LICENCES GRANTED

Highlights

- Three exploration licences within the Stockyard Project have been granted, covering an area of more than 270km² of freehold pastoral land
- An adjoining concession package to the south-east has also been pegged following positive discussions with landowners to extend the Stockyard Project
- Targeting of white sand is based on high resolution satellite imagery, surface mapping and previous drilling completed across the tenements by previous owners
- Land-owner negotiations across the wider Stockyard project ongoing
 - Strong local support for development of what was otherwise unproductive farming land into a source of income and potentially land quality improvement
- Existing Land Access Agreement provides access to surface and handheld auger samples on a strategic property within Stockyard Project



**Figure 1: Stockyard Interpreted White Sand Target Areas
from High Resolution Satellite Imagery**

Industrial Minerals Ltd (ASX: **IND** or the **Company**) is pleased to announce the granting of the three exploration licences covering the Stockyard Project (E70/5845, E70/5846 and E70/5873). The Stockyard Project consists of predominantly cleared pastoral land. Within this area, extensive tracts of land are of poor yield for pastoral activities due to the substantial presence of white sand as indicated in Figure 1. This unproductive farming land is the target for exploration activities by the Company. Consultation with farmers across priority target areas has received strong support.

IND also wishes to announce that it has also pegged an adjoining tenement package to the south-east of the granted concessions following very positive discussions with landowners that will expand the size of the Stockyard project target. Figure 2 below provides an updated Stockyard project tenement boundary.

To effectively deliver the strategy of increasing the utility of the land post extraction of silica sand, IND is working closely with the pastoralists to devise a combined extraction and rehabilitation model to increase the carrying capacity of the land and the value of the land.

IND technical director Jeff Sweet stated: *“The granting of the Stockyard Project provides us with a very substantial landholding with considerable targets delineated that warrant exploration. The strategy for Stockyard is to identify cleared areas of pastoral land with substantial accumulations of silica sand, rapidly drill test and if justified develop.”*

“Our technical teams are now on the ground conducting surface and auger sampling with the express permission of the landowners on the high priority target areas within the Stockyard project. The first batch of samples have already been submitted to Intertek for assay. We are awaiting the results of that work before the air core rig mobilises to site for the deeper drilling of the targets” he also added.

This ASX Announcement has been authorised for release by the Company’s Board.

For enquiries regarding this release please contact:

Mr. Ashley Pattison,
Executive Chair
(08) 6270 6316

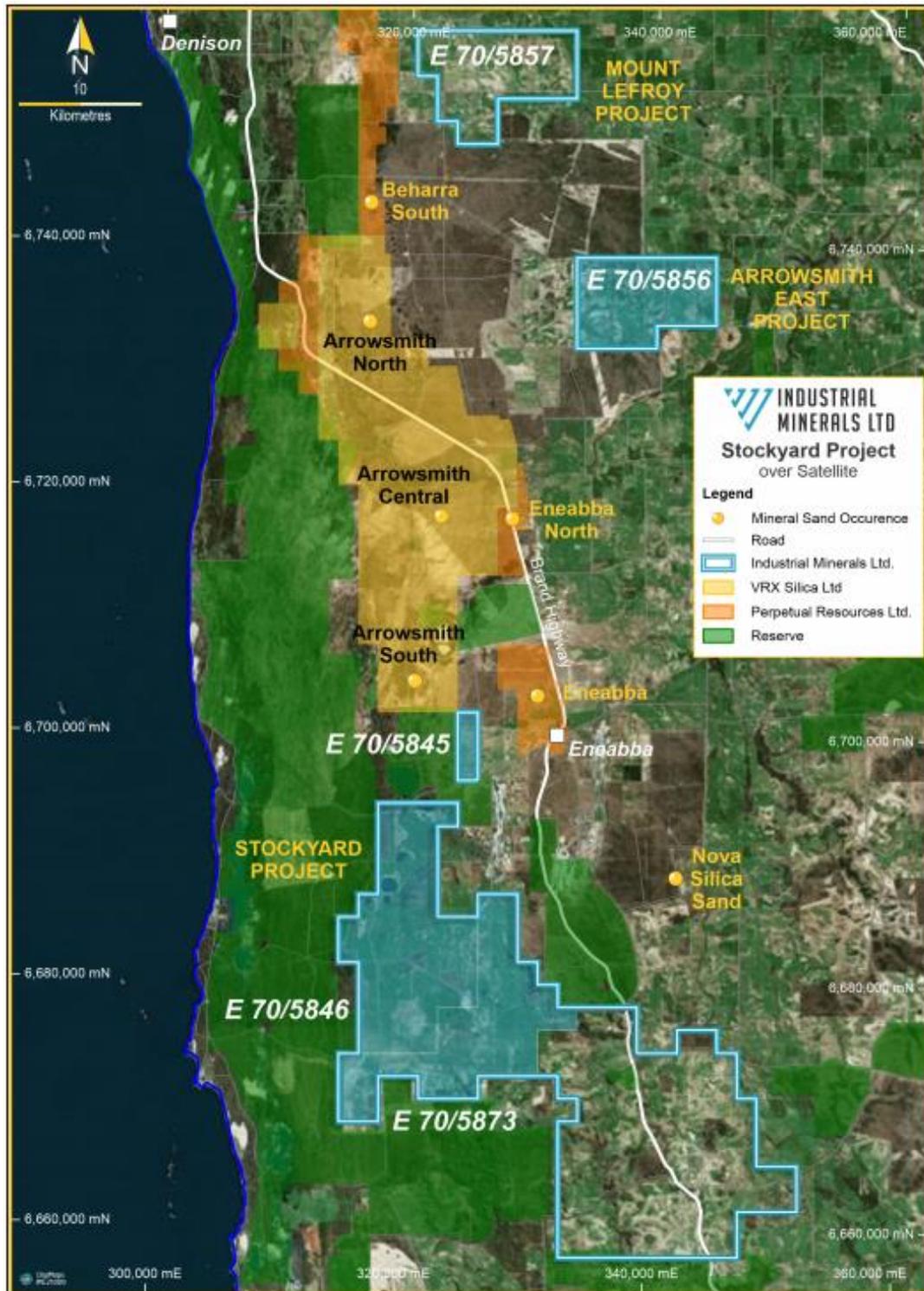


Figure 2: Stockyard Expanded Tenement Boundary

About IND:

IND is a diversified Industrial Mineral project developer with a primary focus on High Purity Silica Sand. IND will focus on exploring and developing its highly prospective Australian High Purity Silica Sands and complementary Industrial Mineral Projects.

IND now holds 100% of 12 High Purity Silica Sand projects and five complementary Industrial Mineral projects across Western Australia and is focused on exploring and developing these projects, which have the potential to add significant value to investors and stakeholders.

Website: www.industmin.com

Competent Person

The information in this announcement that relates to exploration activities on the Projects is based on information compiled and fairly represented by Mr Robert Andrew Jewson, who is a Member of the Australasian Institute of Mining and Metallurgy and consultant to Industrial Minerals Ltd. Mr Jewson is also a shareholder of Industrial Minerals Ltd and Mining Equities Pty Ltd. Mr Jewson 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 Jewson consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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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