



STOCK EXCHANGE ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2009

30 April 2009

OREGON HEAVY MINERALS PROJECT

During the quarter ended 31 March 2009 Industrial Minerals Corporation Limited ("IMC" or "the Company") continued pre production development of the project principally focused on product market development, resource area reconnaissance and operating permit related activities including professional and environmental consultation. Expenditures were limited to the aforementioned processes and activities related to securing project funding.

The Company's advisors continued with their mandate to secure proposals for debt and equity on acceptable terms which would enable the construction and commissioning of the mineral processing facilities.

Recent reliable market intelligence confirmed demand for specialty grade chromites had declined by approximately 40% although prices were relatively firm albeit at a lower level than previously reported. This can be attributed to the reduction in production of metallurgical grade, as mentioned in the previous quarters report.

Most recently, automobile sales in China have improved which may provide a floor at the current levels for some industrial minerals including foundry grade chromite, utilised in the production of castings for this sector.

PERMITTING

Following a meeting held on 2 April 2009 with the lead regulatory agency (DOGAMI), the Company has prepared and submitted additional information to complete their review of the Operating Permit Application and Reclamation Plan. The regulatory agencies are currently in their review and comment period and the Company remains confident that these processes are normal course procedures and expects all aspects to be approved in due course.

PLANT DESIGN AND ENGINEERING, PROCESSING SITE

Plant design and engineering have been significantly completed with no additional third party work scheduled until project financing is in place.

TIMING AND PRODUCTION SCHEDULE

Due to the uncertain timing of project funding, the schedule for wet plant commissioning and full production should occur respectively 10 and 12 months from the date project funding is secured.

EXPLORATION

Exploration activity continued to be confined to reconnaissance of potential extensions of existing resource. This work is to verify IMC's geologic model south of the current project area to a distance of fifteen miles via outcrop reconnaissance and geomorphological tracing. Successful continuance of the geologic model (paleo beach terracing) is sufficient to begin land work and exploration drilling target identification.

The reclamation of drill hole and drill site was completed. The Department of Geology And Mineral Industry accepted the work and the bonds were released.

Negotiations continued with mineral and other landowners within the exploration targets

MARKETING

CHROMITE

The price of Chromite foundry sand declined a further 5-10% during the quarter. A leading European importer reports that significant weakness in European industrial demand for all chromite grades has left distributors with inventory stockpiles which may not be cleared until year end. The Company's chromite can substitute for zircon foundry sand in most foundry applications and will benefit to some degree while the price of zircon foundry sand remains at a significant premium, effectively cushioning it against general price declines in chromite.

During the quarter one of North America's leading steel foundries confirmed that the Company's chromite was superior in critical areas of tensile and finish compared with RSA foundry chromite. The results were generated from testwork undertaken in the latter quarter of 2008.

The Company's chromite is unique in its particle size distribution, roundness and cleanliness. Comparison and blending testwork undertaken at the University of Northern Iowa included blending with Australian zircons and RSA chromites and in all cases resulted in a blended product with an improvement in performance over the zircon and RSA constituents.

GARNET

During the quarter a water-jet garnet distributor comparison tested the Company's garnet against a leading garnet from Barton (HPA#80) with positive results. The results showed that the Company's garnet cut at 90% of the cutting speed of the Barton HPA#80. Screening of the product to eliminate the finer mesh material is expected to achieve a faster cutting speed and improve the potential of achieving a higher price. Currently 500 lbs of garnet is being screened for further tests.

HIGH IRON / ILMENITE

Successful test work has confirmed the acceptance of the product and during the latter part of the quarter meetings were held to determine the parameters for an exclusive marketing and distribution agreement with a well established and reputable company. As this is a new product, it will require a concentrated marketing effort both in the domestic United States and international markets by this entity. Initial indicative sales volumes are less than anticipated production, therefore some level of on and offsite stockpiling would be necessary through the first two years of full production.

ZIRCON

The Company has received confirmation of indicative pricing and commitment for its expected production.

Summary

The Company received confirmation of expected volume and pricing from two of the principal prospective purchasers of its specialty chromite. Based upon the most recent market conditions it is anticipated that the principal terms of price and volume incorporated in a Memorandum of Understanding executed in 2008, with another party will not be met.

Plant commissioning and production is contingent on project funding and therefore scheduling of product delivery at this point in time is impractical.

A number of cost reduction measures were implemented during the quarter. A significant level of compensation deferment has been introduced and will take effect from 1 April 2009.

CORPORATE

The Company retains the majority of its funds in \$A converting to \$US as expenditure warrants. The Company's cash balance at 31 March 2009 was \$0.69 million.

Shareholder Information

As at 31 March 2009 the Company had 470 shareholders and 165,894,500 ordinary fully paid shares on issue with the top 20 shareholders holding 84.04% of the total issued capital.

During the period 30 million Performance Shares issued to Resource Finance & Investment Limited in November 2006 as part of the consideration for the acquisition of Oregon Resources Corporation Inc. ("ORC") were cancelled as a consequence of ORC not achieving a Performance Hurdle of an audited net profit after tax (after adjusting for depreciation and other similar non-cash items) of \$5 million for the 12 month period ending 28 February 2009.



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