



STOCK EXCHANGE ANNOUNCEMENT
RESOURCE UPDATE – WEST BOHEMIA

5 June 2007

History

In January and February 2007, Industrial Minerals Corporation Limited (IDM:ASX) began an aggressive exploration program in the vicinity of previously delineated heavy mineral occurrences (Westbrook and North Seven Devils deposits). The area known as West Bohemia (Figure 1) was drilled using sonic technology at a spacing of approximately 300 ft x 300 ft, with sampling occurring at 5 ft intervals. It should be noted that the resource referred to as West Bohemia is comprised of resources "West Bohemia" and "Section 9 Deposit" as listed in Table 2C in the Independent Geologist's Report located in Section 5 of Industrial Minerals Corporation Limited prospectus (2006).

Geology

The West Bohemia deposit is part of a geologic model that has been developed and successfully applied to the deposits of the region by IDM. The role of tectonics in the region and local faulting has led to the belief that more laterally extensive deposits exist adjacent to previously delineated deposits. These deposits are attractive because they are located on relatively flat topography (Figure 2). According to the IDM model, West Bohemia, geologically speaking, is a continuation of the Westbrook deposit. Together, the two deposits represent a broad based depositional sequence that has been truncated by local faulting and erosion.

Assay

Samples collected on 5 ft. intervals were sent to the SGS laboratory in Lakefield, Ontario for heavy liquid separation and mineral assemblage determination. Also used in the resource determination process are the mineral assemblage results from a 1.2 ton bulk sample collected from the Westbrook measured resource (geologically speaking, the continuation of the West Bohemia deposit).

Resource Estimate

Sonic drilling conducted as part of the 2007 field activities on the West Bohemia property (the original West Bohemia deposit plus the Section 9 deposit) resulted in the identification of 3.2 million tons (2.9 million tonnes) of measured resource averaging 17.9 percent heavy-mineral and an assumed 7.3 percent in-ground chromite value using an in-ground chromite cut-off of approximately 4 percent. The drilling also identified an additional 1.0 million tons (900,000 tonnes) of indicated resource, again with an average heavy-mineral grade of 17.9 percent and an assumed average in-ground chromite grade of 7.3 percent using an in-ground chromite cut-off of approximately 4 percent. Associated mineralogy, including garnet and zircon are included in Table 1.

Table 1. Resource Evaluation - West Bohemia

Mineral Resource Category	2007	2006	Adjustment	2007	In-Situ Assemblages		
	Ore Short Tons (Millions)	Ore Short Tons (Millions)	Ore Short Tons (Millions)	HM Grade (%)	Chromite Grade (%)	Garnet Grade (%)	Zircon Grade (%)
Measured	3.2	-	3.2	17.9	7.3	1.9	0.3
Indicated	1.0	1.3	(0.3)	17.9	7.3	1.9	0.3
Inferred	-	2.1	(2.1)	-	-	-	-
Total	4.2	3.4	0.8	17.9	7.3	1.9	0.3

Notes

- * Cut off based on >= 10% heavy mineral (4% chromite)
- * Clay zones (less than 66 microns) have been removed from the estimate.
- * HM assemblages are percentages within the heavy mineral suite as determined by bulk assay.

Future Exploration

Indicated resource areas within the West Bohemia deposit will be drilled in the September 2007 quarter. An estimated 25-30 drillholes will be required to further delineate the West Bohemia resource. Exploration activities outside of the Westbrook/West Bohemia area will continue to focus on laterally extensive, broad based deposition on planar features.

Other Recent Exploration

Assays for exploration drilling other than West Bohemia are being delivered at the time of this writing this announcement from SGS and will continue through June 2007. As assays become available, resource updates will be conducted for Section 33, North Seven Devils Extension, South Seven Devils Extension, and West Section 10.

JORC 2004 Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Fredric L. Pirkle, Ph.D., who is a SME Registered Member of the Society of Mining, Metallurgy and Exploration, Inc., a 'Recognized Overseas Professional Organization' ('ROPO') included in a list promulgated by the ASX from time to time.

Dr. Pirkle is employed by Gannett Fleming, Inc., and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. Pirkle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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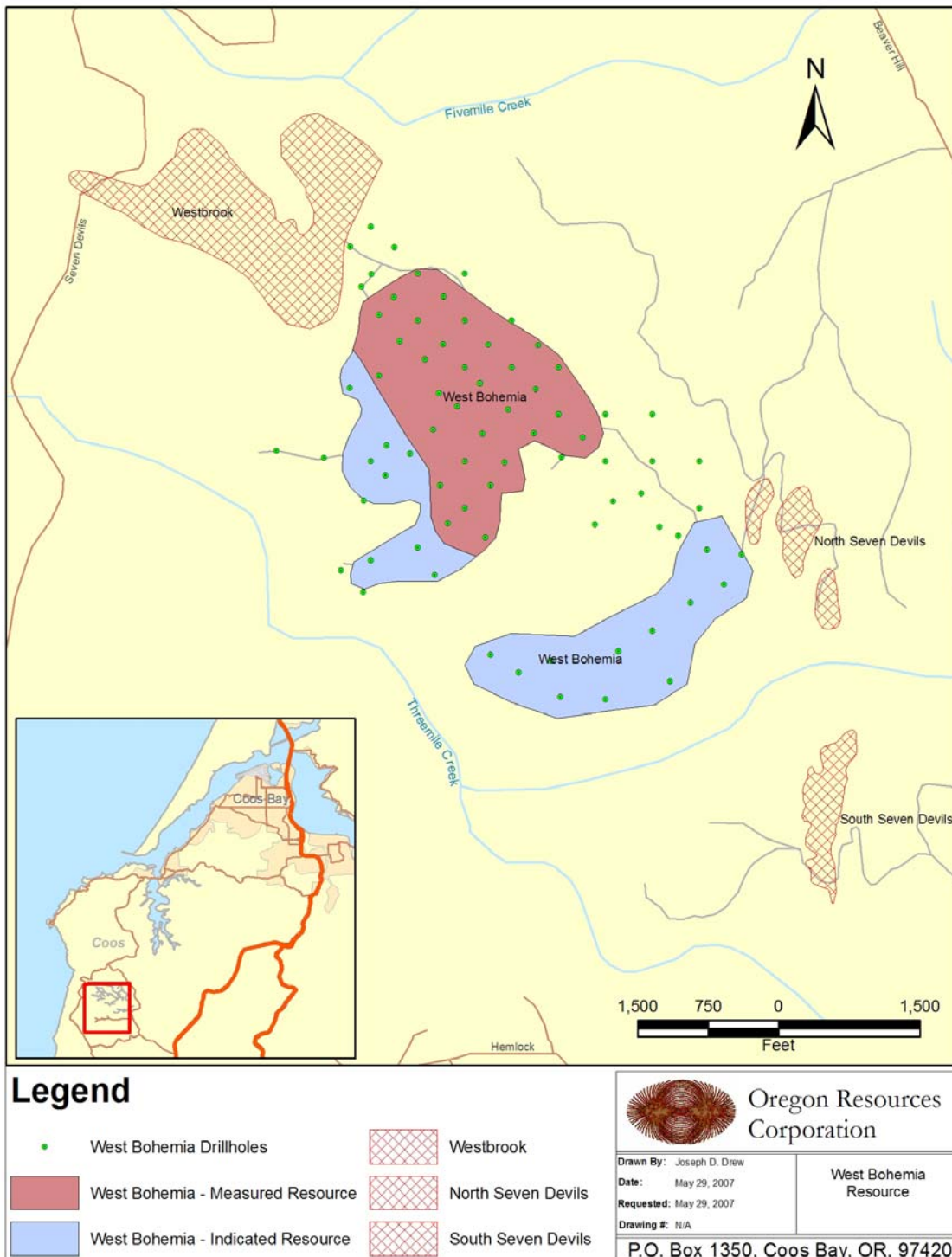


Figure 1. Map depicting location and relative size of West Bohemia resource.

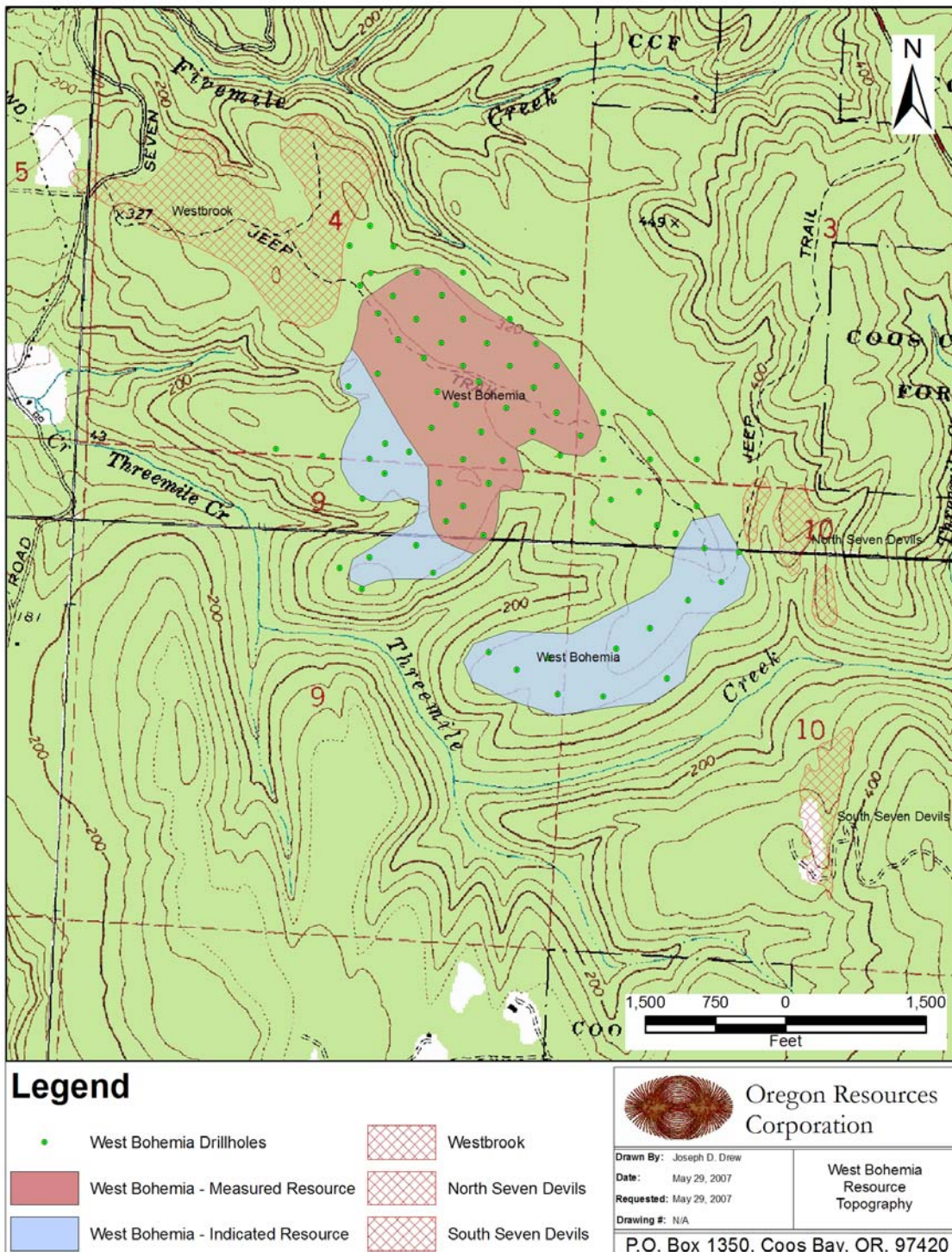


Figure 2. Map depicting deposits and topography.