



QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2015

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India Resources Limited ("India Resources", "IRL" or "the Company") is pleased to present this quarterly activities report.

Arvind Misra
Managing Director

HIGHLIGHTS

Surda Mine – Copper

- There was no copper production at the Surda mine during the quarter. Operations remain suspended since September 2014 pursuant to a stop work order issued by the Jharkhand State Government, India due to Hindustan Copper Limited (HCL) not obtaining the renewal of its mining lease and related clearances. Essential services at the mine are continuing.
- In February 2015, HCL obtained the renewal of the Surda mining lease. Subsequent to the end of the quarter IRL has been informed that the related clearances have been obtained. Recommencement of mining is dependent on finalisation of negotiations between the parties regarding IRL's claims.

Project Development

- There was no progress during the quarter on the Surda Mine Expansion and Development project (SEPC project) due to the Surda Mine closure.

Exploration

- IRL's 100% owned subsidiary, Crown Mining Private Limited (CMPL), carried out the demarcation of its Mining Lease application boundary and was offered a 17.29k m² area that contains the previously reported base metals exploration target.
- IRL's tenement holdings changed significantly following the introduction of the Government of India's new Mining Bill which was enacted in January 2015.

Corporate

- Funding opportunities were investigated by the Company to finance ongoing expenditure requirements for the Aravalli project.
- During the quarter IRL advised HCL that it could not and would not recommence mining operations at the Surda mine until its claims for losses during the work stoppage and previous other claims were meaningfully resolved.
- IRL's 100% owned subsidiary, IRL Copper Mining Limited (ICMPL), gave notice to Shriram EPC Limited (SEPC) to perform or face contract termination. SEPC replied by purporting to give a preliminary notice of termination. HCL has stated that it wishes to mediate between the parties.
- Hindustan Zinc Limited (HZL) has filed revision applications before the Honorable Revisional Tribunal of the Ministry of Mines, challenging the decision of the State Government of Rajasthan (GOR) to cancel HZL's two prospecting licenses and one mining lease that overlap with CMPL's mining lease application for the Aravalli project.

OPERATIONS REPORT

Surda Project

There was no copper production at the Surda mine during the quarter. Operations were suspended in September 2014 by Hindustan Copper Limited (HCL) pursuant to a stop work order issued by the Jharkhand State Government, India, due to HCL not obtaining the renewal of its mining lease and related clearances. Essential services at the mine are continuing.

In February 2015, HCL obtained the renewal of its mining lease. Subsequent to the end of the quarter IRL has been informed that the related clearances have been obtained. Recommencement of mining awaits finalised negotiations between the parties on IRL's claims.

IRL has faced considerable unrest at site due to the ongoing mine closure and no funds being released by HCL to either IRL or the workers during the quarter, despite HCL agreeing to terms when it negotiated with the unions directly. IRL reduced its number of officers at site, having been instructed by HCL to reduce costs and in response to increasing tensions at site. Subsequent to the end of the quarter IRL removed all remaining senior officers from site and requested HCL to take control, citing safety concerns arising from HCL's failures. HCL has not challenged this decision and the move has substantially shifted site related pressures from IRL to HCL.

Surda Expansion Project

No progress was made during the quarter on the Surda Mine Expansion and Development project (SEPC project) due to the Surda mine closure.

BUSINESS DEVELOPMENT

Rakha development project

The consortium of IRL and Kopex Shaft Sinking Company (KopexPBSz) continues to wait for HCL to obtain the required environmental clearances for this project prior to signing the contract and commencing this work.

Consortiums

IRL has temporarily suspended its business development activities in conjunction with consortium partners Brierty Limited, Kopex PBSz and Tata Projects Limited.

EXPLORATION ACTIVITIES UPDATE

Aravalli (Base Metals)

In late December 2014 the administrative decision made by the Government of Rajasthan approving the Aravalli lead-zinc mining lease application in favour of IRL's wholly owned subsidiary, Crown Mining Private Limited (CMPL) following demarcation work has resulted in a split of its original licence area into Part A and Part B areas (Figure 1 below). Part A located in the south end of the licence area comprises 17.29 km² and contains the base metals mineralisation exploration target previously reported by IRL. The Part B application area to the north (approximately 3 km²) would require a separate application as it is not contiguous.

CMPL is prioritising the grant approval process for Part A and has now officially consented to the revised boundary of Part A in an acceptance letter and revised map forwarded to the directorate of Mines and Geology (DMG) in Rajasthan, India. CMPL has elected not to make an application for the Part B portion of the original licence and instead will participate when this area is offered by public auction by the Rajasthan Government, although CMPL will no longer have a preferential right.

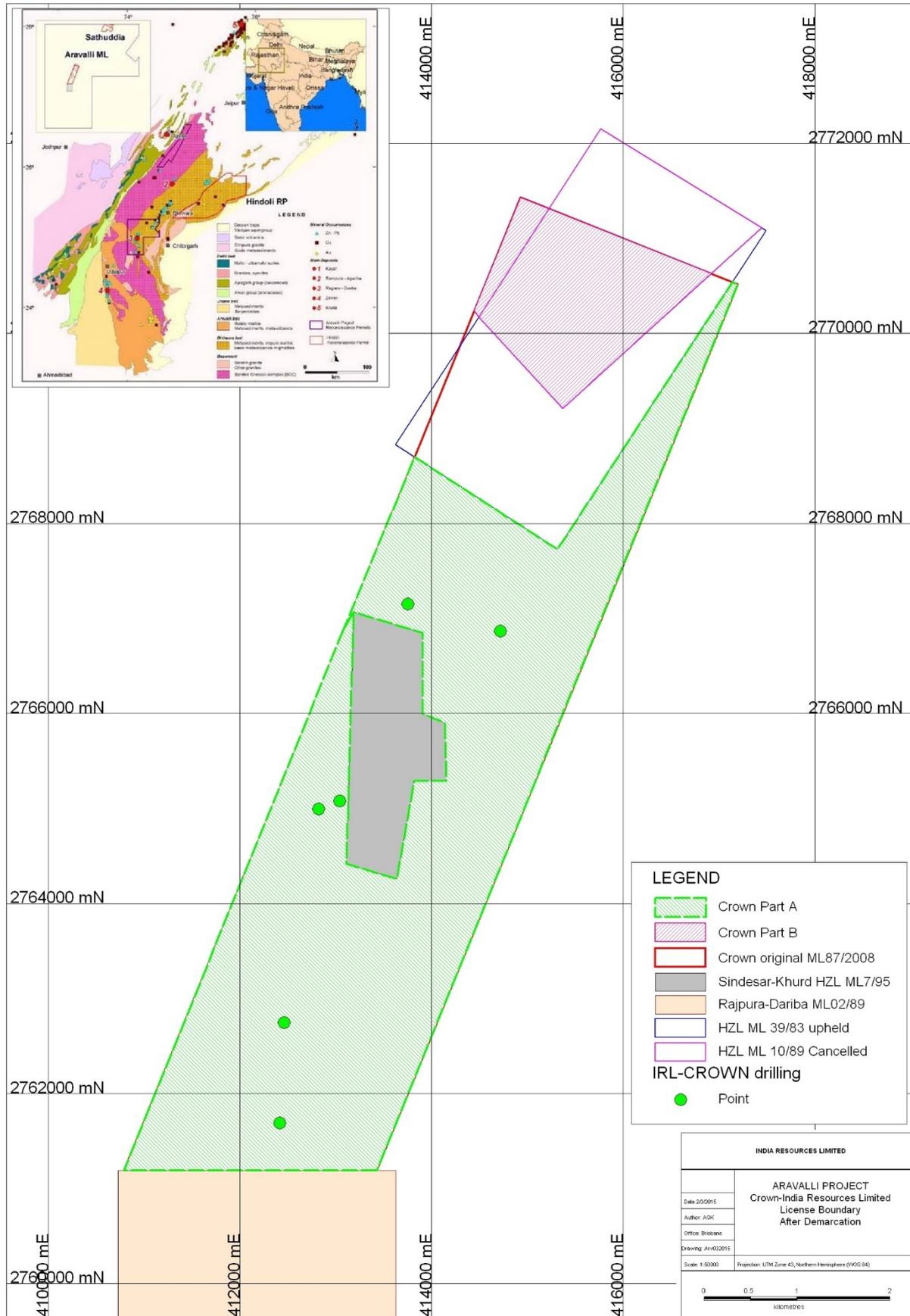


Figure 1: CMPL revised ML boundary application. Part A green shading (includes exploration target) and Part B area in pink shading.

Demarcation is only part of the grant process. Further work required to for grant of the mining licence that are being undertaken include preparation of environmental reports and clearances, other statutory requirements, development and report of drilling program, and feasibility study.

Principal Aravalli investor Resource Capital Fund (RCF) visit of Aravalli and Surda sites and follow-up meetings

During the March quarter, the Mines Secretary of Rajasthan, India, Bureau of Investment Promotion, Austrade, IRL/CMPL and RCF met in Jaipur. At the meeting the Mines Secretary asked IRL/CMPL to fast track the Aravalli proposal and offered to provide his assistance in this matter. Also meetings with Australian High Commission, Trade Commission, the United States Embassy, Invest India and the Department of Industrial Policy and Promotion (DIPP) took place in Delhi. RCF also visited the Aravalli site and the Surda copper mine, Mosaboni concentrator plant and the Surda expansion site.

Changes to IRL's tenement holdings

IRL has previously released details in its financial report for the half year ended 31 December 2014 concerning significant changes to its tenement holdings and the reasons for it. IRL has updated its tenement directory in light of the new Mining Ordinance Bill of the Government of India which was enacted on in January 2015 (refer to the half year December 2014 Financial report for more details).

FINANCE

- Funding opportunities were investigated by the Company to finance ongoing exploration requirements for the Aravalli project. Progress has been impaired by investor concerns about the ongoing closure of the Surda mine and related dispute with HCL and IRL's potential tax exposure through Swan Gold Mining Limited.
- HCL paid a 20M INR (\$0.404M) advance that was specifically for dewatering and care and maintenance activities at the Surda mine.
- The Axis Bank recognised that it had agreed to allow IRL to continue accessing a 94.5M INR (\$1.976M) until the Arbitration Award was received and provided IRL with a 4.5M (\$0.094M) temporary overdraft facility to supplement the Company's 90M INR (\$1.882M) overdraft facility.
- The financial position of the Group's contracting operations at the Surda mine remained extremely depressed during the quarter due to the stop work order and the failure to achieve satisfactory outcomes with HCL regarding IRL's well advanced claims and its compensation for losses associated with the work stoppage.

CORPORATE ACTIVITIES

- The HCL Claims Committee advised that it would recognise 19M INR (\$0.4M) of IRL's 119M INR (\$2.5M) claims for the period from 8 September 2014 to 30 November 2014.
- During the quarter IRL advised HCL that it could not and would not recommence mining until its claims for losses during the work stoppage and other older claims were meaningfully resolved. HCL was advised that the contract would be considered terminated if it could not resolve the issues and that payment for full and final settlement of all dues would be pursued, including the value of equipment in the mine, the Arbitration Award, and all other claims including consequential losses.
- Subsequent to the end of the quarter HCL obtained all of the related clearances to allow mining to proceed and entered into discussions with IRL to recommence mining. IRL's advanced claims at 31 March 2015 exceed 420M INR (\$8.8M) but HCL's position remained approximately 100M INR (\$2.1M) which remains less than the reimbursable advances repayable by IRL to HCL. HCL has agreed to pay some of IRL claims to enable mining to

recommence and has recognised that IRL will pursue the balance of its claims through arbitration and have recourse to getting the August 2013 Arbitration Award executed.

- In order to achieve a satisfactory outcome regarding its claims, IRL has continued intense lobbying in New Delhi. During the quarter it met with the Ministry of Mines and the Department of Industry, Policy and Promotion (DIPP). Mr Tomar, the Honourable Minister for Mines, and the Mining Secretary, were approached twice on this matter. IRL's case was supported by the Australian High Commission, Trade Minister, Andrew Robb, and the United States Embassy. Subsequent to the end of the quarter Mr Colin Barnett, Premier of Western Australia, also raised our matter with Minister Tomar. The Government of India is monitoring how HCL decides to proceed due to its interest in improving foreign direct investment, and improving India's "ease of doing business". IRL is recognised as an early mover in this regard.
- During its communications with HCL, the Ministry of Mines and the DIPP, IRL has consistently raised its concerns about its inability to get disputes resolved. It has alerted HCL that it has many additional claims beyond the advanced claims of 420M INR (\$8.8M), including but not limited to interest, consequential losses, power and explosives issues and the 400,000 tonne or mining environmental clearance limit. IRL considers the amounts to be claimed are substantial and its case good, but an enormous amount of time and effort will be required to extract any payments from HCL
- IRL's 100% owned subsidiary, IRL Copper Mining Limited (ICMPL), gave notice to Shriram EPC Limited (SEPC) to perform or face contract termination. SEPC replied by purporting to give a preliminary notice of termination. This matter is complicated by HCL having given both contractors access to the Surda mine, for which IRL offered the solution of undertaking both projects. Without this solution HCL faces difficulties continuing either its development or operations work in the Surda mine, depending on whether IRL continues as the operator in the mine.

Subsequent to the end of the quarter HCL has stated that it wishes to mediate between the parties (SEPC and ICMPL). ICMPL's reply to SEPC has stated that it wishes to resolve the issues so that the contract can get executed, that HCL wish to mediate between the parties, that it does not consider SEPC to have any right to terminate the contract, and it reserves its own right to terminate the contract.

- The Indian Income Tax Office (ITO) has assessed Swan Gold Mining Limited (Swan) for the 2010/11 financial year as owing 441M INR (\$9.2M), and subsequent to the end of the quarter it has assessed 346M INR (\$7.2M) as owing for the 2011/12 financial year. IRL anticipates that retrospective and future assessments will follow and interest to be applied. These assessments fall on IRL as it has agreed to indemnify Swan for all liabilities arising out of contractual arrangements with HCL. The unfavourable assessments have arisen because, unlike earlier assessments, the ITO is not accepting IRL's argument that it is executing the entire work as Swan's Special Purpose Vehicle rather than Swan executing the work with IRL employed as a sub-contractor. Neither Swan nor IRL have made any profit whatsoever. Swan/IRL has appealed to an independent tribunal after its appeal within the ITO failed. IRL has been advised that IRL's chances with the tribunal are statistically favourable and that the tribunal is considered to be more objective and sophisticated than appeal processes within the ITO. IRL considers its chances in the tribunal to be very good because neither Swan nor IRL have made any profit in India, and the ITO has previously accepted the structure employed by IRL and Swan that it is now challenging. Additionally, unlike most parties that approach the tribunal, Swan/IRL is receiving support from the Australian Tax Office (ATO) and Invest India in this matter.

Should Swan's appeal fail, IRL has been advised that Indian law upholds the principles of the corporate veil meaning that the ITO will have difficulty pursuing IRL's assets. The ITO is expected to encounter difficulties pursuing Swan assets in Australia for which IRL would be compelled to indemnify Swan.

IRL considers that its greatest exposure to the ITO's claim is the impact it would have on the Surda operations contract. IRL is ready to take court actions to stay any move by the ITO if required, and is exploring options to remove Swan from the invoicing process.

Status of Legal and Arbitration Cases

Revision application filed by Hindustan Zinc Limited (HZL)

Hindustan Zinc Limited (HZL) has filed revision applications before the Honorable Revisional Tribunal of the Ministry of Mines, challenging the decision of the State Government of Rajasthan (GOR) to cancel HZL's two prospecting licenses and one mining lease. The basis of its grievances is from before the granting of a Reconnaissance Permit (RP) to CMPL and therefore it is challenging CMPL's preferential right.

HZL had raised these issues before CMPL arrived, and continued to vigorously make these arguments since 2008 when CMPL's RP expired and it applied for a mining lease. With full knowledge of all the facts, the GOR cancelled their applications and administratively approved CMPL's preferential rights.

Aravalli is a world class base metals project, and HZL's continuing effort to retain an interest in it was anticipated. CMPL filed caveat and impleadment applications to ensure it would be a party against any action taken by HZL. CMPL has applied to the Tribunal to be recognised as a party to the proceedings to join the GOR in defending the revision applications.

The Tribunal is expected to consider the fact that HZL's applications, if they had not been cancelled by the GOR, would have been cancelled by the Central Government's Ordinance in January 2015 (which cancels all applications that have not been executed, but does not apply to applications like CMPL's because it had been executed and because it was filed subsequent to the completion of an executed RP).

Terramine, which had a ML application cancelled on the same day as HZL (23 December 2014), has not filed a revision application and do not appear likely to do so.

CMPL has good reason to feel very confident about its position, especially in the most highly mineralised and valuable areas.

Criminal and Civil Actions in Jharkhand

A range of criminal and civil actions have arisen in the State of Jharkhand against various IRL directors and officers in relation to civil unrest, non-payment of statutory dues, insufficient funds to cover released cheques, and failure to pay accounts. The matters are being managed, but remain potentially very serious. All relate to non-payment of IRL's accounts by HCL for which IRL intends to make claims against HCL for consequential losses.

Prism Cement

A claim raised against Prism Cement for expenditure incurred of 9M INR (\$0.19M) has been barred by limitation. This claim may still be pursued but additional difficulties now exist.

Arvind Misra

Managing Director

Competent person's statement

The information in this report that relates to exploration targets or exploration results is based on information compiled by Andrew Kohler, a Competent Person, who is a member of the Australian Institute of Mining and Metallurgy (AusImm). Mr Kohler is a geological consultant to the Company. Mr Kohler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kohler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Contact details for India Resources Limited

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Tenement directory

Projects-India	Tenement number	Beneficial interest
Surda Project Jharkhand State	Surda Mining Lease (Hindustan Copper Limited) Surda Underground development contract (Shriram EPC) Rakha Copper Mine Development and Mining Contract (HCL)	Right to mine (100%) Right to develop (100%) Right to develop (100%)
Aravalli Project Rajasthan State	Mining Lease 87/08 (partially granted LOI Rajasthan Government) Sathuddia Prospecting Licence application 56/10 (RP holder- preferential right)	100% 100%
Dharwar Diamond Project Andra Pradesh State	Prospecting Licenses 306 and 309 (under renewal)	100%
Bandara Diamond Project Orissa State	Prospecting license 410 application (Nuapada, RP holder-preferential right)	100%

No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

India Resources Limited

ABN

77 121 339 704

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	105	3,283
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production ²	(492)	(3,722)
(d) administration – Perth Office	(315)	(1,279)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	11
1.5 Interest and other costs of finance paid	(43)	(175)
1.6 Income taxes paid	-	-
1.7 Other – scrap sales	20	78
Net operating cash flows	(724)	(1,804)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(106)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other: accessing fixed deposit funds	10	10
Net investing cash flows	5	(96)
1.13 Total operating and investing cash flows (carried forward)	(719)	(1,900)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(719)	(1,900)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,600
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings ²	404	587
1.17	Repayment of borrowings	(2)	(5)
1.18	Dividends paid	-	-
1.19	Other: share issue expenses	-	(52)
	Net financing cash flows	402	2,130
	Net increase (decrease) in cash held	(317)	230
1.20	Cash at beginning of quarter/year to date	(1,121)	(1,536)
1.21	Exchange rate adjustments to item 1.20	(159)	(291)
1.22	Cash at end of quarter ¹	(1,597)	(1,597)

¹ Cash at the end of the quarter includes the drawn down portion of a working capital overdraft facility of \$2,071,000 which is used specifically for the day to day operations at the Surda copper mine. Refer items 3.1 and 5.3.

² Borrowings comprise a 20M INR advance from Hindustan Copper Limited (HCL) which follows a 10M INR advance in the previous quarter. Last quarter HCL also paid 19.65M INR (\$378,000) directly to IRL workers which has not been included in this cash flow.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	179
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments net of GST to directors and other related parties, and the associates of these related parties, which includes director and key management personnel salaries, directors' fees, superannuation contributions, the provision of management services to the company, and any payments for services with associated entities.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Not applicable.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities: (a) Indian working capital overdraft facility ¹ (b) Other loan agreements	1,976 -	2,071 ² -
3.2 Credit standby arrangements	-	-

¹ Drawing facility based on levels of, and secured against, trade receivables and inventories at Surda mine. Available drawdown level as at 31 March 2015 was A\$1.976 million (94.5M INR). This limit includes a temporary overdraft facility of 4.5M INR (\$0.094M).

² As at 31 March 2015 the overdraft facility was exceeded due to released cheques held by creditors and interest accrued by the bank.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	2,300
4.4 Administration	400
Total	2,700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	321	606
5.2 Deposits at call	-	-
5.3 Bank overdraft	(2,071)	(1,857)
5.4 Other: term deposits used as guarantees	153	130
Total: cash at end of quarter (item 1.22)	(1,597)	(1,121)

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Frank Campagna*
(~~Director~~/Company Secretary)

Date: 30 April 2015

Print name: FRANK CAMPAGNA

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities: The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards: ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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