



STOCK EXCHANGE ANNOUNCEMENT

OREGON HEAVY MINERALS PROJECT

31 October 2008

The directors of Industrial Minerals Corporation Limited (IDM:ASX) (“the Company”) wish to advise that further to recent announcements regarding the procurement of a staged funding package for the Oregon Heavy Minerals Project, Niemcor Africa Pty Ltd (“Niemcor”) has advised that it is unable to procure funding for its obligations under the Resource Finance & Investment Limited/Niemcor Agreement and, therefore, the relevant condition in the IDM/Niemcor agreement will not be fulfilled.

Niemcor has cited a combination of the current global banking crisis, adverse movements in the South African rand and significant falls in the price of chrome.

The Company has recommenced discussions with advisers to assist with securing a minimum of US\$45 million for the construction and development of the processing facilities for the Oregon Heavy Minerals Project.

Further information will be provided, as appropriate, on the progress of these discussions.

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