

Dear Mr Tay,

I M Quarries Limited (the "Company" or "IM1")

Periodic Disclosure Query

The National Stock Exchange of Australia (NSX) refers to the Annual Financial Report¹ lodged on 29th June 2018 on which we have made the below observations:

1. Total assets reported for the period ended 31 March 2018 is AUD\$2,438,733. Goodwill reported for the same period is AUD\$1,400,000 which represents approximately 57% of the Company's total assets. There is no impairment for the Goodwill since 1 April 2015.
2. Revenue has been reported as AUD\$0 since 1 April 2015.
3. 'Other expenses' reported for the period ended 31 March 2018 is substantially higher at AUD\$(431,462) compared to AUD\$(73,711) for the period ended 31 March 2017. The financial statements do not have supporting notes or explanations for the material change in Other expenses.

NSX is concerned that, based on the above information, the Company does not have a sufficient level of operations in order to maintain a listing on NSXA, in breach of Listing Rule 6.54. Note that, in accordance with Listing Rule 2.18, the Exchange has the power to suspend or cancel the listing where it considers that an issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of its securities on the Exchange.

The Company is requested to provide the following information:

1. Given in the Annual Report, there has been no update provided by the directors regarding the business operations of the company. Please provide a director's report that summarizes the performance of the company for the last 12 months.
2. A detailed breakdown of 'Other expenses' for the period ended 31 March 2018.
3. An explanation of why and how the Company considers it has sufficient capital arrangements to facilitate operations of the Company given there has been no revenue generated since 2015 and the expenses have continued to rise? Please provide documents and evidence approved by the Board to support your response, including, for example, funding available from the directors or any credit arrangements.
4. An explanation of why and how the Company considers that it has a sufficient level of operations to warrant the continued listing of its securities on the NSX. Please provide documents and evidence approved by the Board to support your response.
5. A copy of the mining and exploration license held by the Company. Please note that the document will not be released to the market.
6. The Company's business plan showing current and planned business activities for the next 3 to 5 years.
7. A summary, in the form of a comparative table, of the results and of the assets and liabilities of the group, for the last five financial years (or, for such of those years during which the group traded).

Your response should be provided no later than 4pm AEST on 25th July 2018. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Please be reminded that the Issuer must comply with Chapter 6CA of the Corporations Act and Listing Rules

20 July 2018

I M Quarries Limited
Attn: Mr Justin Tay
Company Secretary
c/- Minerva Corporate Pty Ltd
Office J, Level 2
1139 Hay Street
West Perth - WA Australia 6005

Cc: Biztrack Consultants Private
Limited

¹ 2017 Annual Financial Report of IM1: <https://www.nsx.com.au/ftp/news/021735379.PDF>

Section IIA 6.4, 6.5 and 6.5A under continuous disclosure.

Yours sincerely,

Ingrid Wei

Market Surveillance Analyst