

27 February 2017

ASX Market Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

UPDATE ON ARAVALLI PROJECT

India Resources Limited (Company) is pleased to provide the following update regarding its Aravalli lead-zinc project in India.

The Revision Authority in the Ministry of Mines, Government of India conducted a hearing in early February 2017 in relation to the Revision filed by Hindustan Zinc Limited (HZL) against the Government of Rajasthan (GOR). HZL has prayed the Revision Authority to quash the rejection order issued by GOR for rejection of two applied HZL's Prospective Licences (PL) 23/93 and 24/93 and also quash the order passed by GOR to process the applied Mining Licence (ML) 87/2008 (Aravalli ML) by Crown Mining Pvt Ltd. (CMPL). CMPL is a subsidiary of the Company.

GOR has submitted its written reply to the tribunal court. The main content of their reply is as below

1. GOR justified its rejection order passed in December 2014 in relation to HZL's PL application 23/93 stating that Reconnaissance Permit (RP) 1/2004 was granted to CMPL after making the scrutiny of available records and any held area were excised. The area applied by HZL 23/93 was not mentioned on the DMG's record and it was not available for the grant since it fell in the area under the granted RP and applied ML of CMPL.
2. GOR acknowledges that although PL application no 23/93 of HZL is prior to the CMPL's RP application and the central government had given its consent u/s 5(1) and the proposal was sent in favour of HZL. But before its execution, this area was granted to CMPL under its RP 1/2004. Hence no rights were created under the said PL application of HZL.
3. GOR mentioned that CMPL applied for PL and ML both after the completion of the RP period as per the laid down procedures. CMPL submitted its final geological report of the applied area. CMPL's ML area has also been explored by Geological Survey of India (GSI) prior to the grant of RP to CMPL. Afterwards the PL application of CMPL was withdrawn and the Mining Lease application is progressing by GOR as per the new law of MMDR Act 2015.
4. GOR has justified the rejection of PL 24/93 applied by HZL on the grounds that the applied PL was premature and the applied area was not available for the grant on its applied date and it falls within part and parcel of the granted RP in favour of CMPL.
5. The Government of Rajasthan (GOR) acknowledges that both PLs become ineligible according to the MMDR Act 2015.



6. The Rejection order was given by GOR after providing the opportunity of personal hearings to HZL.
7. According to the conclusion of these personal hearings, GOR issued its order dated 23 December 2014 and rejected the overlapping applications of HZL and other companies and suggested DMG to submit its proposal according to the law to dispose of the ML application of CMPL.
8. GOR admitted that December 2014 Order is legitimate and the decision has been taken after following all the legal procedures.
9. GOR also accepted that the state government is progressing CMPL's ML application on its merit under the direction of Rajasthan High court's order handed down in December 2013.
10. GOR's position is consistent with the order issued in December 2014 wherein the ML application was administratively approved.

A further hearing and conclusion of this matter is likely to be finalised in the next few months. The Company is pleased with the consistent position taken by GOR in relation to HZL's overlapping claim.

Yours faithfully

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