



**STOCK EXCHANGE ANNOUNCEMENT**  
**SHARE PLACEMENT TO RAISE \$14.0 MILLION &**  
**APPOINTMENT OF CHIEF FINANCIAL OFFICER**

25 May 2007

Industrial Minerals Corporation Limited (IDM:ASX) is pleased to announce that it has agreed to a share placement with a number of institutions and sophisticated investors to raise \$14.0 million. The share placement was arranged to provide the company with funds that the Company expects will be sufficient to meet the equity component of the project financing requirements for the construction and completion of commissioning of a 700,000 tonnes per annum processing plant for the Oregon Heavy Minerals Project and working capital.

**Share Placement**

The share placement will result in the issuance of 35.0 million shares at 40 cents per share and will be completed in two tranches as follows:

- the first tranche comprising of a placement of 22.0 million shares to sophisticated and international investors at an issue price of 40 cents to raise \$8.80 million within the Company's 15% share issue capacity which is expected to take place on or about 5 June 2007.
- the second tranche comprising of a placement of 13.0 million shares to sophisticated investors at an issue price of 40 cents to raise \$5.20 million subject to shareholder approval.

The Company anticipates that notice of meeting materials will be dispatched to shareholders on or around 8 June 2007. A prospectus will also be issued shortly.

Capital Investment Partners Pty Ltd in collaboration with Bligh Capital Pty Ltd were engaged to act as corporate and financial advisor to the capital raising.

Following completion of the share placement, Industrial Minerals Corporation Limited will have approximately 195 million shares on issue and a market capitalisation at the issue price of \$78.0 million.

**Use of Funds**

The funds received from the share placement will be applied towards the anticipated capital and associated costs and expenses to be incurred in bringing the Oregon Heavy Minerals Project into production and for provision of additional working capital.

## Chief Financial Officer

The Board of Industrial Minerals Corporation Limited is further pleased to announce the Company has strengthened its management team with the appointment of Mr. Steven Blacklock to the key role of Chief Financial Officer ("CFO"). The CFO will join with and assist the management team with the implementation of the production facilities and specifically oversee the securing of project financing for the construction and commissioning of the main 700,000 tonnes per annum processing plant in the first quarter of 2008 for the Oregon Heavy Minerals Project near Coos Bay in southwest Oregon, USA.

Mr. Blacklock is a Chartered Accountant with over 15 years experience as senior executive. He has held senior management positions in large privately held companies, large and small public companies, reporting in Canada and the United States. Mr. Blacklock has gained experience in a wide variety of industries including the food products and produce industry, manufacturing and resource-based sectors, and development stage telecommunications. Mr. Blacklock has worked within senior management teams to provide financial and operational leadership and assistance in developing and implementing organizational strategy. His broad base of experience includes strategic planning, operations, internal and external financial reporting, equity and debt financing, administration of IT, regulatory compliance and risk management, tax compliance and managing financial staff, administrative staff and professional advisors.

Mr Blacklock will be eligible to participate in the Company's Employee Share and Option Plan with the level of participation to be determined by the Board.

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