

INDUSTRIAL MINERALS LIMITED (ASX:IND) PLACEMENT & SPP TO RAISE A\$2M

Transaction Summary			
Company Name	Industrial Minerals Limited	Amount to be Raised	A\$1.5M
Ticker	ASX:IND	Offer Price	A\$0.20
Transaction	Placement & SPP	Last Close (26/07/24)	A\$0.27
Lead Manager	Evolution Capital	Discount to Last Close	25.9%
Offer Details			
Transaction Summary	<ul style="list-style-type: none"> Industrial Minerals Limited ('IND') ('Industrial') is seeking to raise A\$1.5M via a single tranche placement at A\$0.20 per share. IND will reserve the right to accept oversubscriptions at the discretion of the Board and in line with capacity constraints. IND will issue one (1) free attaching option ('Option') for every two (2) New Shares issued pursuant to the Offer. The Options will be exercisable at A\$0.30, each with an expiry date 3 years from issuance and will be listed and issued subject to meeting ASX listing requirements and receiving shareholder approval. The company will also launch a non-underwritten, Share Purchase Plan ('SPP') to eligible investors to raise an additional A\$0.5M on the same terms. Board and Management will participate for \$200,000 in the Placement, subject to shareholder approval. IND has mandated Evolution Capital to act as Sole Lead Manager. <p>Bids for the Placement are due by 2pm AEST Tuesday, 30th of July 2024.</p>		
Offer price	The Offer Price represents a 25.9% discount to last close		
Use of funds	IND has confirmed that funds from the Placement will be applied towards: <ul style="list-style-type: none"> Drilling, both RC and diamond, at both projects (Pippingarra and Mukinbudin) Additional test work and metallurgy Ongoing product marketing to advance offtake discussions General working capital and costs of the offer 		
Investment Highlights			
Summary	<p>Summary: Industrial Minerals (IND), through its advanced portfolio of High Purity Quartz (HPQ) and High Purity Silica Sand (HPSS) projects in Western Australia, is well-positioned to supply premium products to the rapidly growing solar PV, semiconductor, and electronics industries. With projects located on granted mining leases and near key infrastructure IND is on a fast track to production. The company's experienced management team has established a strong network of key customers and is collaborating with industry leaders to achieve the highest quality specifications. IND is actively engaged in discussions with potential offtake partners to secure long-term supply agreements.</p> <p>Investment Highlights:</p> <ul style="list-style-type: none"> High Purity Quartz (HPQ) Potential: IND has identified high purity quartz (HPQ) potential at its Pippingarra and Mukinbudin projects in Western Australia. Premium Price Potential: Prices for high purity quartz ore reported to fetch ~US\$4,000 per tonne delivered into China. 		

- **Promising Testwork Results:** Initial testwork on quartz samples from both projects has yielded exceptional purity levels, exceeding 99.99% SiO₂.
- **Strategic Partnerships:** IND is actively engaged in discussions with potential offtake partners and end-users for its HPQ and HPSS products.
- **Further Exploration and Development:** The company is planning additional drilling programs and advanced metallurgical testwork to define resources and optimize processing techniques.
- **Market Opportunity:** The demand for HPQ is rapidly growing, driven by the solar PV, semiconductor, and electronics industries.

HPQ Project Overview & Drilling Results:

- Pippingarra:

- The project is on a granted Mining License and located 30km from Port Hedland
- Phase 1 RC drilling at Pippingarra confirmed wide zones of clean white quartz up to 20 meters thick.
- A 300kg Pappinbarra quartz sample crushed from existing quarry stockpiles sent to China in late 2023 produced a >99.994% SiO₂
- Maiden Exploration Target:

Pippingarra HPQ Exploration Target – April 2024		
	Lower Range	Upper Range
Quantity (Tonnes)	1.5M	3M
Grade (SiO ₂)	97%	99%

- Mukinbudin:

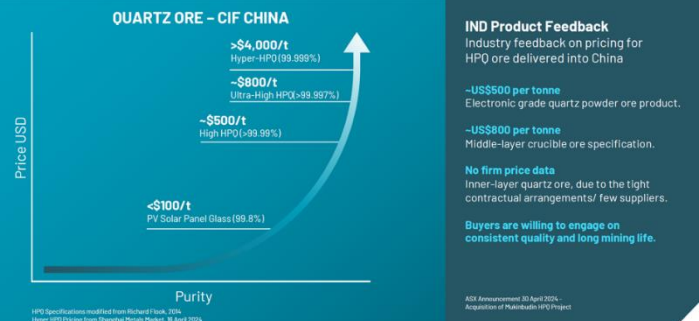
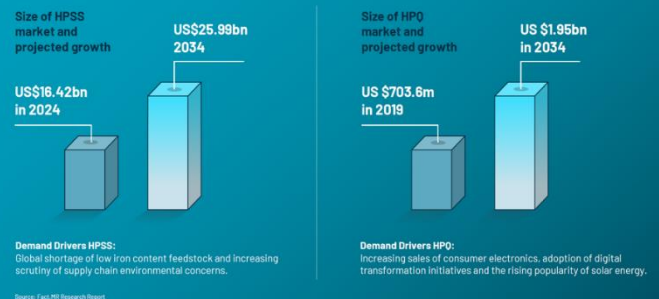
- Located 250 km east of Perth, Western Australia
- Historical production of High Purity Quartz (HPQ) s reported from the 1970s with sales going into Japan. Further production of feldspar for the glass industry was reported up to 1997.
- Historical drilling at Mukinbudin reported quartz mineralization up to 37 meters thick from the surface.
- Chemical analysis of the quartz ore undertaken by IND reported 99.991% SiO₂

HPSS Project Overview:

- Portfolio of +20 HPSS projects covers over 3,600km² all proximal to port.
- Stock Stockyard Project - Indicated and inferred Mineral Resource of 9.6 million tonnes at **98.9% SiO₂** (Insitu).

Upcoming Newsflow:

- **Advanced Metallurgical Testwork:** IND plans to conduct further testwork at ANZAPLAN in Germany to assess the ultimate quartz quality and optimize processing flowsheets.
- **Resource Definition Drilling:** Drilling programs are planned for both Mukinbudin and Pippingarra to define resources and reserves.
- **Offtake Discussions:** The company is actively pursuing potential long-term offtake partners for its HPQ products.
- **Market Expansion:** IND's marketing team will continue to engage with potential customers and expand its network in key markets.

Growing Market with Premium Pricing for High Tech Applications
HPSS - HPQ Value Opportunity

HPSS & HPQ: Market Dynamics

Capital Structure

Existing shares on issue	68,760,000
Shares to be issued (total)	10,000,000
Pro forma shares on issue	78,760,000
Pro forma market cap	A\$15.75M
Pro forma cash (gross)(total)	A\$2.36M

Indicative Timetable

Bids due	2pm Tuesday, 30 th of July 2024
Confirmations due	4pm Tuesday, 30 th of July 2024
Trading halt lifted	Wednesday, 31 st of July 2024
DVP settlement	Tuesday, 6 th of August 2024
Expected quotation of shares	Wednesday, 7 th of August 2024

*The timetable is subject to change without notice to you and references to time refer to Australian Eastern Standard Time (AEST)

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