INDUSTRIAL MINERALS LTD

ABN 87 648 183 297

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Contents

Corporate Directory

Directors
Jeffrey Sweet
CEO and Managing Director

Ashley Pattison
Non-Executive Chairman

Alex Neuling
Non-Executive Director

Melanie Leighton
Non-Executive Director

Company Secretary
Natalie Madden

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Bankers
Westpac

Securities Exchange Listing
Australian Securities Exchange

Home Exchange: Perth, Western Australia
Code: IND

Share Registry
Automic Group
Level 5, 191 St Georges Terrace
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Directors' Report

The Directors of Industrial Minerals Ltd (the Company) submit herewith the annual report of the Company for the financial year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors & Senior Management

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Ashley Pattison
Non-Executive Chairman

Mr Pattison has over 20 years' experience in the resources sector from both a corporate finance and operational perspective. Mr Pattison qualified as a Chartered Accountant and has extensive experience in operations, finance, strategy and corporate finance. Mr Pattison has been the Managing Director of a number of listed and private mining companies over the past 10 years and also CEO of a listed mining service company.

More recently, Mr Pattison was the founder of PC Gold Pty Ltd, a private equity vehicle that owns the Spring Hill gold deposit in Pine Creek, NT.

Mr Pattison was also formerly the Managing Director of Maroon Gold Pty Ltd (Maroon Gold). Mr Pattison resigned as the Company's Managing Director in November 2019. Mr Pattison remained a Non-Executive Director of Maroon Gold until his resignation in February 2020. In August 2020, receivers and managers were appointed by a secured lender. Maroon Gold was placed into Voluntary Administration on 26 March 2021 and a Deed of Company Arrangement was approved by creditors on 30 April 2021.

Mr Pattison is currently the Executive Chairman of PC Gold Pty Ltd and is also a Non-Executive Director of Firebird Metals Ltd (ASX: FRB) (from January 2021) and Macro Metals Ltd, a private iron ore focused company. Mr Pattison was previously a Non-Executive Director of Firefly Resources Ltd (ASX.FFR) (September 2020-November 2021),

As at the date of this report Mr Pattison has an interest in 4,605,000 fully paid ordinary shares and 2,250,000 options.

Directors' Report (continued)

Jeffrey Sweet
Managing Director and Chief Executive Officer

Mr Sweet has over 24 years' quality experience in the quarry, mining and logistics industries primarily in operations management roles. Mr Sweet had a practical start to his career working for owner operator and contracting companies in resource sectors including Gold, Iron Ore, Phosphate and Construction Materials. Mr Sweet has complimented his broad experience with a Master of Science (Mineral Economics).
More recently, Mr Sweet has worked for CI Resources (ASX: CII) in the role of General Manager (Mining). Mr Sweet is currently the Managing Director of Gundara Enterprises Pty Ltd which has also developed several mining projects in Western Australia.

As at the date of this report Mr Sweet has an interest in 4,075,000 fully paid ordinary shares and 2,250,000 options.

Alex Neuling
Non-Executive Director

Mr Neuling is a Chartered Accountant and chartered company secretary with over 20 years corporate and financial experience, including 10 years as company secretary, CFO and/or a Director of various ASX listed companies in the Oil & Gas, Mineral Exploration, Biotech Mining Services sectors. Prior to these roles, Mr Neuling worked at Deloitte in London and in Perth.

Mr Neuling is currently a Non-Executive director of PetroNor E&P Limited (listed on Oslo Axess:PNOR) (from April 2020).

As at the date of this report Mr Neuling has an interest in 300,000 fully paid ordinary shares and 1,250,000 options.

Melanie Leighton
Non-Executive Director (appointed 9 May 2022)

Ms Leighton is a geologist with more than 20 years' experience in the mining industry spanning multiple commodities and deposit types. Ms Leighton is a founding director of Leighton Geoservices Pty Ltd, a consulting firm providing corporate and geological services to the mineral resources sector with the mantra of bridging the gap between technical, corporate and investor.

Melanie has held management and senior geological roles with Hot Chilli Limited, Harmony Gold and Hill 50 Gold, gaining practical and management experience within the areas of exploration, mining and resource development. Melanie has also considerable experience in the areas of stakeholder engagement and investor relations.

Directors' Report (continued)

Ms Leighton has been a Non-Executive director of Great Boulder Resources Limited (ASX:GBR) since its listing on the ASX in 2016.

At the date of this report Ms Leighton holds no interests in shares or options of the Company.

Company Secretary

Natalie Madden (appointed 23 September 2021)

Ms Madden is a Chartered Accountant with over 20 years' experience in commerce and public practice, with roles including company secretary of various ASX listed entities. Ms Madden is engaged through Erasmus Consulting Pty Ltd.

At the date of this report Ms Madden holds no interests in shares or options of the Company.

Principal activities

The principal activity of the Company during the financial year was mineral exploration in Western Australia.

Dividends

The Directors resolved that no dividend be paid for the year.

Directors' Report (continued)

Review of operations

Mineral Exploration Projects

On 13 July 2021, the Company successfully listed on the ASX following its completion of a significantly oversubscribed initial public offering (IPO). The IPO raised $5 million before costs through the issue of 25 million ordinary shares at $0.20 per share. Since listing, the Company has built a portfolio of 14 High Purity Silica Sand Projects and 6 Strategic Industrial Mineral projects across Western Australia.

The Company is pursuing a strategy of systematic exploration, evaluation and development with a primary focus on its High Purity Silica Sand projects between Geraldton and Albany. The key drivers for silica sand project selection are targeting high silica content with low impurities, suitable location with good land access and minimal disturbance to the local environment, and a profitability model based on minimising the logistics cost associated with transporting product to port.

Steady progress has been made on the assessment and exploration of the Company's granted exploration tenements with desktop and field activities at varying stages across the portfolio.

Stockyard Project

The Stockyard Project is the Company's most advanced project with key milestones being achieved throughout the year. The silica sand identified at Stockyard is located at surface within cleared farmland. After establishing strong relationships and signing access agreements with several landowners, a phased low impact hand auger program identified an exploration target of 8Mt to 15Mt with an average grade range of 96.0% to 99.4% SiO_2

(The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.)

In June 2022, a mining lease application was submitted to the Department of Mines, Industry Regulation and Safety (DMIRS). Environmental management consultant, Clark Lindbeck & Associates Pty Ltd were engaged to complete flora and fauna studies and draft the mining proposal and mine closure plans to support the granting of the mining lease.

Logistics studies including Restricted Access Route Assessment and Traffic Impact Statement were completed and the Company consulted with Main Roads WA and the Shire of Coorow to gain in principle support for road access into the proposed mine site.

Directors' Report (continued)

The Company has secured access to water to supply processing and operational needs for the project. A licence to take water was issued in April 2022 and an agreement reached with the landowner to access an existing bore on the property.

The Company has received steady interest in its potential Stockyard silica sand product and has been in discussions and negotiations with potential offtake partners. These discussions have included a site visit with a representative of Shandong Hongbote Solar Technology Co. Ltd. (SHST) in December 2021.

Significant changes in the state of affairs

The Company successfully listed on the ASX following its IPO raising $5 million before costs. There have been no other changes in the state of the affairs of the Company during the financial year.

Subsequent events

On 19 July 2022, the Company provided an update on the metallurgical test work program for the Stockyard Project.

On 29 August 2022, the Company announced the addition of significant tenure to its stable of quality silica sand projects. An exploration licence was granted at Narrikup covering an area of 161km^2, located 40km north of the port of Albany; the Bookara project was expanded to 1,190km^2 with three tenements now granted.

On 30 August 2022, the Company announced that mining lease M70/1417 had been granted. Flora and fauna studies have been completed and the results are included in the environmental submissions supporting the mining lease. As a result of targeting high purity silica sand on cleared farmland, the assessed impact on flora and fauna is negligible. The Company has put out an expression of interest to selected Logistics service providers for the transport and handling of silica sand product from the proposed mine to the Port of Geraldton.

On 12 September 2022, the Company announced it had signed a non-binding Memorandum-of-Understanding (MoU) for the supply and potential refining of high purity silica sand with Shandong Hongbote Solar Technology Co. Ltd. (SHST) targeting the high growth Photovoltaic (PV) glass market in China. The MoU was agreed after the Company hosted a visit to the Stockyard Project with SHST Founder Mr Hu Yaoguo.

Directors' Report (continued)

Other than as noted above, no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future years.

Future developments

Disclosure of information regarding likely developments in the Company's operations in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Regulations

The operations of the Company are subject to State and Federal laws and regulations concerning the environment. The Board of Directors (**Board**) monitors performance and compliance with respect to the Company's environmental obligations. No significant or material environmental breaches have been notified by any government agency during the year ended 30 June 2022.

Shares under option or issued on exercise of options

At the date of this report, the Company has the following interests under option:

Expiry date	Exercise price	Number of options
23 March 2024	$0.30	7,250,000
13 July 2024	$0.30	4,000,000
6 December 2023	$0.40	2,000,000
		13,250,000

No ordinary shares have been issued upon the exercise of options during or since the end of the financial year.

Indemnification of Officers and Auditors

The Company has indemnified, to the extent permitted by law, the Directors and officers of the Company against any liability incurred by a Director or officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties. No amount was paid pursuant to these indemnities during the financial year, nor to the date of this report.

Directors' Report (continued)

Directors' Meetings

The number of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2022, and the number of meeting attended by each director were:

	Board of Directors	
Directors	**Eligible to attend**	**Attended**
Ashley Pattison	3	3
Jeffrey Sweet	3	3
Alex Neuling	3	3
Melanie Leighton	-	-

Audit and Non-audit Services

The Company's auditor is HLB Mann Judd. No additional non-audit services were provided by HLB Mann Judd during the financial year.

Details of amounts paid or payable to the auditor during the year are outlined in note 23 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 16 of the annual report.

Directors' Report (continued)

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Key management personnel
- Remuneration policy
- Elements of executive and non-executive remuneration
- Relationship between the remuneration policy and Company performance
- Service agreements

Key management personnel

The directors and other key management personnel of the Company during or since the end of the financial year were:

Directors

- Mr A Pattison (Non-executive Chairman)
- Mr J Sweet (Executive Director)
- Mr A Neuling (Non-executive Director)
- Ms M Leighton (Non-Executive Director) – appointed 9 May 2022

Remuneration policy

The Board in its capacity as the Remuneration Committee reviews the remuneration packages of the directors and key management personnel of the Company and makes recommendations to the Board. Remuneration packages are reviewed and determined with due regard to the duties, responsibilities and performance of each Director and senior executive, and current market rates.

Remuneration and other terms of employment are reviewed periodically based on each director's or senior executive's performance and achievements over the review period.

Directors' Report (continued)

Non-Executive directors

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for Non-Executive Directors is $300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

Executive and Non-Executive Directors may receive share options under the Employee Share Option Plan or by shareholder resolution.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable component

The executive remuneration and reward framework has four components:
- Base pay and non-monetary benefits
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executives' total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board in their capacity as Remuneration Committee based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Share-based payment incentives are designed to align the interest of shareholders, directors, executives and employees. Issues can be made by shareholder resolution or under the Company's Employee Securities Incentive Plan (ESIP). Under the ESIP, the Board may invite executives and other staff to subscribe for securities in the Company on such terms and conditions as the Board decides.

Directors' Report (continued)

Relationship between the remuneration policy and Company performance

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the year ended 30 June 2022 and the previous financial period.

	2022 $	2021 $
Revenue and other income	-	-
Loss	(1,237,597)	(458,127)
Share price at end of year	$0.31	n/a*
Dividends	-	-
Basic loss per share (cents)	(1.98)	(1.24)
Fully diluted loss per share (cents)	(1.98)	(1.24)

*The Company was not listed as of 30 June 2021

Given the nature and early stage of the business, the Company has not judged performance by financial measures but in relation to strategic objectives. It is likely that remuneration in the near future will also not be linked to standard financial measures of performance.

Service Agreements

The Company has entered into the following service agreements:

Name:	Ashley Pattison
Title:	Executive Chairman
Agreement commenced:	1 March 2021
Term:	Mr Pattison resigned as Executive Chairman effective 9 May 2022. He continues as a Non-Executive Chairman.
Details:	Base salary of $157,680 per annum (exclusive of GST). Company may terminate the ECA by giving not less than one month's written notice; summarily without notice in circumstances involving a criminal offence or breach of Company policy; and without cause by giving three months' notice. Mr Pattison may terminate the agreement by providing three months' written notice to the Company.

Directors' Report (continued)

Name:	Jeffrey Sweet
Title:	Managing Director
Agreement commenced:	9 May 2022
Term:	No fixed term
Details:	Base salary of $240,000 per annum plus superannuation (exclusive of GST). Company may terminate the ECA by giving not less than one month's written notice; summarily without notice in circumstances involving a criminal offence or breach of Company policy; and without cause by giving three months' notice. Mr Sweet may terminate the agreement by providing three months' written notice to the Company. Mr Sweet was previously employed as Operations Director on a base salary of $210,000 per annum on the same terms as above.

Remuneration of key management personnel

Details of the remuneration of the key management personnel of the Company are detailed below:

	Short-term employee benefits				Post employment benefits	Other long-term employee benefits	Share-based payment	Total	Performance related
	Salary & fees	Bonus	Non-monetary	Other	Superannuation		Options & Rights		
	$	$	$	$	$	$	$	$	%
2022									
Executive Directors									
Mr J Sweet	219,000	-	-	-	-	-	-	219,000	0%
Non-Executive Directors									
Mr A Pattison	146,000	-	-	-	-	-	-	146,000	0%
Mr A Neuling[2]	87,581	-	-	-	-	-	-	87,581	0%
Ms M Leighton[3]	28,888	-	-	-	800	-	-	29,688	0%
Total	**481,469**	**-**	**-**	**-**	**800**	**-**	**-**	**482,269**	

Directors' Report (continued)

	Short-term employee benefits				Post employment benefits	Other long-term employee benefits	Share-based payment	Total	Performance related
	Salary & fees	Bonus	Non-monetary	Other	Superannuation		Options & Rights		
	$	$	$	$	$	$	$	$	%
2021[1]									
Executive Directors									
Mr A Pattison	52,560	-	-	-	-	-	57,364	109,924	52%
Mr J Sweet	70,000	-	-	-	-	-	57,364	127,364	45%
Non-Executive Directors									
Mr A Neuling	13,140	-	-	-	-	-	31,870	45,010	71%
Total	**135,700**	**-**	**-**	**-**	**-**	**-**	**146,598**	**282,298**	

1. From incorporation to 30 June 2021
2. Fees paid Mr A Neuling include fees of $45,538 to Erasmus Consulting Pty Ltd, a company controlled by Mr Neuling, for the provision of company secretarial and accounting services
3. Prior to appointment, Ms Leighton provided consulting services for $17,448

<u>Share based payments granted as compensation for the current financial period</u>

Options are issued to officers of the Company as a performance linked incentive component in the officers' remuneration packages to motivate and reward the parties in their respective roles.

Each share option issued converts to one ordinary share of Industrial Minerals Ltd on exercise. No amounts are paid or payable by the recipient of the option on receipt of the option. The options carry neither dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or further financial years:

Option series	Grant date	Number on issue	Fair value at grant date	Exercise price	Expiry date	Vesting date
Director options	23/03/21	5,750,000	$0.0255	$0.30	23/03/24	At grant date

Directors’ Report (continued)

5,750,000 options were granted as compensation to key management personnel during the previous financial period; no options were exercised. The total expense recognised was $146,598.

Key management personnel equity holdings

Fully paid ordinary shares of Industrial Minerals Ltd

	Balance at 30 June 2021	Granted as compen-sation	Received on exercise of options	Net other change	Balance at 30 June 2022	Balance held nominally
J Sweet	4,075,000	-	-		4,075,000	-
A Pattison	4,075,000	-	-	530,000[1]	4,605,000	-
A Neuling	300,000	-	-		300,000	-
M Leighton	-	-	-	-	-	-

1. On-market purchase

Share options of Industrial Minerals Ltd

	Balance at 30 June 2021	Granted as compen-sation	Exercised	Net other change	Balance at 30 June 2022	Balance vested at 30 June 2022
J Sweet	2,250,000	-	-	-	2,250,000	2,250,000
A Pattison	2,250,000	-	-	-	2,250,000	2,250,000
A Neuling	1,250,000	-	-	-	1,250,000	1,250,000
M Leighton	-	-	-	-	-	-

Other transactions with key management personnel of the Company

The Company has entered into an agreement with Hornet Mining Services Pty Ltd, an entity controlled by Mr Jeffrey Sweet, on an arms-length basis and on normal commercial terms for the provision of drilling services. An amount of $56,786 is included in this financial report as capitalised Exploration and Evaluation expenditure with a further $60,450 included in exploration expenses within profit or loss for drilling carried out at tenements where tenure had not yet been granted.

The Company has entered into an agreement with Morpheus Holdings Pty Ltd, an entity over which Mr Ashley Pattison has significant influence, to sub-lease office space. Terms of the lease are included in note 13. An amount of $2,613 has been recognised in profit or loss for the finance cost associates with the leasing arrangement; cash payments totalling $34,600 (excluding GST) have been made during the period and $3,500 included in trade and other payables at 30 June 2022.

Directors' Report (continued)

The Company has entered into an agreement with Erasmus Consulting Pty Ltd, an entity controlled by Mr Alex Neuling for the provision of Company Secretarial and general corporate advisory services. An amount of $45,538 was included in the financial report as administrative and corporate expenses. A total of $88,811 was included in trade and other payables at 30 June 2022 for services provided by Erasmus Consulting which includes director fees payable to Mr Neuling.

In the previous financial period, the Company had entered into a number of agreements with Gundara Enterprises Pty Ltd (Gundara), an entity controlled by Mr Jeffrey Sweet, for the acquisition of tenements. An amount of $11,710 was included in the financial report as capitalised Exploration and Evaluation expenditure with a further $12,495 included in exploration expenses within profit or loss for the acquisition of tenements yet to be granted. The total amount of $24,205 payable was included in trade and other payables at 30 June 2021.

End of Remuneration Report

The Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Jeffrey Sweet
Managing Director
Perth, 30 September 2022

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Industrial Minerals Ltd for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**D I Buckley**
30 September 2022	**Partner**

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of Industrial Minerals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Industrial Minerals Ltd ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to Note 8	
In accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*, the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Company's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the assets of the Company and is material to the users of the financial statements.	Our procedures included but were not limited to the following: We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Company has current rights to tenure of its areas of interest; - We examined the exploration budget for the coming period and discussed with management the nature of planned ongoing activities; - We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Company had not resolved to discontinue exploration and evaluation at any of its areas of interest; - We substantiated a sample of expenditure incurred to supporting documentation; and - We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Industrial Minerals Ltd for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2022

D Buckley

D I Buckley
Partner

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes as set out on pages 22 to 52 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date;

(b) the audited remuneration disclosures set out on pages 9 to 15 of the Directors' report comply with section 300A of the *Corporations Act 2001*;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Jeffrey Sweet
Managing Director
Perth, 30 September 2022

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	Year ended 30/06/22 $	Period ended 30/06/21* $
Continuing operations			
Revenue	(4)	837	-
Finance costs		(2,613)	-
Administrative and corporate expenses		(95,880)	(243,429)
Share based payment	(18)	(350,673)	(146,598)
Exploration expenses	(8)	(420,236)	(68,100)
Consulting fees		(249,125)	-
Marketing and public relations		(44,773)	-
Stakeholder relations		(8,561)	-
Occupancy expenses		(55,562)	-
Depreciation	(4)	(10,756)	-
Other expenses		(255)	-
Loss from ordinary activities before income tax		**(1,237,597)**	**(458,127)**
Income tax	(5)	-	-
Loss for the period		**(1,237,597)**	**(458,127)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(1,237,597)**	**(458,127)**
Loss per share	(6)		
Basic (loss) per share (cents per share)		(1.98)	(1.24)
Diluted (loss) per share (cents per share)		(1.98)	(1.24)

* The comparative period is from incorporation on 23 February 2021 to 30 June 2021

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2022

	Note	30/06/22 $	30/06/21 $
Current assets			
Cash		3,411,756	275,115
Trade and other receivables	(7)	43,531	27,560
Total current assets		**3,455,287**	**302,675**
Non-current assets			
Capitalised exploration and evaluation expenditure	(8)	607,283	17,893
Property, plant and equipment	(9)	41,159	-
Right-of-use assets	(10)	171,009	-
Other non-current assets	(11)	18,850	-
Total non-current assets		**838,301**	**17,893**
Total assets		**4,293,588**	**320,568**
Current liabilities			
Trade and other payables	(12)	244,785	279,493
Current lease liabilities	(13)	32,653	-
Total current liabilities		**277,438**	**279,493**
Non-current liabilities			
Non-current lease liabilities	(13)	139,475	-
Total non-current liabilities		**139,475**	**-**
Total liabilities		**416,913**	**279,493**
Net assets		**3,876,675**	**41,075**
Equity			
Issued capital	(14)	4,863,839	352,604
Reserves	(15)	708,560	146,598
Accumulated losses	(16)	(1,695,724)	(458,127)
Total equity		**3,876,675**	**41,075**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Issued capital $	Share based payment reserve $	Accumulated losses $	Total equity $
Balance at 23 February 2021	-	-	-	-
Loss for the period	-	-	(458,127)	(458,127)
Total comprehensive loss for the period	-	-	(458,127)	(458,127)
Issue of founder capital	3,300	-	-	3,300
Issue of seed capital	505,000	-	-	505,000
Issue costs	(155,696)	-	-	(155,696)
Share based payments	-	146,598	-	146,598
Balance at 30 June 2021	**352,604**	**146,598**	**(458,127)**	**41,075**
Loss for the period	-	-	(1,237,597)	(1,237,597)
Total comprehensive loss for the period	-	-	(1,237,597)	(1,237,597)
Initial Public Offering	5,000,026	-	-	5,000,026
Issue costs	(277,502)	-	-	(277,502)
Issue costs – share based payment	(330,289)	330,289	-	-
Share based payments	119,000	231,673	-	350,673
Balance at 30 June 2022	**4,863,839**	**708,560**	**(1,695,724)**	**3,876,675**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

	Note	Year ended 30/06/22 $	Period ended 30/06/21* $
Cash flows from operating activities			
Payments to suppliers and employees		(914,265)	(141,866)
Interest received		837	-
Net cash (outflow) from operating activities	(20)	**(913,428)**	**(141,866)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(496,800)	(32,436)
Payments for property, plant and equipment		(47,741)	-
Payments for right-of-use assets		(18,850)	-
Net cash (outflow) from investing activities		**(563,391)**	**(32,436)**
Cash flows from financing activities			
Proceeds from share issue		5,000,026	508,300
Less costs of issue		(374,315)	(58,883)
Interest paid		(2,613)	-
Repayment of lease liabilities		(9,638)	-
Net cash inflow from financing activities		**4,613,460**	**449,417**
Net increase in cash and cash equivalents		**3,136,641**	**275,115**
Cash and cash equivalents at beginning of the year/period		275,115	-
Cash and cash equivalents at the end of the year/period		**3,411,756**	**275,115**

* The comparative period is from incorporation on 23 February 2021 to 30 June 2021

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 30 June 2022

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The Company is a public company, incorporated and domiciled in Australia. The Company's principal activity is the evaluation and exploration of mineral interests, prospective for industrial minerals. The Company successfully listed on the ASX on 13 July 2021.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

New or amended Accounting Standards and Interpretations adopted

Standards and Interpretations adopted with no effect on the financial statements
For the year ended 30 June 2022, the Company has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Company and effective for the current reporting period. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change necessary to the Company accounting policies.

Standards and Interpretations on issue not yet effective
The Directors have also reviewed all the Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2022. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change necessary to the Company accounting policies.

Notes to the financial statements

For the year ended 30 June 2022

Statement of compliance with IFRS

The financial report was authorised for issue on 30 September 2022. It complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIRFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Significant accounting policies

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Industrial Minerals Ltd.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Industrial Minerals Ltd's functional and presentation currency.

Income tax

The income tax expense or benefit for the period is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the financial statements

For the year ended 30 June 2022

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Notes to the financial statements
For the year ended 30 June 2022

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Plant and equipment 3-5 years

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Notes to the financial statements

For the year ended 30 June 2022

Exploration and evaluation assets

Exploration and evaluation expenditure are in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Notes to the financial statements
For the year ended 30 June 2022

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Share-based payments
For equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be reliably estimated. Where the fair value of the goods or services received cannot be reliably estimated, their value, and the corresponding increase in equity, is measured indirectly, by reference to the fair value of the equity insturments granted.

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised

Notes to the financial statements
For the year ended 30 June 2022

in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Notes to the financial statements

For the year ended 30 June 2022

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to the financial statements
For the year ended 30 June 2022

Earnings/loss per share

Basic earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/(loss) attributable to the owners of Industrial Minerals Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings/loss per share

Diluted earnings/loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.
Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk

Notes to the financial statements

For the year ended 30 June 2022

of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 18 for further information.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Company's assets and the settlement of liabilities in the normal course of business.

Notes to the financial statements
For the year ended 30 June 2022

3. Segment note

Identification of reportable operating segments
The Company is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

Types of products and services
The principal products and services of this operating segment are the mining and exploration operations predominately in Australia.

4. Revenue and expenses

Loss before income tax from continuing operations includes the following specific revenue and expenses:

	2022 $	2021 $
Revenue from continuing operations		
Interest income	837	-
	837	-
Expenses		
Share based payment expense	350,673	146,598
Non-capitalised exploration and evaluation expenditure	420,236	68,100
Depreciation		
Depreciation on property, plant and equipment	6,582	-
Depreciation on right-of-use assets	10,756	-
Depreciation transferred to exploration and evaluation	(6,582)	-
	10,756	-
Finance costs		
Interest on lease liabilities	2,613	-
Superannuation expense		
Defined contribution superannuation expense	800	-

Notes to the financial statements

For the year ended 30 June 2022

5. Income Tax Expense

	2022 $	2021 $
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense attributable to continuing operations	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax	(1,237,597)	(458,127)
Tax benefit at 30%	371,279	137,438
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Non-deductible expenses	(107,612)	2,730
Timing differences	(219,435)	(31,982)
Unused tax losses and offsets not recognised as deferred tax assets	(44,232)	(108,186)
Income tax benefit/expense recognised in profit or loss	-	-

6. Earnings/loss per share

	2022 Cents per share	2021 Cents per share
Basic loss per share	(1.98)	(1.24)
Diluted loss per share	(1.98)	(1.24)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2022 $	2021 $
Net loss for the year/period	(1,237,597)	(458,127)
Loss used in the calculation of basic and diluted EPS	(1,237,597)	(458,127)

Notes to the financial statements

For the year ended 30 June 2022

	2021 Number	2021 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	62,412,329	36,918,110
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	62,412,329	36,918,110

7. Trade and other receivables

	2022 $	2021 $
GST Receivable	43,531	27,560
	43,531	27,560

8. Capitalised exploration and evaluation expenditure

Exploration and evaluation phase:	$
Balance at incorporation	-
Exploration expenditure incurred	85,993
Expenditure not capitalised [1]	(68,100)
Balance at 30 June 2021	17,893
Exploration expenditure incurred	1,009,626
Expenditure not capitalised [1]	(420,236)
	607,283

1. Exploration expenditure on areas of interest where tenure was not granted at period end was written off to profit or loss.

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation, or alternatively sale of the respective area of interest. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Notes to the financial statements

For the year ended 30 June 2022

9. Property, plant and equipment

	2022 $	2021 $
Motor vehicles – at cost	47,741	-
Accumulated depreciation	(6,582)	-
	41,159	-

Reconciliations of the written down values at the beginning and end of the current and previous financial year/period are set out below:

	Motor vehicles $	Total $
Balance at incorporation	-	-
Balance at 30 June 2021	-	-
		-
Additions	47,741	47,741
Depreciation expense	(6,582)	(6,582)
Balance at 30 June 2022	41,159	41,159

10. Right-of-use assets

	2022 $	2021 $
Land and buildings – Right-of-use	181,765	-
Accumulated depreciation	(10,756)	-
	171,009	-

Additions to Right-of-use assets during the year were $181,765.

The Company leases its office space under a 5 year sub-lease.

11. Other non-current assets

	2022 $	2021 $
Deposits	18,850	-

Notes to the financial statements

For the year ended 30 June 2022

12. Trade and other payables

	2022 $	2021 $
Trade creditors	217,215	168,248
Accruals	27,570	111,245
	244,785	279,493

13. Lease liabilities

	2022 $	2021 $
Current lease liability	32,653	-
Non-current lease liability	139,475	-
Total lease liability	172,128	-
Opening balance	-	-
Additions to lease liability	181,765	-
Finance costs	2,613	-
Principal and interest payments	(12,250)	-
Closing balance	172,128	-

Refer to note 17 for further information on financial instruments

14. Share capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares	63,500,000	38,050,000	352,604	352,604

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to a vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

Notes to the financial statements

For the year ended 30 June 2022

Movements in share capital during the year/period were as follows:

		Number of shares	Share Capital $
Founder capital	(a)	33,000,000	3,300
Seed funding	(b)	5,050,000	505,000
Issue costs	(c)		(155,696)
As at 30 June 2021		38,050,000	352,604
Initial public offering	(d)	25,000,000	5,000,026
Issue costs	(d)	-	(607,791)
Share based payment	(e)	450,000	119,000
As at 30 June 2022		63,500,000	4,863,839

(a) 33,000,000 number of shares were issued to the Company founders at $0.0001 on 1 March 2021.
(b) In March 2021, the Company issued 5,050,000 shares for $0.10 per share to raise a total of $505,000 as funding towards initial operations.
(c) At 30 June 2021, the Company has incurred and accrued costs in relation to its completed share issues and its Initial Public Offering on the ASX.
(d) On 13 July 2021, the Company completed its Initial Public Offering of 25,000,000 ordinary shares, raising $5,000,026 before costs.
(e) On 7 December 2021, the Company issued 450,000 ordinary shares at a deemed price of $0.26 per share as payment for ESG services to Scandinavian Alliance.

Share Options

Unissued shares under option at balance date were as follows:

Series	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Director options	5,750,000	Ordinary	$0.30	23/03/2024
Broker options	4,000,000	Ordinary	$0.30	13/07/2024
Consultant options	2,000,000	Ordinary	$0.40	6/12/2023
IR options	1,500,000	Ordinary	$0.30	23/03/2024

Notes to the financial statements
For the year ended 30 June 2022

All options were issued by Industrial Minerals Ltd.
- 4,000,000 broker options were issued on 13 July 2021 as part of the costs of the initial public offering; the options have an exercise price of $0.30 and a 3-year term.
- 2,000,000 options were issued as a consultancy fee on 6 December 2021 to the Manager- Marketing; these options have an exercise price of $0.40 and expiry of 6 December 2023.
- 1,500,000 options were issued as a consultancy fee on 13 May 2022 for investor relations management; the options have an exercise price of $0.30 and a 2-year term.

Share options carry no rights to dividends and no voting rights. Details of share-based payments can be found in note 18 to the financial statements.

15. Reserves

	2022 $	2021 $
Share based payments reserve	708,560	146,598
	708,560	146,598

Share based payments reserve

	2022 $	2021 $
Balance at beginning of the year/incorporation	146,598	-
Accounting value of share-based payments recognised in the period (see note 18)	561,962	146,598
Balance at the end of the financial year/period	708,560	146,598

<u>Nature and purpose of reserves</u>

Share based payments reserve
The reserve relates to share options granted by the Company to its employees under its employee share option plan and share options issued to consultants and advisors in consideration for services provided. Further information about share-based payments is set out in note 18.

Notes to the financial statements

For the year ended 30 June 2022

16. Accumulated losses

	2022 $	2021 $
Balance at beginning of the year /incorporation	(458,127)	-
Loss attributable to members of the Company	(1,237,597)	(458,127)
Balance at end of financial year/period	(1,695,724	(458,127)

17. Financial instruments

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the Board of Directors.

Market risk

The Company's activities have the potential to expose it primarily to the financial risks in foreign currency exchange rates, commodity prices and interest rates. Since incorporation, the Company has not used any derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk.

Foreign currency risk

The Company has not undertaken any transactions denominated in foreign currency since incorporation.

Interest Rate risk management

The Company is potentially exposed to interest rate risk as it deposits funds at floating interest rates. The Company does not hedge this risk through derivatives such as interest rate swaps.

An increase/decrease in interest rates by 50 basis points would have a favourable/adverse effect on loss before tax of $17,770 (2021: nil) per annum.

Notes to the financial statements
For the year ended 30 June 2022

Credit risk management
Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company uses publicly available financial information and its own trading record to rate its major customers. The Company's exposure and the credit rations of its counterparties are continuously monitored and controlled by management. As at reporting date, the Company has not material receivables and accordingly does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk
Liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average effective interest rate	Less than 6 months	6 months – 1 year	More than 1 year
30 June 2022		**$**	**$**	**$**
Lease liabilities	5.83%	21,000	21,000	157,483
Non-interest bearing liabilities		244,785	-	-
		265,785	21,000	157,483
30 June 2021				
Non-interest bearing liabilities		279,493	-	-
		279,493	-	-

Notes to the financial statements

For the year ended 30 June 2022

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period based on the earliest date on which the Company can realise these assets. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 6 months $	6 months – 1 year $	More than 1 year $
30 June 2022				
Variable interest rate instruments	0.05%	3,411,756	-	-
Non-interest bearing assets		43,531	-	-
		3,455,287	-	-
30 June 2021				
Variable interest rate instruments	0%	275,115	-	-
Non-interest bearing assets		27,560	-	-
		302,675	-	-

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

18. Share-based payments

	2022 $	2021 $
Recognised in profit or loss:		
Employee benefits	-	146,598
Marketing and public relations	205,473	-
Stakeholder relations	145,200	-
	350,673	146,598
Recognised in equity:		
Share issue expenses	330,289	-
Total share based payments	**680,962**	**146,598**

Notes to the financial statements

For the year ended 30 June 2022

Ordinary shares

On 7 December 2021, the Company issued 450,000 ordinary shares for a transactional value of $119,000 and deemed share price of $0.26 as consideration for ESG consultancy services to be provided during the financial year.

Options

Broker options

On 13 July 2021, 4,000,000 options exercisable at $0.30 on or before 13 July 2024 were issued to the lead brokers (or their nominees) of the Company's successful initial public offering with a fair value of $330,289.

Consultant options

On 6 December 2021, 2,000,000 options exercisable at $0.40 on or before 6 December 2023 were issued to the General Manager – Marketing with the following vesting conditions:

1. 500,000 options to vest on the Company signing an offtake agreement
2. 500,000 options to vest on the first commercial shipping of product
3. 1,500,000 options to vest on Company shipping 100,000mt of products.

The Company has assessed the likelihood of the vesting conditions being satisfied accordingly has recognised an expense over the vesting period of the options.

Investor relations options

On 13 May 2022, 1,500,000 options exercisable at $0.30 on or before 23 March 2024 were issued as a share-based payment for investor relations management services with a fair value of $145,200.

Director options

On 23 March 2021, 5,750,000 options exercisable at $0.30 on or before 23 March 2024 were issued to the directors of the Company as part of their remuneration packages. The fair value at issue date was $146,598.

A share option plan has been established by the Company, whereby the Company may, at the discretion of Board, grant options over ordinary shares in the company to certain key management personnel. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Notes to the financial statements
For the year ended 30 June 2022

The following share-based payment arrangements were in existence during the current and previous reporting periods:

Series	Number issued	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Director options	5,750,000	23/03/21	23/03/24	$0.30	$0.0255
Broker options	4,000,000	13/07/21	13/07/24	$0.30	$0.0826
Consultant options	2,000,000	6/12/21	6/12/23	$0.40	$0.0896
Investor relations options	1,500,000	13/05/22	23/03/24	$0.30	$0.0968

The weighted average fair value of the share options granted during the financial period as share-based payments is $0.0873.

Fair value of share options granted in the year.
Options were priced using the Black-Scholes option pricing model.

	Broker options	Consultant options	Investor relations options
Number issued	4,000,000	2,000,000	1,500,000
Grant date	13/07/21	6/12/21	13/05/22
Exercise price	$0.30	$0.40	$0.30
Expected volatility	80%	90%	85%
Option life	3 years	2 years	2 years
Dividend yield	Nil	Nil	Nil
Risk free interest rate	0.92%	0.53%	2.60%
Other	N/a	Vesting conditions	N/a

Notes to the financial statements

For the year ended 30 June 2022

Movements in share options during the period

The following reconciles the share options outstanding at the beginning and end of the year/period:

	2022		2021	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance at beginning of year/period	**5,750,000**	**$0.30**	**-**	
Granted during the year/period	7,500,000	$0.33	5,750,000	$0.30
Exercised during the year/period	-	-	-	
Lapsed during the year/period	-	-	-	
Balance at end of the year/period	**13,250,000**	**$0.32**	**5,750,000**	**$0.30**
Exercisable at the end of the year/period	11,250,000		5,750,000	

The share options outstanding at the end of the year had a weighted average exercise price of $0.32 (2021: $0.30) and a weighted average remaining contractual life of 650 days (2021: 997 days).

19. Key management personnel

The aggregate compensation made to KMP of the Company is set out below:

	2022 $	2021 $
Short-term employee benefits	481,469	135,700
Post-employment benefits	800	-
Non-monetary benefits	-	
Share-based payments	-	146,598
	482,269	282,298

Notes to the financial statements

For the year ended 30 June 2022

Other transactions with KMP of the Company

Loss for the year includes the following items of expense that resulted from transactions, other than compensation, loans or equity holdings, with KMP or their related entities:

	2022 $	2021 $
Interest on leases	2,613	-
Capitalised exploration and evaluation	56,786	11,710
Exploration expenses in profit or loss	60,450	12,495
Total other transactions with KMP	119,849	24,205

Total liabilities arising from transactions other than compensation with KMP or their related parties

	2021 $	2021 $
Trade and other payables	3,500	24,205
Balance at end of financial year	3,500	24,205

The Company has entered into an agreement with Hornet Mining Services Pty Ltd, an entity controlled by Mr Jeffrey Sweet, on an arms-length basis and on normal commercial terms for the provision of drilling services. An amount of $56,786 is included in this financial report as capitalised Exploration and Evaluation expenditure with a further $60,450 included in exploration expenses within profit or loss for drilling carried out at tenements where tenure had not yet been granted.

The Company has entered into an agreement with Morpheus Holdings Pty Ltd, an entity over which Mr Ashley Pattison has significant influence, to sub-lease office space. Terms of the lease are included in note 13. An amount of $2,613 has been recognised in profit or loss for the finance cost associates with the leasing arrangement; cash payments totalling $34,600 (excluding GST) have been made during the year and $3,500 included in trade and other payables at 30 June 2022.

The Company has entered into an agreement with Erasmus Consulting Pty Ltd, an entity controlled by Mr Alex Neuling for the provision of Company Secretarial and general corporate advisory services. An amount of $45,538 was included in the financial report as administrative and corporate expenses. A total of $88,811 was included in trade and other payables at 30 June 2022 for services provided by Erasmus Consulting which includes director fees payable to Mr Neuling.

Notes to the financial statements
For the year ended 30 June 2022

In the previous financial period, the Company had entered into a number of agreements with Gundara Enterprises Pty Ltd (Gundara), an entity controlled by Mr Jeffrey Sweet, for the acquisition of tenements. An amount of $11,710 was included in the financial report as capitalised Exploration and Evaluation expenditure with a further $12,495 included in exploration expenses within profit or loss for the acquisition of tenements yet to be granted. The total amount of $24,205 payable was included in trade and other payables at 30 June 2021.

20. Reconciliation of profit for the period to net cash flows from operating activities

	2022 $	2021 $
Loss for the year/period	**(1,237,597)**	**(458,127)**
Non-cash items:		
Share-based payments	350,673	146,598
Depreciation	10,756	-
Financing and investing cash flows included in loss:		
Exploration and evaluation expenditure	-	68,100
Finance cost	2,613	-
Movement in receivables	(15,972)	(27,560)
Movement in payables	(23,901)	129,123
Cash flows from operating activities	**(913,428)**	**(141,866)**

21. Non-cash transactions

During the year, the Company has made share-based payments totalling $680,962 (2021: $146,598), details of which are included in note 18.

22. Commitments

In order to maintain and preserve rights of tenure to granted exploration tenements, the Company is required to meet certain minimum levels of exploration expenditure specified by the State Government of Western Australia. The WA commitments are subject to amendment from time to time as a result of changes to the number or area of granted tenements, escalating expenditure with tenement age, a change of tenement type from exploration license to mining lease or other reasons pursuant to the WA Mining Act.

Notes to the financial statements

For the year ended 30 June 2022

As at reporting date these future minimum exploration expenditure commitments are as follows:

	2022 $	2021 $
Not longer than 1 year	685,500	236,333
Longer than 1 year and not longer than 5 years	2,822,583	741,667
Longer than 5 years		
Total	3,508,083	978,000

23. Remuneration of auditors

Auditor

	2022 $	2021 $
HLB Mann Judd		
Audit/Review of the financial statements	27,566	26,080

24. Subsequent events

On 19 July 2022, the Company provided an update on the metallurgical test work program for the Stockyard Project.

On 29 August 2022, the Company announced the addition of significant tenure to its stable of quality silica sand projects. An exploration licence was granted at Narrikup covering an area of 161km^2, located 40km north of the port of Albany; the Bookara project was expanded to 1,190km^2 with three tenements now granted.

On 30 August 2022, the Company announced that mining lease M70/1417 had been granted. Flora and fauna studies were completed and the results are included in the environmental submissions supporting the mining lease. As a result of targeting sand on cleared farmland, the assessed impact on flora and fauna is negligible. The Company has put out an expression of interest to selected Logistics service providers for the transport and handling of silica sand product from the proposed mine to the Port of Geraldton.

Notes to the financial statements

For the year ended 30 June 2022

On 12 September 2022, the Company announced it had signed a non-binding MOU for the supply and potential refining of high purity silica sand with Shandong Hongbote Solar Technology Co. Ltd. (SHST) targeting the high growth Photovoltaic (PV) glass market in China. The MOU was agreed after the Company hosted a visit to the Stockyard Project with SHST Founder Mr Hu Yaoguo.

Other than as noted above, no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future years.

Corporate Governance Statement

The Company's Corporate Governance Plan is available in full on the Company's website at www.industmin.com/corporate-governance/ and contains the following documents:

Corporate Governance Statement dated 30 September 2022

Board and Committee Charters:

- Board Charter
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter

Documentation of Policies and Procedures:

- Corporate Code of Conduct
- Performance Evaluation Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Whistleblower Protection Policy
- Anti-Bribery and Anti-Corruption Policy

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

Additional Securities Exchange Information

The shareholder information set out below was applicable as at 23 September 2022 except where otherwise stated.

1. Twenty largest holders of quoted equity securities

Ordinary shares	Number	Percentage
ROBERT JEWSON	7,283,334	11.47
PETER ROMEO GIANNI	7,283,333	11.47
SISU INTERNATIONAL PTY LTD	7,283,333	11.47
TRISTAR NOMINEES PTY LTD	4,075,000	6.42
GUNDARA ENTERPRISES PTY LTD	4,075,000	6.42
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,005,194	3.16
SEAMIST ENTERPRISES PTY LTD	2,000,000	3.15
DC AND PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	1,500,000	2.36
MR COLIN MACKAY	780,000	1.23
TORPEDO DRILLING PTY LTD	747,000	1.18
PINDAN INVESTMENTS PTY LTD <PINDAN INVESTMENT A/C>	725,000	1.14
UNIVERSAL SPLENDOUR INVESTMENTS PTY LTD	700,000	1.10
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	600,000	0.94
MR ALASTAIR CARDNO	500,552	0.79
ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	500,000	0.79
MR WILSON TED SIN CHEE & MISS PATTAMA KITTITHIRAPORNCHAI <CHEE FAMILY A/C>	500,000	0.79
SISU INTERNATIONAL PTY LTD	500,000	0.79
MR DEAN ANDREW KENT <THE WATTLE A/C>	500,000	0.79
CITICORP NOMINEES PTY LIMITED	482,051	0.76
FRANGIPANI INVESTMENTS PTY LTD <MENZIES FAMILY A/C>	468,906	0.74
TRISTAR NOMINEES PTY LTD	455,000	0.72
MR AARON WILLIAM BESSO	454,875	0.72
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	450,000	0.71
MR NICK CHRIS ANTONIADES & MRS CATHERINE ANTONIADES <N & C ANTONIADES SF A/C>	412,961	0.65
MR DARREN JAMES PAGE	380,000	0.60
Total Top 20	**44,661,539**	**70.33**
Other	18,838,461	29.67
Total ordinary shares on issue	**63,500,000**	**100.00**

Additional Securities Exchange Information

2. Substantial shareholders

The following table details the Company's substantial shareholders as extracted from the Company's registers of substantial shareholders:

Name	Number of ordinary shares	Percentage	Date of last notice
Tolga Kumova	7,625,420	12.09%	13/07/2021
Robert Jewson	7,283,334	11.55%	13/07/2021
Peter Gianni	7,283,333	11.55%	13/07/2021

3. Distribution of holders of equity securities

	Fully paid ordinary shares	Unlisted options
1 - 1,000	17	-
1,001 - 5,000	172	-
5,001 – 10,000	96	-
10,001 – 100,000	264	1
100,001 and over	71	15
	620	**16**
Number on issue	**63,050,000**	**9,750,000**
Holding less than a marketable parcel	**33**	**-**

4. Voting rights

See Note 14 to the Financial Statements

Additional Securities Exchange Information

Restricted securities

The following securities are restricted and held in escrow

Class of security	Number subject to escrow	Escrow end date
Ordinary shares	33,650,000	13 July 2023
Options exercisable at $0.30 on or before 30 June 2024	4,000,000	13 July 2023
Options exercisable at $0.30 on or before 23 March 2024	5,750,000	23 March 2024

5. Unquoted equity security holdings greater than 20%

Unlisted Options	Number
Tristar Nominees Pty Ltd	2,750,000
Gundara Enterprises Pty Ltd	2,750,000

6. On-market buy-back

There is currently no on-market buy back program for any of the Company's listed securities.

7. Company secretary, registered and principal administrative office and share registry

The Company Secretary is Mrs Natalie Madden.

The Company's principal and registered office is at Unit 38, 460 Stirling Highway, Peppermint Grove WA 6011, telephone number +61 8 6270 6316.

The Company's share registry is maintained by Automic Group, Level 2, 267 St Georges Terrace, Perth WA 6000, telephone number 1300 288 644.

8. Use of funds

The Company has used the cash (and assets in a form readily to convertible to cash) that it held on its date of admission to the ASX of 13 July 2021 to 30 June 2022 in a manner consistent with its business objectives as stated in the listing prospectus dated 4 June 2021. Further details on the use of funds can be found in the Company's quarterly cash flow reports available on the Company's website.

Additional Securities Exchange Information

9. Tenement listing

Project	Location	Tenement Number	Status	% Interest
Derby	Derby, WA	E04/2819	Application	100%
Lake MacLeod	Lyndon River, WA	E08/3089 [1]	Granted	100%
Turner River North	Turner River, WA	E45/4570 [2]	Granted	100%
Turner River	Turner River, WA	E45/5268 [3]	Application	100%
Turner River North	Turner River, WA	E45/6062	Application	100%
Tabba Tabba	Tabba Tabba, WA	E45/6091	Application	100%
Karratha	Hammersley Range, WA	E47/3144 [2]	Granted	100%
Roeburne	Wickham, WA	E47/4582	Application	100%
Esperance West	Esperance, WA	E63/2259	Application	100%
Esperance East	Esperance, WA	E63/2260	Application	100%
Quins Sand	Cowalla, WA	E70/5340 [1]	Granted	100%
Unicup	North Unicup, WA	E70/5713 [1]	Granted	100%
Cataby West	Cataby, WA	E70/5714 [1]	Application	100%
Mullering	Cataby, WA	E70/5715 [1]	Granted	100%
Quins Sand	Cataby, WA	E70/5720 [1]	Granted	100%
Jurien	Jurien, WA	E70/5741 [2]	Granted	100%
Gingin	Gingin, WA	E70/5742 [2]	Granted	100%
Cataby West	Mimegarra, WA	E70/5778 [2]	Application	100%
Gingin	Muckenburra, WA	E70/5782 [2]	Application	100%
Stockyard	Stockyard, WA	E70/5845	Granted	100%
Stockyard	Stockyard, WA	E70/5846	Granted	100%
Bookara	Bookara, WA	E70/5855	Granted	100%
Arrowsmith East	Arrowsmith East, WA	E70/5856	Granted	100%
Mount Lefroy	Mount Lefroy, WA	E70/5857	Granted	100%
Regans Ford	Regans Ford, WA	E70/5858	Application	100%
Gingin	Gingin, WA	E70/5868	Granted	100%
Unicup	Unicup, WA	E70/5870	Granted	100%
Stockyard	Stockyard, WA	E70/5873	Granted	100%
Waroona	Harvey, WA	E70/5887	Application	100%
Waroona	Waroona, wA	E70/5888	Application	100%
Gingin	Gingin, WA	E70/5918	Granted	100%
Stockyard	Stockyard, WA	E70/5936	Granted	100%
Stockyard	Stockyard, WA	E70/5937	Granted	100%
Stockyard	Stockyard, WA	E70/5938	Granted	100%
Bookara	Bookara, WA	E70/6006	Application	100%
Bookara	Bookara, WA	E70/6007	Application	100%
Mindarra	Mindarra, WA	E70/6041	Granted	100%

Additional Securities Exchange Information

Project	Location	Tenement Number	Status	% Interest
Narrikup	Narrikup, WA	E70/6065	Granted	100%
Pinjarra	Pinjarra, WA	E70/6203	Application	100%
North Sterlings	North Sterlings, WA	E70/6204	Application	100%
Eneabba	Eneabba, WA	E70/6205	Application	100%

1. Tenement currently held by Mining Equities Pty Ltd. Applications have been submitted for the transfer to Industrial Minerals Ltd.
2. Tenement currently held by Gundara Enterprises Pty Ltd. Applications have been submitted for the transfer to Industrial Minerals Ltd.
3. Tenement currently held by Peter Gianni. Applications have been submitted for the transfer to Industrial Minerals Ltd.