



STOCK EXCHANGE ANNOUNCEMENT

OREGON HEAVY MINERALS PROJECT

PURCHASE OF LONG LEAD EQUIPMENT

23 May 2008

The directors of Industrial Minerals Corporation Ltd (IDM:ASX) ("the Company") are pleased to advise that the Company has commenced acquiring long lead equipment as part of the pre-production development of the Oregon Heavy Minerals Project ("Project"). Long lead equipment purchased includes:

- Electrical - Transformers, Switchgears, High voltage power feed, and associated equipment (fittings, tap boxes, enclosure connectors, entrance fittings), Motor control Centre
- Water Treatment - Thickener tank, (2) Horizontal Belt Filters
- Zircon Plant - Fluid Bed Dryer, Tables & High Tension Separators, Water Pumps
- Dry Plant - Fluid Bed Dryer, Magnets & High Tension Separator, Water Pumps
- Wet Plant - Water Pumps, Floatex separator, spirals

These items involve a down payment of US\$2,710,863 with a total commitment of US\$7,300,623.

The purchase of the long lead equipment will facilitate the wet plant commissioning planned for late in the 4th quarter of 2008. Commencement of full production is currently scheduled for February 2009. The Company has continued with product testing, plant design and engineering with detailed engineering approximately 85% completed from both Outotec and EIMCO. Design and test work for the foundations has been completed and the foundation pilings have been received.

As previously announced the Company is currently engaged in seeking the procurement of a senior debt and working capital facility and has received an indicative term sheet from a leading financial institution. The prospective lender has engaged an independent technical expert to conduct due diligence on the Project.

A handwritten signature in black ink, appearing to read 'Alec Pismiris', is written over a thin red vertical line.

Alec Pismiris  
Director/Company Secretary  
Industrial Minerals Corporation Limited  
(+6 18) 6263 0888  
[www.industrialmineralscorp.com.au](http://www.industrialmineralscorp.com.au)

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