



STOCK EXCHANGE ANNOUNCEMENT

ISSUE OF SECURITIES

NOTICE UNDER S708A(5)(E) OF THE CORPORATIONS ACT 2001

23 July 2009

The directors of Industrial Minerals Corporation Limited (IDM:ASX) ("**the Company**") are pleased to confirm the following new securities have been issued following approval by shareholders at a general meeting held on 22 July 2009:

- 100 million fully paid ordinary shares at a price of four cents per share by way of a placement to sophisticated and professional investors ("**Placement Shares**") as announced on 5 June 2009; and
- 2 million unlisted options in accordance with terms of a corporate advisory agreement.

An Appendix 3B is attached with respect to the issue of the new securities. In accordance with the requirements of section 708A(5)(e) of the *Corporations Act 2001* ("**Act**"), under which this notice is given, the Company confirms that:

1. The Placement Shares are part of the class of ordinary shares quoted on the ASX.
2. The Company has issued the new securities without disclosure to investors under Part 6D.2 of the Act, in reliance on sections 708 and that notification is being given under 708A(5)(e) of the Act.
3. As at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act.
4. Save as disclosed below, as at the date of this notice there is no excluded information (as that expression is defined in sections 708A(7) and 708A(8) of the Act) in relation to the Company.

The Company has previously announced that it has engaged a corporate adviser to assist with securing a minimum of US\$45 million for the construction and development of the main processing plant for the Oregon Heavy Minerals Project. The Company has received indications of interest from several prospective providers of debt and equity funding. The Company will advise ASX should a project financing proposal be negotiated.

Alec Pismiris
Company Secretary
Industrial Minerals Corporation Limited
(+6 18) 6263 0888
www.industrialmineralscorp.com.au

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

NAME OF ENTITY

Industrial Minerals Corporation Limited

ABN

26 108 029 198

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (a) Fully paid ordinary shares
(b) Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 100,000,000 shares issued pursuant to a share placement following shareholder approval at a general meeting held on 22 July 2009.
(b) 2,000,000 options issued following shareholder approval at a general meeting held on 22 July 2009. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Not applicable
(b) Exercisable at 6 cents and expiring 30 June 2012 |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	(a) Yes (b) Not applicable						
5	Issue price or consideration	(a) 4 cents (b) Issued for nil consideration in accordance with terms of corporate advisory agreement with Azure Capital Pty Ltd						
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The proceeds of the share issues will be used as follows: <ul style="list-style-type: none"> ▪ to purchase a portion of plant and equipment required for the 700,000 tonne per annum mineral sands processing plant; ▪ to maintain operational activities at a level that will enable the acquisition of additional mineral leases, exploration and securing of project finance; ▪ meet the costs of the share placement; and ▪ provision of working capital. 						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	22 July 2009						
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">265,894,500</td> <td style="padding: 2px;">Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: center; padding: 2px;">8,793,000</td> <td style="padding: 2px;">Options exercisable at 20 cents and expiring 31 December 2009</td> </tr> </tbody> </table>	Number	+Class	265,894,500	Fully paid ordinary shares	8,793,000	Options exercisable at 20 cents and expiring 31 December 2009
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265,894,500	Fully paid ordinary shares							
8,793,000	Options exercisable at 20 cents and expiring 31 December 2009							

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		2,000,000	Options exercisable at 6 cents and expiring 30 Jun3 2012
		6,875,000	Options exercisable at 25 cents and expiring 2 November 2009
		3,437,500	Options exercisable at 30 cents and expiring 2 November 2010
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents	
	<small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1 (a)

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

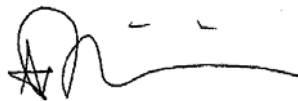
Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

+ See chapter 19 for defined terms.

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty.
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Director/Company Secretary)

Date: 23 July 2009

Print name:

Alec Pismiris

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+ See chapter 19 for defined terms.