



# India Resources Limited

## QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 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*

- The September 2015 quarter was the first full quarter of production following the reopening of the Surda Copper Mine in June 2015, after several months of closure due to the suspension of mining by Hindustan Copper Limited (HCL) pursuant to a stop work order issued by the Jharkhand State Government, India in the previous financial year.
- Mining activities produced 82,837 tonnes at a recovery of 0.93% to produce copper metal in concentrate (MIC) of 712 tonnes for the September 2015 quarter.
- Two new loaders deployed at Surda to increase production.

#### *Project Development*

- Resumption of operations at the Surda Mine Expansion and Development project (SEPC project) is scheduled for late October 2015. Several issues between IRL, Shriram EPC Limited (SEPC) and HCL have been resolved.

#### *Exploration*

- IRL's 100% owned subsidiary, Crown Mining Private Limited (CMPL) continues to supply and present information to the Rajasthan Government to fulfill the requirements for the grant of a Mining Licence for the Aravalli lead-zinc project. A memorandum of understanding is being prepared by the Rajasthan Government.
- Funding opportunities are being investigated to finance ongoing exploration requirements for the Aravalli project.

#### *Corporate*

- Negotiations are continuing with HCL on outstanding receivables in relation to arbitration awards in favour of IRL and other claims and compensation for losses associated with the Surda work stoppage.

## OPERATIONS REPORT

### Surda Project

Since the recommencement of mining operations at the Surda Copper Mine in June 2015, the Company has completed its first three months of production. Mining activities produced 712 tonnes of copper metal in concentrate in the September 2015 quarter. Many obstacles have been overcome and many advances made including the introduction of two new loaders into Blocks 19 and 30. The loaders will replace two old loaders in each of these blocks and production is expected to increase from these areas by up to 30% due to the reduced maintenance.



*Block 30 raise: Reeling wheel of the new loader being lowered into Block 30*

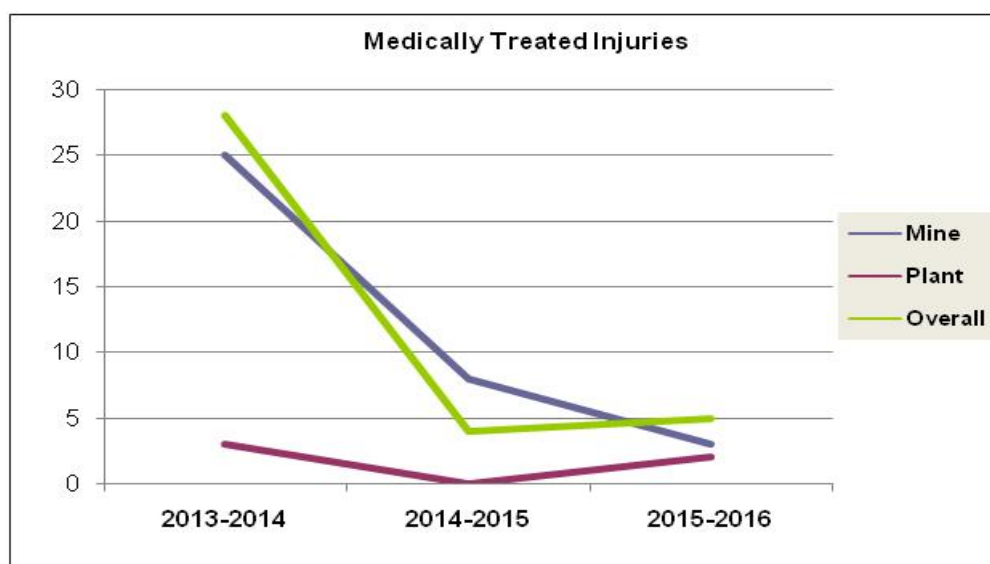
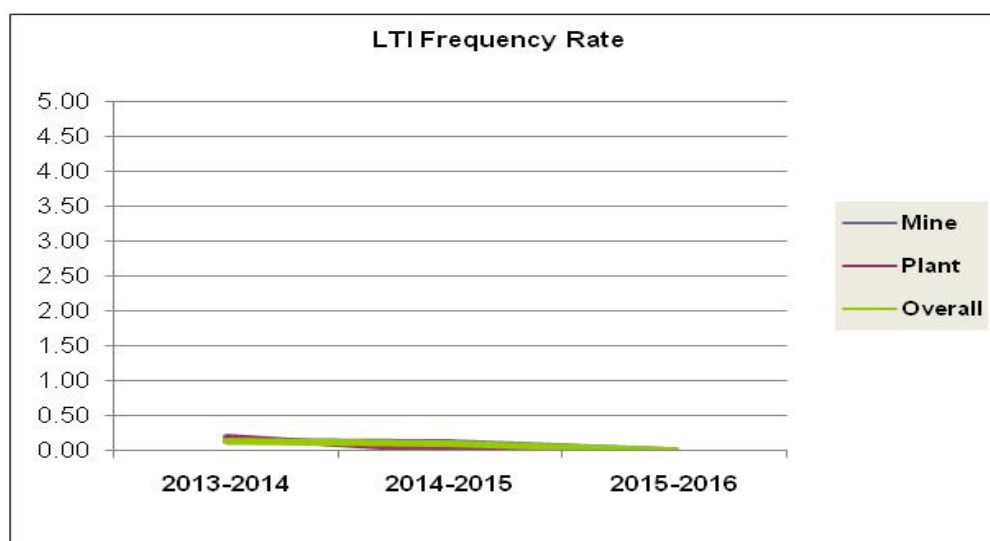


*Level 5 Plat: new loader engine block being transported to Block 30.*

### Safety

During the September 2015 quarter no lost time injuries (LTI) were recorded both at the Surda Mine and the Concentrator Plant. However, two injuries requiring medical treatment (MTI) occurred. LTI and MTI rates for the Surda operations are shown below.

Type of Injury	Mine	Plant
Lost Time Injury (LTI)	0	0
Medical Treatment Injury (MTI)	7	2
First Aid Treatments	19	0



## Production

The September 2015 quarter saw three months of production at the Surda Copper Mine compared to the June 2015 quarter of only a few days following the recommencement of operations in June 2015. Production for the quarter was as follows:

Quarterly Production	30 September 2015	30 June 2015
Ore Mined (Tonnes)	82,837	6,325
Ore Processed (Tonnes)	84,263	6,210
Mill Feed Grade (Cu)	0.93%	0.94%
Concentrate Produced (Tonnes)	3,239	208
Concentrate Grade (Cu)	25.91%	25.42%
Recovery	93.42%	92.54%
Metal in Concentrate (Tonnes) – Equivalent Mined	712.11	52.95
Metal in Concentrate (Tonnes) - Dispatched	761.86	14.88

***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. 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.

**BUSINESS DEVELOPMENT*****Rakha development project***

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

**EXPLORATION ACTIVITIES*****Aravalli (Base Metals)***

Crown Mining Private Limited (CMPL), IRL's wholly owned subsidiary, is continually preparing documents and carrying out functions required for its Aravalli Lead-Zinc Project, Rajasthan India. CMPL is in the process of obtaining a Mining Licence (ML87/2008) over the lead-zinc mineralisation, comprising an area of 17.29 km<sup>2</sup>. During the quarter, an exploration program was submitted to the Rajasthan Government that is designed to bring the project into the Measured and Indicated Resource categories from the previously reported exploration target status. The Government of Rajasthan has commenced preparing a memorandum of understanding that it will submit to the Government of India for approval prior to issuing a letter of intent to CMPL.

**FINANCE**

- Mine production was supported by HCL through weekly production payments.
- The HCL Claims Committee advised that it was accepting 9.73 Crores (\$1.95M) out of more than 50 crores (\$10M) being claimed by IRL from all of its advanced claims. This has left IRL with a net liability to HCL of 7.0 crores (\$1.4M). HCL has advised that it would set up another Claims Committee to again review the claims.
- Funding opportunities continue to be investigated to finance ongoing exploration requirements for the Aravalli project. The focus is to fund the project through Indian investors who recognise is the project as a world class project.

## STATUS OF LEGAL AND ARBITRATION CASES

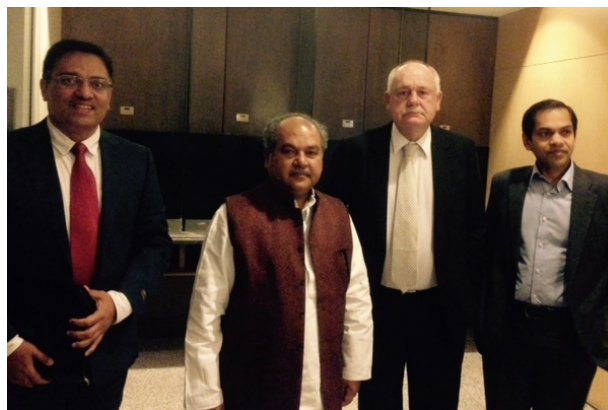
- IRL has resolved the majority of the legal actions that were pending in the courts of Jharkhand. It is expected that the remaining cases will be resolved within the next few months.
- Other than the disputed TDS tax assessment case of Swan Gold Mining Limited, there is no litigation currently in existence where any claim is made by any party against IRL. This case is however pending with the Tribunal Bench due to hold hearings in February 2016, although IRL is attempting trying to secure an early date for resolution of this matter.

## CORPORATE ACTIVITIES

- Positive discussions were held between IRL's Chairman Andrew Simpson, Managing Director Arvind Misra and the Chairman and Managing Director of HCL during their recent visit to Perth to resolve claims and promote possible future expansion programs.
- Strong relations between the Mines Minister, Government of India and IRL's Chairman and the Managing Director were forged during his recent visit to Perth. At the meeting IRL's Aravalli lead-zinc project in Rajasthan, India was presented, including a project outline, timeline and the ongoing program was discussed and well received by the Minister who gave his assurance of support for IRL's project.



IRL Chairman Andrew Simpson and Managing Director Arvind Misra with the Chairman and Managing Director of HCL.



Minister of Mines, Government of India centred between Andrew Simpson and Arvind Misra.

**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
<b>Surda Project</b> Jharkhand State	Surda Mining Lease (Hindustan Copper Limited) Surda Underground development contract (Shriram EPC)	Right to mine (100%) Right to develop (100%)
<b>Rakha Project</b> Jharkhand State	Rakha Copper Mine Development and Mining Contract (HCL)	Right to develop (100%)
<b>Aravalli Project</b> Rajasthan State	Mining Lease 87/08 (partially granted LOI Rajasthan Government) Sathuddia Prospecting Licence application 56/10 (RP holder - preferential right)	100%
<b>Dharwar Diamond Project</b> Andra Pradesh State	Prospecting Licenses 306 and 309 (under renewal)	100%
<b>Bandara Diamond Project</b> 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")

**30 September 2015**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	2,767	2,767
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(2,736)	(2,736)
(d) administration – Perth Office	(189)	(189)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(71)	(71)
1.6 Income taxes paid	-	-
1.7 Other	15	15
<b>Net operating cash flows</b>	<b>(214)</b>	<b>(214)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(49)	(49)
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	-	-
<b>Net investing cash flows</b>	<b>(49)</b>	<b>(49)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(263)</b>	<b>(263)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(263)	(263)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(1)	(1)
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	(1)	(1)
	<b>Net increase (decrease) in cash held</b>	(264)	(264)
1.20	Cash at beginning of quarter/year to date	(1,477)	(1,477)
1.21	Exchange rate adjustments to item 1.20	(110)	(110)
1.22	<b>Cash at end of quarter <sup>1</sup></b>	(1,851)	(1,851)

<sup>1</sup> Cash at the end of the quarter includes the drawn down portion of a working capital overdraft facility of \$2,007,000 which is used specifically for the day to day operations at the Surda copper mine. Refer items 3.1 and 5.3.

**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	80
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	<p>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.</p>

**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 <sup>1</sup> (b) Other loan agreements	2,062	2,007
3.2 Credit standby arrangements	-	-

<sup>1</sup> Drawing facility based on levels of, and secured against, trade receivables and inventories at Surda mine. Available drawdown level as at 30 September 2015 was A\$2.062 million.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	-
4.3 Production	3,000
4.4 Administration	350
<b>Total</b>	<b>3,370</b>

### 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	76	333
5.2 Deposits at call	-	-
5.3 Bank overdraft	(2,007)	(1,887)
5.4 Other: term deposits used as guarantees	80	77
<b>Total: cash at end of quarter (item 1.22)</b>	<b>(1,851)</b>	<b>(1,477)</b>

### 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				

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b> Fully paid shares	1,000,590,776	1,000,590,776		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> Unsecured convertible notes				
7.6 Changes during quarter				
(a) Increases through issues:				
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i> Options over fully paid shares	2,000,000 2,000,000 6,000,000	- - -	<i>Exercise price</i> 6 cents 10 cents 0.25 cents	<i>Expiry date</i> 30.11.15 30.11.17 31.12.17
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

## 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: 29 October 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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