



STOCK EXCHANGE ANNOUNCEMENT

AGREEMENT ON ADDITIONAL MINERAL LEASE AND EXPLORATION SYNOPSIS

1 March 2010

The directors of Industrial Minerals Corporation Limited (IDM:ASX) ("the Company") are pleased to announce that its wholly owned subsidiary Oregon Resources Corporation ("ORC") has entered into a Mineral lease agreement with Kimberly Clark Corporation.

The lease is effective for a period of ten years from 22 February 2010 and for so long thereafter that minerals are produced or operations continue on the property.

The lease area covers approximately 466 acres and adjoins existing properties controlled by the Company. Lease payment and royalties are in accord with industry standards and existing agreements.

LOCATION, ACREAGE, AND ACCESS

The mineral lease is located in two separate tenements, the first, a 320 acre (129 hectares) parcel, is located adjacent to the southern boundary of the Weyerhaeuser lease. The second tenement, a combined 145.57 acres (58.9 hectares), is located approximately 1,300 feet to the south of the first parcel (Figure 1).

Access to the Kimberly Clark tenements is via Beaver Hill Rd. and Whiskey Run Lane, both paved access. Beaver Hill Rd. is the over-the-road hauling route for existing ore reserves. A network of rocked logging roads allow access within the parcels.

GEOLOGY

The Kimberly Clark lease is situated within the Seven Devils Terrace, a paleo-beach that contains the existing ore reserves at North/South Seven Devils, West Bohemia, Westbrook, W. Section 10, and Section 33. Drilling in the Weyerhaeuser lease adjacent to the Kimberly Clark lease confirms the continuation of beach-type deposits southward. Remote sensing techniques using LIDAR bare-earth data (high resolution topography) supports the findings from the 2007 drilling. Outcrop and surface sampling in the Kimberly Clark lease also supports transgressive marine deposition.

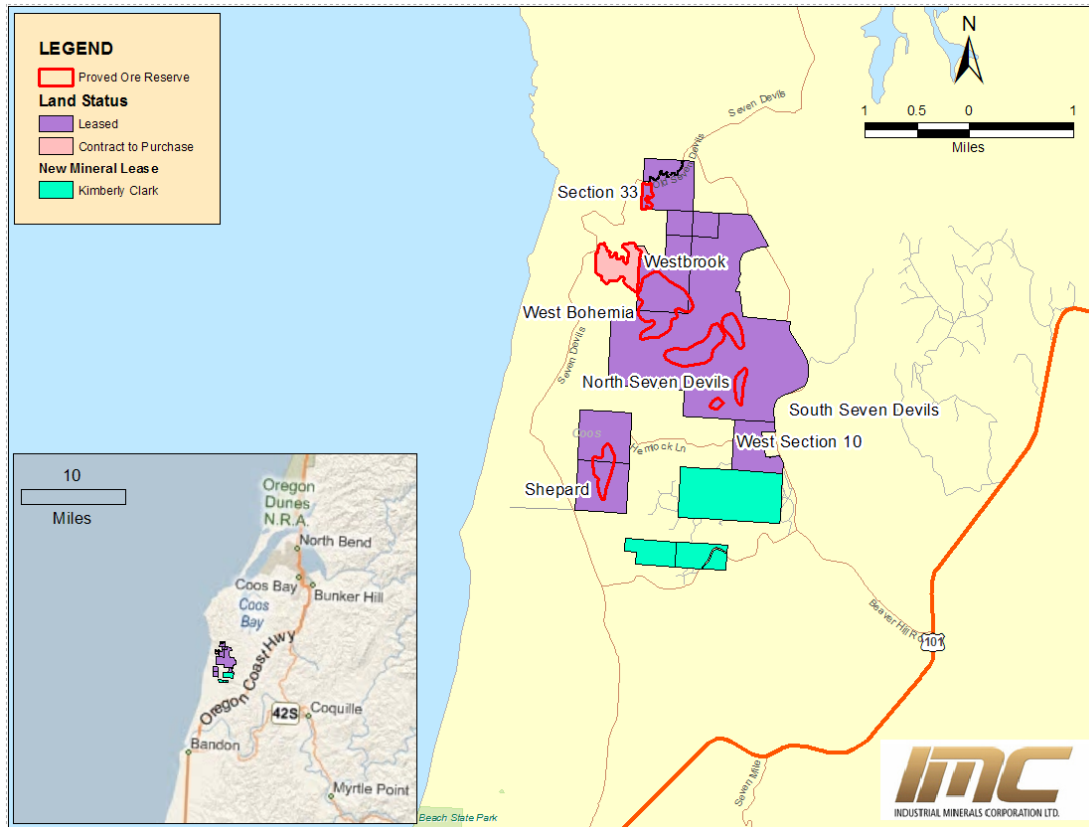


Figure 1. General location map depicting new Kimberly Clark lease.

IMPACT ON RESOURCE

Following JORC 2004 guidelines, an inferred mineral resource estimate of 7.3 million short tons grading at 7.8 % chromite has been added for the Kimberly Clark lease (Table 1). This estimate has been derived by using the assay data of drilling adjacent to the lease, surface and outcrop sampling checks, LIDAR bare-earth confirmation of terrace topography, and existing Seven Devils Terrace deposit information.

Total Seven Devils Terrace volume is halved conservatively to calculate estimated mineralized volume. This is consistent with existing mineralization in the Weyerhaeuser lease to the north. Paleo-beach deposits exhibit low variability along strike, thus the use of known mineral percentages and specific densities of current Seven Devils Terrace deposits were used to estimate the inferred mineral resource.

Table 1. Summary of Ore Reserves and Mineral Resources

Deposit	Reserve Category	Ore Tons (short tons)	<i>In Situ Assemblage</i>			
			HM Grade (%)	Chromite Grade %	Garnet Grade %	Zircon Grade %
North Seven Devils	Proved	948,469	33.67	11.79	2.62	0.63
Section 33 Deposit	Proved	205,664	19.48	8.54	1.41	0.34
Shepard	Proved	755,859	42.87	10.05	5.41	0.60
South Seven Devils	Proved	793,500	28.74	12.49	2.81	0.83
West Bohemia	Proved	5,124,902	15.04	5.33	0.74	0.23
West Section 10	Proved	30,000	18.00	6.00	1.00	0.30
Westbrook	Proved	824,344	21.90	8.53	1.00	0.43
Grand Total	Proved	8,682,738	21.5	7.5	1.6	0.4

Deposit	Resource Category	Ore Tons (short tons)	<i>In Situ Assemblage</i>			
			HM Grade (%)	Chromite Grade %	Garnet Grade %	Zircon Grade %
South Slough	Indicated	2,593,000	---	7.4	---	---
Pioneer Eagle	Indicated	800,000	---	13.8	---	---
Section 36 Deposit	Indicated	121,400	---	7.3	---	---
Butler	Indicated	121,480	---	15.7	---	---
Rose	Indicated	38,900	---	14.4	---	---
Grand Total	Indicated	3,674,780	---	9.1	---	---

Deposit	Resource Category	Ore Tons (short tons)	<i>In Situ Assemblage</i>			
			HM Grade (%)	Chromite Grade %	Garnet Grade %	Zircon Grade %
Kimberly Clark	Inferred	7,300,000	---	7.8	---	---
Grand Total	Inferred	7,300,000	---	7.8	---	---

PLANNED EXPLORATION

A drilling plan will be started 2 June 2010 and will include drilling within all Kimberly Clark tenements as well as a recently added parcel to the Weyerhaeuser lease. A total of 422 drill holes are scheduled with an average anticipated depth of 15 feet for a total of 6,330 feet drilled (Figure 2).

The drilling will be sufficient to develop indicated mineral resources. Factors, assumptions, and other data governing the development of ore reserves will not have changed from previously identified ore reserves, thus an ore reserve calculation can be made after the completion of the mineral resource development. It is expected that this work can be completed by December 2010.

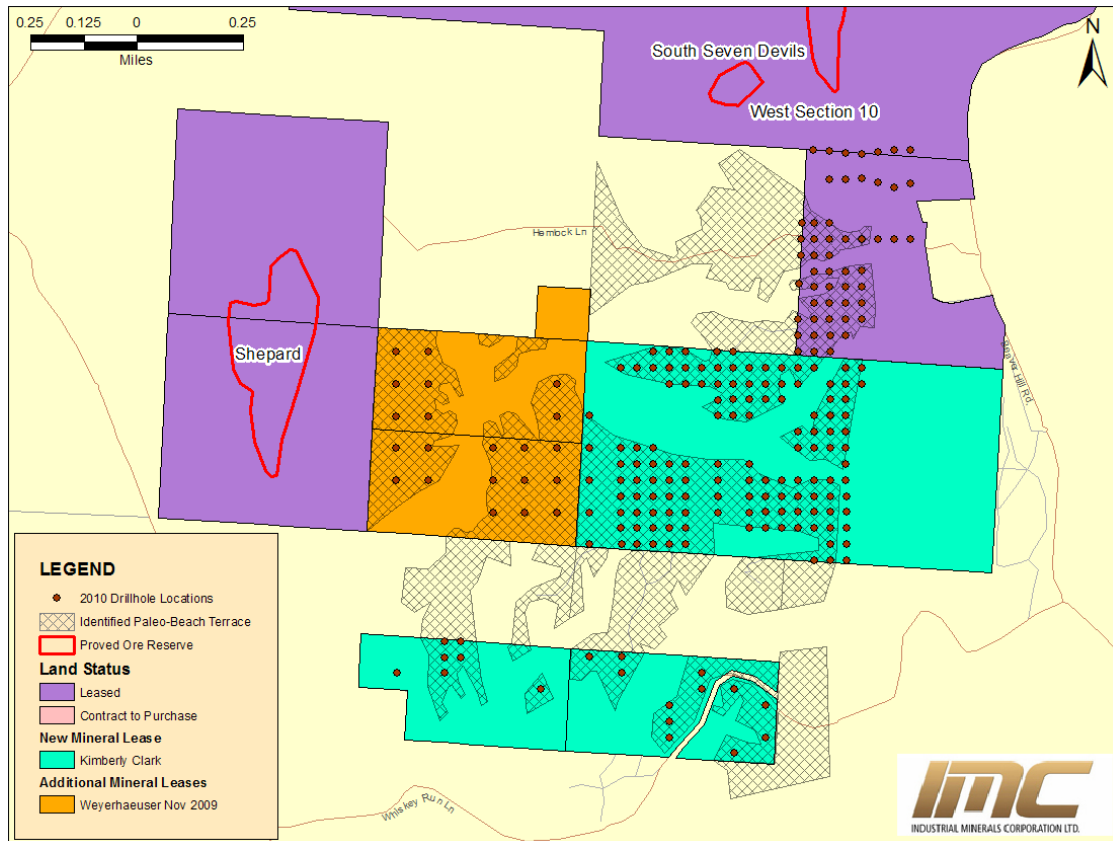


Figure 2. Map showing drillhole locations for schedule 2010 drilling.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Joseph D. Drew, who is a Member of The Australasian Institute of Mining and Metallurgy.

Joseph D. Drew is employed as Director of Geology by Oregon Resources Corporation.

Joseph D. Drew has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Joseph consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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