

QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2025

Highlights

- **Strategic partnership discussions advancing across APAC region** with established industrial mineral processors to maximise the commercial potential of the Pippingarra Project
- **Market engagement expanded** through attendance at Ceramics China 2025 trade fair, generating direct discussions with manufacturers and distributors across China and broader APAC region
- **Customer evaluation program initiated** with categorised ore-sorted mineral samples being prepared for dispatch to potential customers for independent validation across quartz, feldspar, and mica product ranges
- **Co-product testwork progressing** with feldspar and mica samples sent to Imerys Ceramics Laboratory in Thailand for specialized ceramic application assessment

Industrial Minerals Ltd (ASX: IND or the **Company**) is pleased to provide an update on its activities for the June 2025 quarter. Key activities during the quarter focused on progressing the Company's activities across the High Purity Quartz (HPQ) Value Chain.

IND is focused on the development of high-value industrial mineral resources, with its flagship Pippingarra Project targeting the growing global market for high purity quartz products used in advanced manufacturing, semiconductor, solar, and electronics industries.

IND's Managing Director Jeff Sweet commented:

"We are very pleased with the commercial momentum we have built for Pippingarra during the quarter. Our attendance at Ceramics China 2025 provided exceptional direct engagement with potential customers and strategic partners across the ceramics and industrial minerals value chain, generating significant interest in our diversified mineral offering."

"The strategic partnership discussions we have initiated with established APAC industrial mineral processors represent a capital-efficient pathway to market that leverages their processing infrastructure and customer networks while maximizing returns from our high-quality resource base."

"The positive technical validation we have received on our ore-sorting approach, combined with the strong market reception for our quartz, feldspar, and mica products, reinforces our confidence in Pippingarra's commercial potential. We are now focused on converting this market interest into formal partnerships and customer agreements to accelerate our pathway to production."

Pippingarra Pegmatite Project

IND holds an option to acquire an 80% interest in the non-construction mineral rights to the operating Pippingarra Quarry (Mining Lease M45/258). The operator, North West Quarries (NWQ), is a private contractor offering mining, quarrying and rock production services.

IND has been systematically progressing activities across several key areas of the HPQ Value Chain to maximise the commercial potential of Pippingarra, with activities including:

- Resource evaluation
- Assessment of crushing, screening and ore-sorting options
- Beneficiation research in collaboration with NHICCL
- Independent third-party testing; and
- Market research on potential customer requirements across multiple geographic markets.

High Purity Quartz Beneficiation Testwork

Stage 2 Testwork Results and Verification

Following the completion of Stage 2 HPQ testwork processing in March 2025, IND received positive results from the comprehensive beneficiation program conducted with support from NANCHANG HENGSHI INDUSTRIAL & COMMERCIAL COMPANY LIMITED (NHICCL) in Lianyungang, China.

The independent audit of the Stage 2 testwork, conducted by Keypointe Pty Ltd, confirmed that the overall process design aligns with accepted HPQ industry practices and that the testwork was competently executed. Several opportunities to improve process control and data collection were identified, particularly regarding stage-by-stage sampling, reagent tracking, and operational documentation. These insights will inform refinements to future testwork programs to ensure greater reproducibility and enhanced impurity removal, supporting IND's objective of producing a premium HPQ product for high-end applications.

The positive results validate the technical approach and confirm the suitability of Pippingarra pegmatite material for high purity quartz applications, providing a solid foundation for advancing commercial discussions with potential customers.

Ore-Sorting Trial Results and Analysis

Following initial ore-sorting trials conducted at Anhui Zhongke Optic-electronic Colour Sorter Machinery Co., Ltd. (AMD) on pegmatite-quartz samples from the Pippingarra deposit, results from PSS (Portable Spectral Services) analysis of the processed samples were received during the quarter.

Results from PSS analysis of the samples from the initial ore-sorting trial at AMD indicate that the yield and elemental purity are encouraging for supporting ore-sorting as an early-stage separation and beneficiation process. The analysis confirmed the potential to not only isolate high-purity quartz but also to produce feldspar and mica as co-products, significantly enhancing potential resource utilisation from the deposit.

These results validated the technical approach and supported the decision to advance to the comprehensive Advanced Ore-Sorting Trial Program using sub-samples from the 80-tonne bulk sample. The capability to produce multiple mineral products from the same ore body presents a significant opportunity to enhance overall project economics through improved resource utilisation.

Co-Product Development and Testing

Building on the encouraging PSS analysis results, feldspar and mica samples have been sent to Imerys Ceramics Laboratory in Thailand for specialized testwork. This testing will evaluate the suitability of Pippingarra's feldspar and mica for various ceramic applications, providing crucial technical data to support commercial discussions with potential customers in the ceramics industry.

The Company notes the historical significance of the Pippingarra mine, which operated successfully as a high-grade feldspar and mica mine up to the 2000s.

HPQ Market Development

Further information about the Company's HPQ materials has been shared with potential buyers through NHICCL. NHICCL has leveraged its industry connections, engaging HPQ processing experts to conduct the testwork and facilitating introductions to potential customers. Indicative expressions of interest have been received in evaluating IND's material, primarily focused on HPQ for crucible production applications.

Ceramics China 2025 Trade Fair Attendance

Managing Director Jeff Sweet attended the *Ceramics China 2025* international trade fair held in Guangzhou, China in June 2025. The expo provided an opportunity to engage directly with a wide range of potential offtake partners and customers in the ceramics and industrial minerals sectors, with a particular focus on quartz and potassium feldspar for use in tiles, sanitaryware, and tableware. Discussions were held with manufacturers and distributors across China and the broader APAC region.

In addition to offtake engagement, IND initiated discussions with established international industrial mineral producers regarding potential strategic partnerships. These discussions focused on opportunities to jointly develop processing, distribution and value-added production capabilities leveraging IND's long-life resource base at Pippingarra and the partner's processing infrastructure, technical expertise and established market channels.



Figure 1: Meeting with quartz producers at *Ceramics China 2025 Expo*

Strategic Partnership Planning – Pippingarra Project

IND is advancing a partnership-driven strategy to maximise the commercial potential of the Pippingarra Project. The Company is seeking to leverage its large-scale resource base of quartz, potassium feldspar and mica to supply high-growth markets across the Asia-Pacific region.

As part of this strategy, IND is engaging with established industrial mineral processors and distributors across key APAC countries to evaluate downstream processing and distribution opportunities. These parties have demonstrated a strong interest in collaborating with IND to secure long-term, bulk supply of raw materials from Pippingarra, with the aim of processing into higher-value products tailored for the ceramic, glass, electronics, and filler markets.

Discussions to date have focused on:

- Bulk shipments of raw quartz, feldspar, and mica via Port Hedland
- Offshore processing partnerships to convert IND's direct shipping ore (DSO) into value-added mineral products
- Regional distribution arrangements targeting major end-users in Vietnam, Thailand, Malaysia, Indonesia, the Philippines, and broader North Asia
- Joint evaluation of intermediate processing stages, including crushing, grinding, flotation, and classification for ceramic-grade and filler-grade specifications

These partnership discussions align with IND's strategy to minimise capital outlay, accelerate market entry, and enhance margins through collaborative value-adding structures. By supplying high-quality feedstock to partners with established processing and customer networks, IND is well-positioned to generate sustainable long-term returns from the Pippingarra Project.

Bulk Sample Progress and Processing Arrangements

The 80-tonne bulk sample has successfully cleared customs in China and is now available for evaluation by interested parties. While initial processing arrangements with NHICCL have experienced some operational delays, IND has proactively secured alternative sample preparation pathways to ensure continuity of the testwork program.

Advanced Ore-Sorting Trial Program

IND is organising further ore-sorting trials using sub-samples from the bulk sample. This comprehensive program will be conducted in stages to systematically separate quartz, feldspar and mica, with crushing and screening processes designed to further liberate the individual minerals through sequential ore-sorting.

A range of quartz samples derived from the ore-sorting trial will be sent for detailed analysis and processing testwork. This expanded testwork program will be conducted systematically following the proven Stage 2 methodology, enabling IND to validate processing parameters and product specifications across the full spectrum of Pippingarra's mineral products.

Categorised ore-sorted mineral samples will be packaged and sent to potential customers for their own internal evaluation and validation. This customer-driven assessment approach will provide direct market feedback on product quality and suitability for specific end-use applications across the quartz, feldspar, and mica product ranges.

The Company has confirmed that ore-sorting facilities and HPQ beneficiation processing capacity are in place and ready to commence upon receipt of prepared samples. This diversified approach to sample preparation strengthens IND's operational flexibility and ensures multiple pathways are available for advancing the technical evaluation program.

Market assessment activities are expanding beyond China to include potential HPQ consumers in Japan, South Korea and Taiwan.

Next steps

IND is planning the following activities over the coming months:

- Completion of advanced ore-sorting trials using bulk sample sub-samples to generate categorised product samples for customer evaluation
- Dispatch of quartz, feldspar, and mica samples to potential customers for independent validation and feedback
- Receipt of results from Imerys Ceramics Laboratory testwork on feldspar and mica samples
- Progression of strategic partnership discussions with established APAC industrial mineral processors and distributors
- Follow-up commercial discussions with contacts established at Ceramics China 2025
- Expansion of market assessment activities in Japan, South Korea, and Taiwan
- Development of processing and distribution partnership structures to minimize capital requirements and accelerate market entry

Corporate and Financial

As at 30 June 2025 the Company had \$881,836 in cash. An Appendix 5B for the quarter (5B) is attached to this activities report.

Additional ASX Listing Rule Disclosures

ASX Listing Rule: 5.3.1 Exploration expenditure for the period (items 1.2a and 2.1d in the 5B) was \$74,000.

ASX Listing Rule 5.3.3: The details of the mining tenements, the location and the Company's beneficial percentage interest held in those Tenements at the end of the Quarter is included in the Table at the end of this as Appendix 1.

ASX Listing Rule 5.3.5: Payments to related parties (as detailed in item 6 of the 5B) comprise payment of Directors fees, technical and management consulting fees as well as payments for office rent to a company in which Mr Pattison has an equity interest. Payments to related parties in the June 2025 Quarter totalled \$61,000.

ASX Announcements included in this Report

This Quarterly Activities Report contains information reported in accordance with JORC 2012 in the following announcements released during the reporting period:

31 March 2025 - Pippingarra HPQ Testwork and Ore-Sorting 30 April 2025 - Quarterly Activities Report for March 2025

-ENDS-

This announcement has been approved by the Industrial Minerals Board.

For enquiries regarding this report please contact:

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About IND

Industrial Minerals Ltd (ASX: IND) is a critical minerals explorer and developer focused on high purity silica sand (HPSS) and high purity quartz (HPQ) projects in Western Australia, with its flagship Pippingarra Project targeting markets in advanced manufacturing, semiconductor, solar, and electronics industries.

IND is advancing HPQ beneficiation testing, while also assessing ore-sorting technology that shows promising potential for feldspar and mica as valuable co-products. The company's strategic positioning near key infrastructure on granted mining leases, coupled with its advanced testwork capabilities, provides a competitive advantage in offering diverse product specifications to potential customers across Asia.

Website: www.industmin.com

Appendix A - Tenement Schedule as at 30 June 2025

Project	Location	Tenement Number	Status	Interest %
Abydos	Pilbara, WA	E 45/6817	Application	100%
ANZAC Well	Pilbara, WA	E 45/5444	Granted	100%
Bookara	Bookara, WA	E70/5855	Granted	100%
Cataby West	Cataby, WA	E70/5714	Application	100%
Cataby West	Cataby, WA	E70/5778	Application	100%
Gingin	Gingin, WA	E70/5782	Application	100%
Karratha	Hamersley Range, WA	E47/3144	Granted	100%
Mindarra	Mindarra, WA	E 70/6428	Application	100%
Mt Regal	West Pilbara, WA	E 47/5070	Application	100%
Muckinbudin	Muckinbudin, WA	E 70/5326	Granted	100%
North Trig Hill	Pilbara, WA	E 45/6509	Application	100%
Pinjar	Pinjar, WA	P70/1767	Application	100%
Pippingarra	Pilbara, WA	E 45/6700	Application	100%
Pippingarra	Pilbara, WA	E 45/6755	Application	100%
Pippingarra	Pilbara, WA	E 45/6798	Application	100%
Regans Ford	Regans Ford, WA	E70/5858	Application	100%
Roebourne	Roebourne, WA	E47/4582	Application	100%
Stockyard	Stockyard, WA	E70/5873	Granted	100%
Stockyard	Stockyard, WA	E70/5938	Granted	100%
Stockyard	Stockyard, WA	L 70/237	Granted	100%
Stockyard	Stockyard, WA	L 70/238	Granted	100%
Stockyard	Stockyard, WA	M 70/1417	Granted	100%
Tabba Tabba	Pilbara, WA	E 45/6759	Application	100%
Tabba Tabba	Tabba Tabba, WA	E45/6091	Application	100%
Turner River	Turner River, WA	E45/5268	Granted	100%
Turner River North	Turner River, WA	E45/4570	Granted	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Industrial Minerals Ltd

ABN

87 648 183 297

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	13
1.2	Payments for		
	(a) exploration & evaluation *	29	(155)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(157)	(710)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	14
1.5	Interest and other costs of finance paid	(1)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(127)	(844)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(103)	(758)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(103)	(758)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,313
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(201)
3.5	Proceeds from borrowings	49	49
3.6	Repayment of borrowings	(9)	(36)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	40	2,125

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,072	359
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(127)	(844)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(103)	(758)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	40	2,125

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	882	882

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	882	1,072
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	882	1,072

* Reallocation of expenses between operating and investing activities

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	32
6.2	Aggregate amount of payments to related parties and their associates included in item 2	22

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

6.1 Payment of directors' fees to related parties on an arm's length basis under the terms disclosed in the IPO prospectus.

6.2 Payment of directors' and consulting fees to related parties on an arm's length basis under the terms disclosed in the IPO prospectus related to exploration activities at granted tenements.

A further \$7,000 is included in item 3.6 for office rental to an entity in which Mr Pattison holds 33.3% equity interest.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		-
- Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(127)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(103)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(230)
8.4 Cash and cash equivalents at quarter end (item 4.6)	882
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	882
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.83
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..29 July 2025.....

Authorised by: ..Natalie Madden – Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.