

12 October 2015

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

Dear Sir/Madam

### **RECOMMENCEMENT OF SURDA EXPANSION PROJECT**

The directors of India Resources Limited (IRL) are pleased to advise that agreement has been reached for the recommencement of the Surda Expansion Project.

Following extensive negotiations and the resolution of outstanding issues, IRL through its wholly owned subsidiary, India Resources Copper Mining Private Limited (ICMPL), has signed a Memorandum of Understanding (MoU) with Shriram EPC (SEPC) as the principal contractor to Hindustan Copper Limited (HCL), for the immediate recommencement of the Surda Expansion Project. ICMPL acts as sub-contractor to SEPC on a back to back basis. The negotiations between IRL, SEPC and HCL have been ongoing for several months. All three parties contributed to reaching this agreement which represents a positive outcome for all stakeholders.

The Surda Expansion contract was suspended in September 2014 following the issue of a stop work order by HCL as a result of delays in the renewal by HCL of the mining licence for the Surda project.

Key terms of the MoU are as follows:

1. SEPC will pay the following amounts to IRL:
  - within one week, payment by SEPC of approximately INR 33 lacs (A\$66,000) against over recovered monies;
  - advance of INR 60 lacs (A\$120,000) with 50% payable immediately and 50% in three months time;
  - payment of INR 44 lacs (A\$88,000) against services tax; and
  - approximately INR 23 lacs (A\$43,000) against unpaid bills.
2. IRL/ICMPL will provide a third ranking charge (after HCL and Axis Bank) on the Surda assets to SEPC. The charge will be limited to approximately INR 7 crores (A\$1.4 million) and replaces an earlier supplied corporate guarantee of approximately 14 crores (A\$2.8 million).
3. In accordance with the agreement, SEPC has taken out a Contractors All Risk Insurance Policy. ICMPL has agreed to pay the premium on this policy.
4. The MoU is subject to the approval by HCL.

High speed shaft sinking is scheduled to commence within the next three months following completion of initial infrastructure work by ICMPL. SEPC is responsible for all funding aspects of the project and the supply of equipment. ICMPL is project manager and is responsible for arranging working capital.



The recommencement of the Surda Expansion Project is a positive achievement for IRL. The project is approximately of 5 years in duration and runs concurrently with the work order for the Surda Copper mine operated by IRL. This presents IRL with a substantial work order book and significant revenue generating capabilities. Coupled with the right to mine at the Rakha Copper Project (HCL, as owner is preparing environmental clearances to enable grant of the Mining Licence), this provides IRL with a platform for further growth in its mine contracting business and pursuit of its own projects such as the Aravalli Lead-Zinc Project.

Yours faithfully

**Arvind Misra**  
Managing Director

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