

QUARTERLY ACTIVITIES REPORT

For the period ending 31 December 2025

Highlights

- **Maiden JORC Inferred Mineral Resource Estimate (MRE) of 6.2Mt at 98% SiO₂ established at Pippingarra Quarry Project.**
- **Successful testwork programs including High Purity Quartz beneficiation and mineral-sorting trials demonstrate commercial potential.**
- **Substantial Exploration Target extends beyond the resource area.**
- **Scale and grade of the MRE provides critical supply security for potential offtake partners and positions IND to meet these supply security requirements over extended timeframes.**
- **Following the successful definition of the Maiden Mineral Resource, the Company's 2026 activities will focus on:**
 - **Resource Modelling: Commencing mineralogical assessments of existing drill samples to model high-value quartz, feldspar, and mica zones.**
 - **Expansion Drilling: Evaluating additional drilling to upgrade resource classifications and expand the total resource base to include mica and feldspar.**
 - **Multi-Product Processing: Expanding mineral sorting and beneficiation testwork to optimise product recovery across all identified mineral streams.**
 - **Strategic Marketing: Scaling global and APAC partnership engagements to secure long-term offtake and market positioning.**

Industrial Minerals Ltd (ASX: IND or the Company) is pleased to provide an update on its activities for the December 2025 quarter. Key activities during the quarter included the Company's Maiden High Purity Quartz (HPQ) Mineral Resource Estimate (MRE) for the Pippingarra Quarry Project.

IND is focused on the development of high-value industrial mineral resources. At the Company's flagship Pippingarra Project, IND is 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:

"The definition of our Maiden 6.2Mt Mineral Resource at Pippingarra is a transformative milestone that provides the scale and supply security our global partners require. As we move into 2026, our focus shifts to unlocking the full value of the deposit.

"By integrating mica and feldspar into our modelling and processing testwork, we are not just expanding our resource base, we are positioning IND to deliver a diversified suite of high-value industrial minerals to the global semiconductor and solar markets over the long term."

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.

Pippingarra is in the Pilbara region of Western Australia, approximately 35km southeast of Port Hedland. The project benefits from excellent infrastructure access via sealed highways directly connecting to Port Hedland's port facilities, providing a significant logistical advantage for product export.

The project is situated within the Marble Bar District of the Pilbara Mineral Field and is accessed along the Great Northern Highway from Port Hedland via the Pippingarra-Wittenoom Road.

IND has an option to acquire an 80% interest in the non-construction mineral rights within Mining Lease M45/258, including rights to lithium and High Purity Quartz (HPQ) mineralisation. The arrangement was secured through an option agreement with tenement owner, North West Quarries Pty Ltd (NWQ) and was recently extended¹ until 24 October 2026.

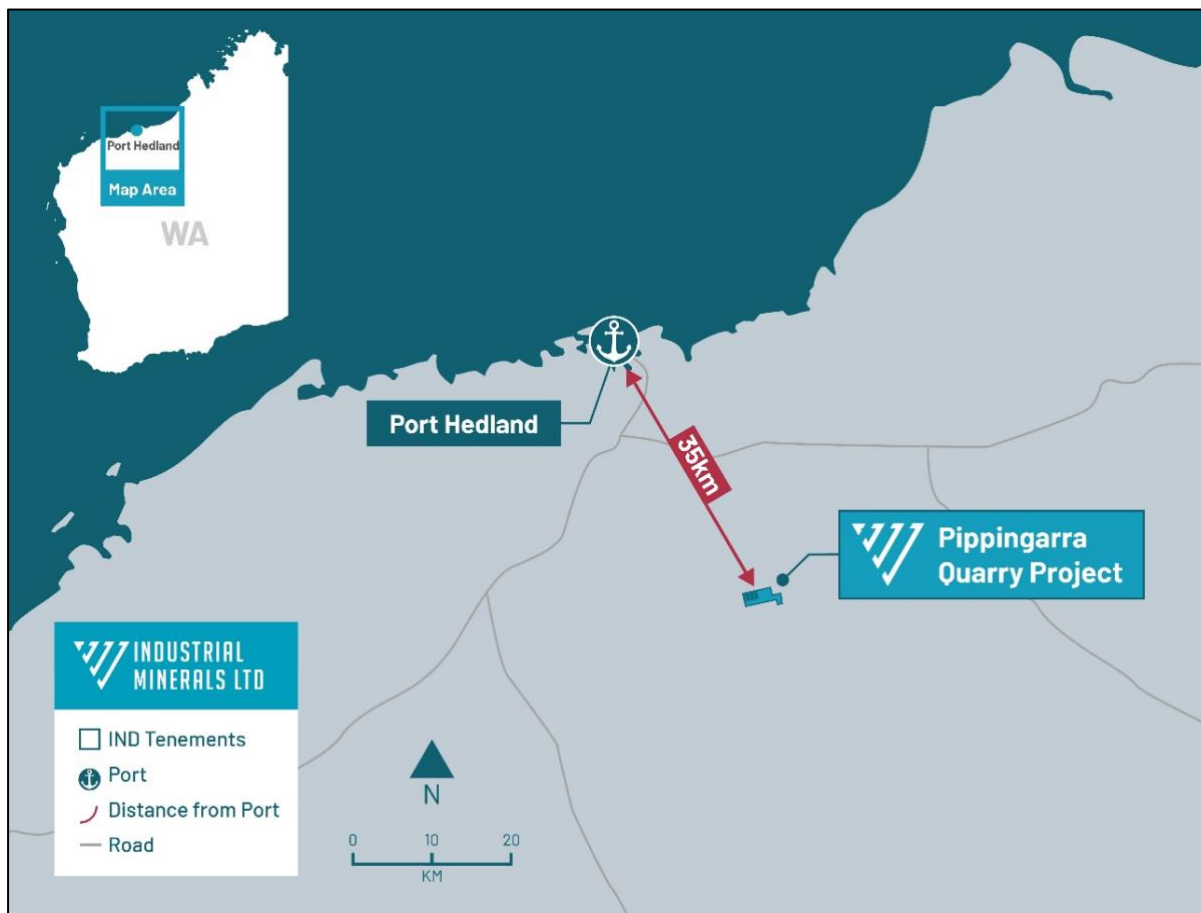


Figure 1: Location map for Pippingarra Quarry Project which is located approximately 35km from Port Hedland

¹ ASX Announcement 5 August 2025 – Pippingarra Option Extension

Estimation of Mineral Resource for Pippingarra Quarry

During the quarter the Pippingarra Quarry Mineral Resource Estimate² (**MRE**) was completed by independent expert consultant Mr Steve Rose of Rose Mining Geology (**RMG**). The MRE was completed in accordance with the JORC 2012 code. RMG completed lithological modelling, statistical analysis and the creation of a block model estimate.

The Pippingarra Quarry Inferred MRE totals **6.2 Mt at 98% SiO₂** (Table 1).

Table 1: Pippingarra Quarry Inferred Mineral Resource Estimate using 90% SiO₂ cut-off within pegmatite lithology domain. Differences may occur in totals due to rounding.

Resource Classification	Density (g/cm ³)	Volume (000,000) (m ³)	Tonnes (000,000) (t)	SiO ₂ (%)	Al ₂ O ₃ (%)	CaO (%)	Fe ₂ O ₃ (%)	MgO (%)	Na ₂ O (%)	K ₂ O (%)	TiO ₂ (%)
Inferred	2.60	2.4	6.2	98	0.92	0.00	0.06	0.01	0.10	0.20	0.02
Total	2.60	2.4	6.2	98	0.92	0.00	0.06	0.01	0.10	0.20	0.02

The Mineral Resources are reported on a 100% basis, while the option agreement between IND and the lease holder, once exercised, allows for an incorporated joint venture with IND as manager (80% IND / 20% NWQ).

Pippingarra Quarry Exploration Target

The Pippingarra Project Mineral Resource Estimate is confined to areas with sufficient drilling and assay data to support classification under the JORC (2012) Code. However, drilling extends well beyond the defined resource and outlines a much broader pegmatite system with potential for additional silica, mica and potassium-feldspar mineralisation.

An exploration target was estimated for silica, muscovite mica and potassium feldspar as potential saleable biproducts along with the production of high purity quartz at the Pippingarra Quarry.

The exploration target for silica is 35 to 50 million tonnes at a grade of 85% to 98%.

The exploration target for muscovite mica is 10 to 20 million tonnes at a grade of 40% to 60%.

The exploration target for potassium feldspar is 10 to 25 million tonnes at a grade of 40% to 60%.

Table 2: Conceptual Exploration Target within pegmatite body (exclusive of Mineral Resource)

Target	Lower Tonne Range	Upper Tonne Range	Upper Content Range	Lower Content Range
SiO ₂	35M	50M	85%	98%
Muscovite Mica	10M	20M	40%	60%
Potassium Feldspar	10M	25M	40%	60%

Cautionary Statement: This is an Exploration Target. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource over this wider area and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

² ASX Announcement 29 October 2025 - Maiden High Purity Quartz Mineral Resource Estimate for the Pippingarra Quarry Project

A total of 535 drillholes have been completed across the project area for 17,212 m (Table 3). Hole spacing ranges from 10 m to 80 m and includes predominantly RC and percussion drilling with a smaller component of diamond drilling. All holes have been logged in detail for lithology, enabling modelling of the pegmatite's geometry and derivation of a conceptual tonnage and mineral distribution.

Silica, muscovite mica and potassium feldspar (K-feldspar) are easily identifiable in drill chips (Plate 2) and represent major constituents of the pegmatite. The geological logging includes estimates of the relative proportions of these minerals by the site geologist.

Feldspar has been historically quarried from Pippingarra and continues to be sold as aggregate and landscaping material, while mica was also mined and marketed in earlier operations.

To date, Industrial Minerals' laboratory assays have focused primarily on lithium and silica potential; nevertheless, geological logging has consistently been used to define the extent of quarrying limits and to guide future exploration.



Plate 1: Hand specimen showing flake mica (grey), with potassium feldspar (cream), albite (white) and quartz (grey)

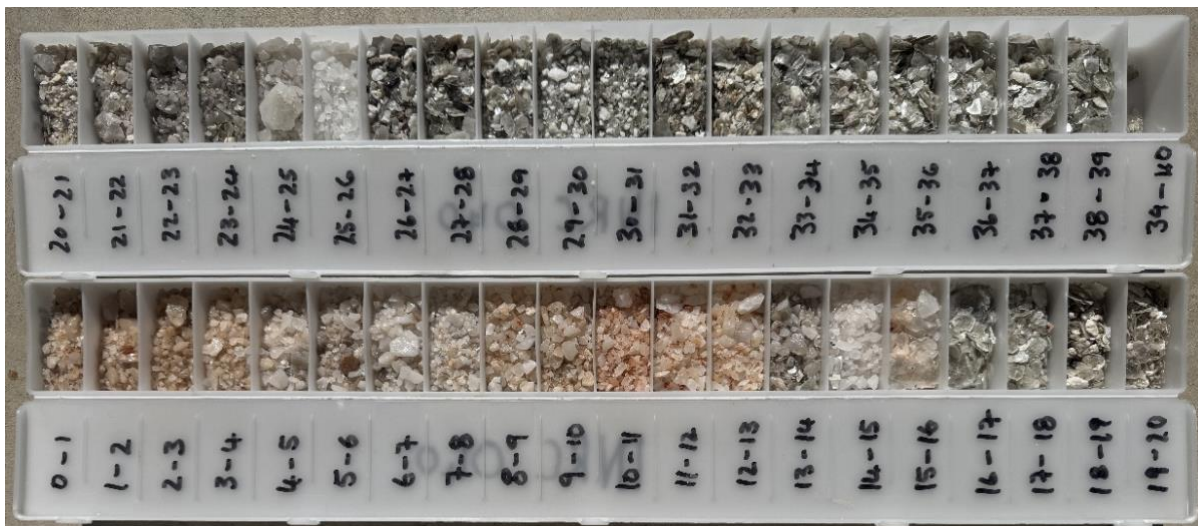


Plate 2: RC chips showing mica (grey, 16 to 25m and 26 to 39m), with quartz (white 0 to 16m and 24-26m)

The Target is based on the interpreted pegmatite volume within mining lease M45/258 and within approximately 90m of surface (Figure 2), excluding areas already classified as Inferred Resources. Geological modelling indicates the pegmatite extends over 1,000–1,200 m in length, 200–300 m in width, and up to ~150 m in depth, yielding a total conceptual volume exceeding 150Mt.

Silica occurs as localized zones within the parent pegmatite, requiring further drill definition. Muscovite mica and K-feldspar zones may overlap but are generally interpreted as distinct from the silica-dominant domains based on geological logging and hand-specimen observations (Plates 1 and 2).

Silica grades are based on ranges established within the current Mineral Resource Estimate. The silica Exploration Target is exclusive of that Mineral Resource. Mica and feldspar grades derive from visual mineral-abundance estimates logged in drillholes by Industrial Minerals geologists. These estimates were spatially plotted and statistically reviewed to define representative grade ranges and averages.

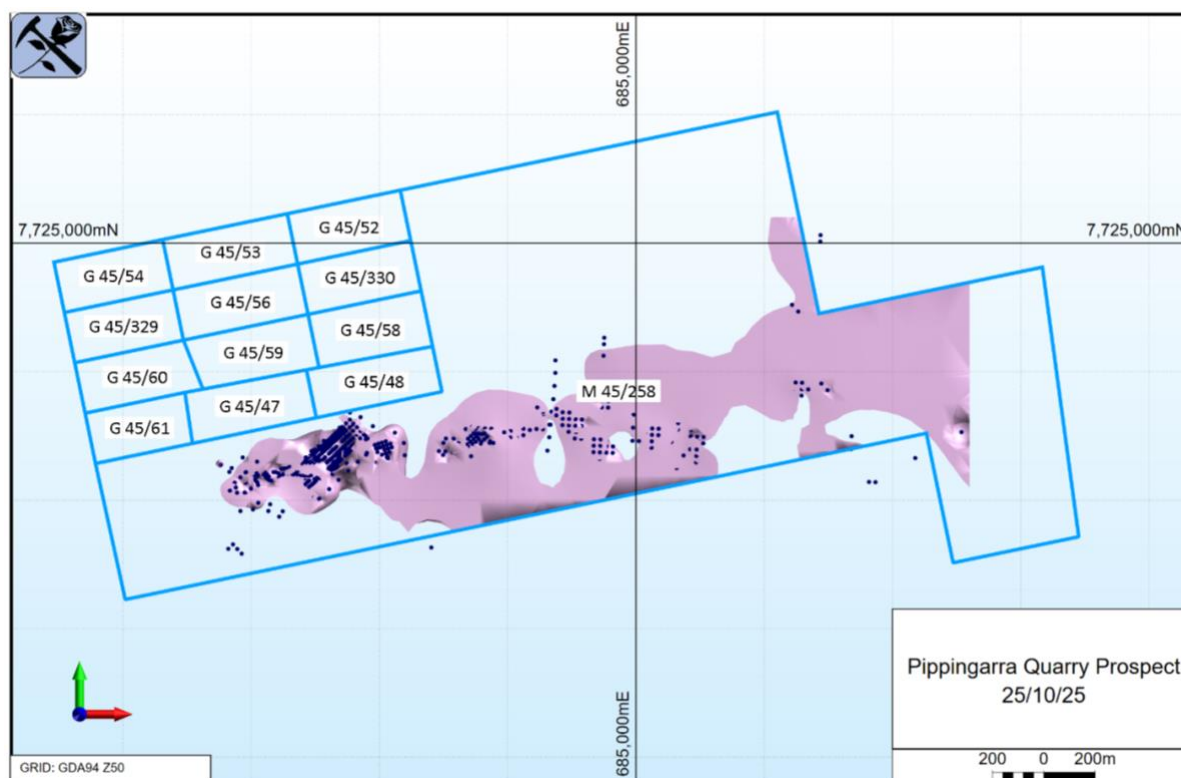


Figure 2: Interpreted pegmatite lithology, within the lease boundary and existing drilling.

To advance the assessment of the mica and potassium feldspar mineralisation, Industrial Minerals plans to conduct a focused analytical program comprising X-ray diffraction (XRD) analysis on samples from two representative drillholes to determine mineralogy, followed by whole-rock assays on the same samples to derive normative mineral formulas. Industrial Minerals retains samples from 42 recently drilled RC holes, enabling this work to proceed without additional drilling. The program is relatively straightforward and can be completed within approximately four months.

Strategic Positioning and Market Context

The Pippingarra mineral resource is strategically positioned to capitalise on growing global demand for high purity quartz, driven by expansion in semiconductor manufacturing and solar PV industries. The resource quality, with the pegmatite domain achieving 98% SiO₂, is comparable to world-class pegmatite deposits such as those in the Spruce Pine district of North Carolina.

The scale of the resource, with 6.2Mt of high-grade material plus substantial exploration upside, provides critical supply security for potential offtake partners. Industrial customers in the HPQ sector require confidence in long-term consistent supply to justify their investment in processing facilities and market development. The size and quality of Pippingarra positions IND to meet these supply security requirements over extended timeframes.

Key strategic advantages include:

- **Premium resource quality** potentially suitable for high-value HPQ applications
- **Substantial scale** providing long-term supply security for industrial customers
- **Established infrastructure** with existing mining operations and Port Hedland proximity
- **Operational readiness** through partnership with North West Quarries
- **Successful testwork programs** demonstrating commercial viability
- **Co-product potential** enhancing overall project economics

Next steps

IND is planning the following activities:

- Conduct mineralogical assessment of existing drill samples to model mineral zones including quartz, feldspar and mica.
- Evaluate additional drilling to upgrade resource classification and expand resource base to include potential feldspar and mica.
- Expand mineral sorting and beneficiation testwork to include quartz, feldspar, mica and other minerals identified in mineralogy analysis.
- Progress marketing activities and strategic partnership engagement in the APAC region and globally.

The Company continues to evaluate additional mineral project acquisition opportunities that may support portfolio diversification while maintaining the momentum of HPQ development.

Corporate and Financial

As at 31 December 2025 the Company had \$517,312 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 \$25,400.

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 December 2025 Quarter totalled \$10,500.

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:

29 October 2025 - Maiden High Purity Quartz Mineral Resource Estimate for the Pippingarra Quarry Project

-ENDS-

This announcement has been approved by the Industrial Minerals Board.

For enquiries regarding this release please contact:

Company Enquiries:

Mr. Jeff Sweet,
Managing Director
(08) 6270 6316

Contact: admin@industmin.com

Website: www.industmin.com

Broker and Media Enquiries:

Fiona Marshall
Senior Communications Advisor
White Noise Communications
0400 512 109

fiona@whitenoisecomms.com

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

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.

Disclaimer

No representation or warranty, express or implied, is made by IND that the material contained in this document will be achieved or proved correct. Except for statutory liability and the ASX Listing Rules which cannot be excluded, IND and each of its directors, officers, employees, advisors and agents expressly disclaims any responsibility for the accuracy, correctness, reliability or completeness of the material contained in this document and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person through use or reliance on any information contained in or omitted from this document.

Competent Person’s Statement

The information in this announcement that relates to the Mineral Resource Estimate and Exploration Targets are based on and fairly represents information compiled by Mr Steve Rose, Principal Mining Geologist with Rose Mining Geology – an Independent Geological Consultancy engaged by Industrial Minerals Ltd to undertake the Mineral Resource Estimate for Pippingarra Quartz Project. Mr Rose is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons 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 Rose consents to the inclusion in this announcement of the matters based on their information in the form and context in which they appear.

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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation *	(6)	(27)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(76)	(175)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(2)	(4)
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	(84)	(204)

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	(19)	(98)
(e) investments	-	-
(f) other non-current assets	-	-

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 (6 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	(19)	(98)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(28)	(62)
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	(28)	(62)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	648	882
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(83)	(204)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19)	(98)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(28)	(62)

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	518	518

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	518	648
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)	518	648

* 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	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

A payment of \$10,500 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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(83)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(19)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(102)
8.4 Cash and cash equivalents at quarter end (item 4.6)	518
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	518
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.08
<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: ..30 January 2026.....

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.