

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, 1/1/2003, 24/10/2005.

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 | (i) Fully Paid Ordinary Shares
(ii) Listed Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 65,413,500
(ii) 32,706,750 |
| 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) | (i) Fully paid ordinary Shares
(ii) Listed Options - exercise price of \$0.35 and an expiry date of 8 June 2013 |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <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 	<p>Shares will rank equally</p>						
<p>5 Issue price or consideration</p>	<table border="1"> <tr> <td>(i)</td> <td>\$0.20</td> </tr> <tr> <td>(ii)</td> <td>Nil</td> </tr> </table>	(i)	\$0.20	(ii)	Nil		
(i)	\$0.20						
(ii)	Nil						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As per prospectus lodged on 4 May 2011</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>9 June 2011</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>523,308,000</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td>32,706,750 (New Class)</td> <td>Options exercisable at \$0.35 and expiring 8 June 2013</td> </tr> </tbody> </table>	Number	+Class	523,308,000	Fully paid ordinary shares	32,706,750 (New Class)	Options exercisable at \$0.35 and expiring 8 June 2013
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523,308,000	Fully paid ordinary shares						
32,706,750 (New Class)	Options exercisable at \$0.35 and expiring 8 June 2013						

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	50,000,000	Options exercisable at 6 cents and expiring 19 April 2014
	38,500,000	Options exercisable at 10 cents and expiring 5 July 2015
	25,000,000	Options exercisable at 16 cents and expiring 23 July 2014
	4,125,000	Options exercisable at 16 cents and expiring 4 March 2016
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?	No approval required
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	One New Share for every seven shares held by the shareholder on 5.00pm AWST on 13 May 2011. Attaching Options will be offered on the basis of one free attaching option for every two New Shares issued.
14 +Class of +securities to which the offer relates	Fully paid ordinary shares in the capital of the Company and options in the Company, exercisable at \$0.35 each and expiring on 8 June 2013.
15 +Record date to determine entitlements	13 May 2011
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number.

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18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

Singapore United Kingdom Malaysia Bermuda Hong Kong United States of America South Africa

19 Closing date for receipt of acceptances or renunciations

1 June 2011

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20	Names of any underwriters	RBS Morgans Corporate Limited ACN 010 539 607
21	Amount of any underwriting fee or commission	Management fee equal to 1% of the total funds to be raised under the Rights Issue and an underwriting commission equal to 5% of the aggregate funds raised under the Rights Issue (excluding the fees attributable to attributable to Macquarie Bank Limited's entitlement and Sentient Executive GP III Ltd, Sentient Executive GP II Ltd, Sentient Executive GP II Ltd <Global Res FD II A/C> and Sentient Executive GP III Ltd <Global Res FD II A/C>'s entitlement)
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on 18 May 2011.
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	4 May 2011
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a	N/A

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- broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

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
- (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

Tick to indicate you are providing the information or documents

TO BE PROVIDED

- 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

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Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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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)

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

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Quotation agreement

- 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.

 - 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:



(Company Secretary)

Date: 4 May 2011

Print name: Scott Mison

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