



STOCK EXCHANGE ANNOUNCEMENT

OREGON HEAVY MINERALS PROJECT

MINING PERMIT APPEAL

1 November 2007

Industrial Minerals Corporation Ltd (IDM:ASX) ("**the Company**") advises that its wholly owned subsidiary has been informed that a notice of Intent to Appeal has been filed with the Oregon State Land Use Board of Appeal (LUBA) against the Permit approval by the Coos County Board of County Commissioners.

The appellants are David and Sharon Comden who are residents of Coos County. The basis, upon which the appeal has been filed, has not been disclosed in the notice. Non-disclosure of the basis of appeal is normal at this stage of the process. The basis of the appeal will become known in approximately 21 days when the papers supporting the appeal have been filed.

A notice of Intent to Appeal has been filed by the Company itself against the decision and the basis upon which the appeal by the Company has been made, has not been disclosed. The basis for the appeal by the Company will be disclosed in documentation to be filed in approximately 21 days. Contemporaneously, the Company will provide disclosure on the basis of its appeal.

Copies of both Notices of Intent to Appeal will be posted to the Company's website.

Generally, the appeal processing timeframe for such appeals is approximately six months, which would mean that a final decision may be rendered by LUBA by April, 2008.

Management has utilized the services of respected, highly competent firms and individuals through all aspects of the planning, permitting and legal processes of the project and has been thorough in its examination of the impact on the community including the positive economic benefits and remains confident of the County and the majority of the community who support the project.

PROJECT FUNDING

The proposed providers of the project finance were informed today of the appeals and the potential knock on effects to scheduling and costs. In summary they stated "we continue to be fully supportive of the project and are very familiar with the appeal process currently being undertaken by the Company".



TIMING AND PRODUCTION SCHEDULE

Management is confident that the Company will ultimately prevail. The appeal process in itself does not stop project development. Based upon the estimated time for the appeal hearing and ruling, management has taken the decision to proceed with the preparation of the production and processing site. This portion of the project involves the engineering and positioning of foundation support pilings to bedrock to ensure a stable base for the foundations for the wet and dry mineral separation plants and associated facilities. The associated facilities include packaging, storage, office and transportation buildings. This stage is expected to commence during November.

As mentioned in the recently released quarterly report production is expected in August 2008 barring any further delays.

MARKETING

A positive aspect of the delay is the continuing increase in the price of ferrochrome and the strong demand for non metallurgical chromite for ferrochrome feedstock. This demand has removed from the market a portion of finer grades of chromite normally destined for the foundry markets. This has reduced the availability of quality chromite foundry sand resulting in higher price. ("Industrial Minerals Magazine October 2007") These foundry grades are being sought as feed for chromite pelletising plants. This has created strong demand for reliable quality and quantity of chromite foundry sand. The Company is expecting an increase in price for its products due to this demand as well as the adjustment in \$US pricing. The Company remains optimistic for the long term based upon its market analysis and location of its resource.

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