

I M QUARRIES LIMITED

(Incorporated in the Republic of Singapore)
UEN No. 2011-20428-N ABRN 154 095 897

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

INDEX

	Page No.
Statement by Directors	1
Review report to the Members of I M Quarries Limited	2
Consolidated statement of financial position	3
Consolidated statement of comprehensive income	4
Consolidated statement of change in equity	5
Consolidated statement of cash flows	6
Notes to the consolidated interim financial statement	7

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2019 and any public announcements made by I M Quarries Limited during the interim reporting period in accordance with the continuous disclosure requirements of the National Stock Exchange of Australia (“NSX”) Listing Rules.

**I M QUARRIES LIMITED
STATEMENT BY DIRECTORS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

The Directors are pleased to present their report and the consolidated interim financial statements of I M Quarries Limited (“the Company”) for the six months ended 30 September 2019.

1. DIRECTORS

The Directors of the Company in office at the date of this interim report are:-

CHUA SOON BENG ELLEN
CHONG HOCK TAT ROBIN
MAH SEONG KUNG
BRYAN PHILLIP LOH CHUUN-MING
LIN ZHIYI

2. REVIEW OF OPERATIONS

The initial principal activity of the Company and its controlled entities (the “Group”) is to carry on the business in mining industry. The Company has not actively carried on business since its incorporation. During the period:

- i) The Company and its controlled entities produced a loss, comprising mainly administrative expense incurred from the Company.
- ii) A critical milestone was reached, in which a subsidiary obtained Change of Land Use Approval from the Inner Mongolia Autonomous Region authorities to re-designate a specified 0.706km² area within the Houyao Garnet Project area for development into a garnet mine with a production capacity of 300,000 tonnes per year.

This approval, set out in a notification dated 16 July 2018, now qualifies the subsidiary for priority up to 16 July 2020 to complete procedures to obtain a mining (for extraction) permit and thereafter; a production safety permit and approval of its environmental impact assessment before finally obtaining a mining permit for commencing commercial garnet production.

- iii) The company is pleased to announce that the Environmental Impact Assessment Report was prepared according to the relevant standards and submitted to the Ecological Environment Bureau of Hohhot City. The Ecological Environment Bureau of Hohhot City organized a panel of Experts to evaluate our Environmental Impact Assessment Report on 6th September 2019. The experts recommended some changes to our report and the company has since made the relevant changes and resubmitted the report on 9th October 2019. The Ecological Environment Bureau of Hohhot City had also instructed the company to fill up and make good the drill holes and trenches that were dug during Exploration. The company has since complied with the Bureau’s last instructions and await further instructions from the Bureau.

- iv) As announced on 15 Nov 2019, the company sold 179,000 shares for A\$53,600 at A\$0.299 per share.

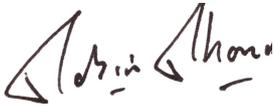
3. MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matter or circumstance has arisen since 30 September 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

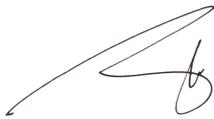
I M QUARRIES LIMITED
STATEMENT BY DIRECTORS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

In the opinion of the Directors, the accompanying consolidated interim statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2019 and of the interim results of the business, changes in equity and cash flows of the Group for the six month period ended on that date and as at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



CHONG HOCK TAT ROBIN



CHUA SOON BENG ELLEN

Singapore, 14 December 2019

MGI SINGAPORE PAC
CHARTERED ACCOUNTANTS, SINGAPORE
(Company Regn. No. 200606965Z)

REVIEW REPORT
TO THE MEMBERS OF I M QUARRIES LIMITED

Introduction

We have reviewed the accompanying statement of financial position of I M Quarries Limited (“the Company”) as at 30 September 2019, and the related statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 September 2019, and of the Group’s financial performance for the six months then ended and its cash flows for the six months then ended in accordance with the International Financial Reporting Standards



MGI SINGAPORE PAC
Chartered Accountants and
Public Accountant of Singapore

Singapore, 14 December 2019

I M QUARRIES LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

		Group	
	NOTE	30.9.2019	31.3.2019
		S\$	S\$
Non-current assets			
Investment in subsidiaries	5	-	-
Goodwill	6	1,400,000	1,400,000
		<u>1,400,000</u>	<u>1,400,000</u>
Current assets			
Cash and bank balances		9,616	100,914
Other receivables	7	650,000	650,000
		<u>659,616</u>	<u>750,914</u>
Less:			
Current liabilities			
Accrued operating expenses	8	25,000	25,000
Due to a Director	9	452,196	451,797
		<u>477,196</u>	<u>476,797</u>
Net current liabilities		<u>182,420</u>	<u>274,120</u>
Net assets		<u>1,582,420</u>	<u>1,674,120</u>
Capital and reserves			
Share capital	10	4,167,767	4,167,767
Translation reserves		2,040	2,039
Accumulated losses		(2,587,387)	(2,495,687)
		<u>1,582,420</u>	<u>1,674,120</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

I M QUARRIES LIMITED
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 September 2019

	Note	Group	
		Period from 1.4.2019 to 30.9.2019 S\$	Period from 1.4.2018 to 30.9.2018 S\$
Revenue		-	-
Administrative expenses		(91,700)	(153,080)
Loss before income tax		(91,700)	(153,080)
Income tax		-	-
Total comprehensive loss		(91,700)	(153,080)
Attributable to:			
Owners' of the Company		(91,700)	(153,080)
Loss per share			
Basic loss per share (cents)	11	0.001	0.002
Diluted loss per share (cents)	11	0.001	0.002

The accounting policies and explanatory notes form an integral part of the financial statements.

I M QUARRIES LIMITED
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period for six months ended 30 September 2019

30.9.2018

		Share Capital	Foreign currency translation reserve	Accumulated losses	Total
Group	Note	S\$	S\$	S\$	S\$
Balance at 1.4.2018		4,167,767	1,362	(2,155,793)	2,013,336
Total comprehensive loss		-	-	(153,080)	(153,080)
Effects of foreign exchange translations		-	(16)	-	(16)
Balance at 30.9.2018		4,167,767	1,346	(2,308,873)	1,860,240

30.9.2019

		Share Capital	Foreign currency translation reserve	Accumulated losses	Total
Group		S\$	S\$	S\$	S\$
Balance at 1.4.2019		4,167,767	2,040	(2,495,687)	1,674,120
Total comprehensive loss		-	-	(91,700)	(91,700)
Balance at 30.9.2019		4,167,767	2,040	(2,587,387)	1,582,420

The accounting policies and explanatory notes form an integral part of the financial statements.

I M QUARRIES LIMITED
INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 30 September 2019

	2018	2017
	\$	\$
Operating activities		
Loss before taxation	(91,700)	(153,080)
Adjustments for:		
Effects of Foreign translation differences	9	(16)
Operating loss before working capital changes	<u>(91,691)</u>	<u>(153,096)</u>
<u>Changes in working capital</u>		
Other payables	-	10,000
Amounts due to a Director	390	2,642
Cash flow generated from/(used in) operations	<u>390</u>	<u>12,642</u>
Net cash flow generated from/(used in) operating activities	<u>(91,301)</u>	<u>12,642</u>
Cash flows from financing activity		
Net proceeds from issue of shares	-	-
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash at bank balance	(91,301)	(140,454)
Cash at bank at beginning of financial period	<u>100,914</u>	<u>350,235</u>
Cash at bank at end of financial period	<u>9,613</u>	<u>209,781</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

I M QUARRIES LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2019

1 CORPORATE INFORMATION

The interim financial statements of I M Quarries Limited for the financial period ended 30 September 2019 were authorised for issue on the date of the Statement by the Directors.

I M Quarries Limited is a public company limited by shares incorporated in Singapore and listed on the National Stock Exchange of Australia.

The registered office of the company in Singapore is located at 1 Commonwealth Lane, #09-28 One-Commonwealth, Singapore 149544.

The principal activity of the Company and its controlled entities (the “Group”) is to carry on the in exploration and mining for natural resources (particularly industrial grade garnet) and its ancillary activities.

The Company has not actively carried on business since it was registered on 30 August 2011 to the date of this report.

2. NATURE OF OPERATIONS

The Company has not actively carried on business since it was registered on 30 August 2011 to the date of this report.

3. GENERAL INFORMATION AND BASIS OF PREPARATION

The interim consolidated financial statements are for the six months ended 30 September 2019 are presented in Singapore Dollars which is the Company’s functional currency. They have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 March 2019.

I M Quarries Limited is the Group’s ultimate parent company. The Company was incorporated under the laws of Singapore as a public company limited by shares.

I M QUARRIES LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with the accounting policies adopted on the last annual financial statements for the year ended 31 March 2019.

The adoption of these new or amended SFRSs and IAS, where relevant to the Group, did not result in substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

5. SUBSIDIARIES

	30.9.2019	31.3.2019
	\$	\$
Unquoted equity investments, at cost	<u>2</u>	<u>2</u>

Name	Country of incorporation	Cost of investment	Cost of investment	Percentage of equity held	Principal activities
		30.9.2019	31.3.2019		
		\$	\$		
<u>Held by the Company</u>					
Three Crystals (Hong Kong) Limited	Hong Kong	1,400,000	1,400,000	100%	Investment holding
<u>Held by Three Crystals (Hong Kong) Limited (100%)</u>					
Jinsan Yuan Trading Co., Limited	China	-	-	100%	Investment Holding
Jinsan Yuan Mining Co., Limited	China	-	-	55%	Mining Exploration
		<u>1,400,000</u>	<u>1,400,000</u>		

I M QUARRIES LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2019

6. GOODWILL

The goodwill arises from acquisition of the subsidiaries.

Goodwill is allocated to cash-generating units which are based on the Group's reporting segments:

	30.9.2019	31.3.2019
	\$	\$
Mining	<u>1,400,000</u>	<u>1,400,000</u>

7. OTHER RECEIVABLES

	30.9.2019	31.3.2019
	\$	\$
Others	-	55,933
Convertible loan*	<u>650,000</u>	<u>650,000</u>
	<u>650,000</u>	<u>705,933</u>

*Convertible loan granted to Saber Tooth Garnet Holdings Pte Ltd, convertible at the Company's discretion.

This represents 32.5% in the enlarged share Capital of Saber Tooth Garnet Holdings Pte Ltd.

8. ACCRUED OPERATING EXPENSES

The amounts are denominated in Singapore dollars.

9. DUE TO A DIRECTOR

The amount due to director is non-trade in nature, unsecured, interest-free and repayable as and when the Company has resources to do so. Amount is denominated in Singapore dollars.

10. SHARE CAPITAL

	No. of shares	Amount
		\$
Issued and fully paid up:		
As at 31.03.2019 and 30.09.2019	<u>77,017,000</u>	<u>4,167,767</u>

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

I M QUARRIES LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2019

11. LOSS PER SHARE

The loss per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares on issue of shares during the financial year.

The following table reflects the profit or loss and share data used in the computation of basic and diluted loss per share from continuing operations for the financial year ended 31 March.

	30.9.2019	31.3.2019
	\$	\$
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	77,017,000	77,017,000
Effect of dilutive potential ordinary shares:		
Share options	<u>10,000,000</u>	<u>10,000,000</u>
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u>87,017,000</u>	<u>87,017,000</u>

Loss figures are calculated as follows:

	30.9.2019	31.3.2019
	\$	\$
Loss for the purpose of calculating basic and diluted loss per share	<u>(91,700)</u>	<u>(153,080)</u>

As at the date of the financial statement, none of the options were exercised during the financial period.

12. NET TANGIBLE ASSET BACKING PER SECURITY

	30.9.2019	31.3.2019
	\$	\$
Net assets	1,582,420	1,674,120
<i>Less intangible assets:</i>		
Goodwill	<u>(1,400,000)</u>	<u>(1,400,000)</u>
Net tangible assets/(Liabilities)	<u>182,420</u>	<u>274,120</u>
Number of issued ordinary shares	77,017,000	77,017,000
Net tangible asset backing per ordinary security	0.002 cent	0.003 cent

I M QUARRIES LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 SEPTEMBER 2019

13. OPERATING LEASE COMMITMENTS

The Company has operating lease commitment in respect of rental of office premise. The lease are non-cancellable within 1 year.

	30.9.2019	31.3.2019
	S\$	S\$
Not later than one year	26,320	48,000
Later than one year but not later than five years	-	4,000
	<u>26,320</u>	<u>52,000</u>

Operating lease payments represents rents payable by the Company for office premises and other operating facilities. Lease is negotiated for a term of 2 years and rentals are fixed for an average of 1 to 3 years. Certain office premise has the option to renew for another one year at market rate subject to agreement by both parties.

14. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to SGD equivalent) for the translation of foreign currency balances at the statement of financial position date are as follows:

	30.9.2019	31.3.2019
Hong Kong Dollar	<u>0.175</u>	<u>0.175</u>

15. DETAILS OF CONTROLLED ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOSS

There were no gains or losses over controlled entities during the period.

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

17. SHARE OPTIONS

There were no unissued shares of the Company under option as at the end of the financial period.

18. EVENT AFTER THE REPORTING DATE

No matter or circumstance has arisen since 30 September 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

19. CONTINGENT LIABILITIES

There are not contingent liabilities as at the date of these financial statements.