



I M QUARRIES LIMITED
(Incorporated in the Republic of Singapore)
(UEN 201120428N | ARBN 154 095 897)

APPROVAL RECEIVED FROM THE LAND AND RESOURCES DEPARTMENT OF INNER MONGOLIA AUTONOMOUS REGION TO RE-DESIGNATE A PORTION OF THE HOUYAO GARNET PROJECT FOR DEVELOPMENT AS A GARNET MINE

The directors of I M Quarries Limited (the **Company**) are pleased to announce that Inner Mongolia Three Crystals Mining Co., Limited (the **Operating Company**), the Company's indirectly held 55% owned subsidiary, has received approval from the Land and Resources Department of Inner Mongolia Autonomous Region to re-designate (i.e., change of use for) 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 (the **Change of Land Use Approval**). This approval and its terms are set out in a notification dated 16 July 2018 but only recently received by the Operating Company.

The Change of Land Use Approval in and by itself does not allow the Operating Company to commence commercial mining activities at the Houyao Garnet Project. It is however a critical milestone to commercialize the Houyao Garnet Project. This approval now qualifies the Operating Company to complete procedures to obtain a mining (or extraction) permit to extract garnet from the Houyao Garnet Project and, once this mining permit is obtained, for the Operating Company to apply for a production safety permit and for approval of its environmental impact assessment. The Operating Company will then be permitted to commence commercial garnet production at the Houyao Garnet Project once these three permits have been obtained.

Under the terms of the Change of Land Use Approval, the Operating Company has up to 16 July 2020 to apply for the mining permit for the Houyao Garnet Project, failing which, the Operating Company will cease to have priority to be granted such a mining permit.

For and on behalf of
I M QUARRIES LIMITED

CHONG Hock Tat, Robin
Managing Director
26 July 2018