

4 July 2016

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

Dear Sir/Madam

TAX RESOLUTION AND SURDA OPERATIONS UPDATE

The appeal against the Indian Income Tax Office's (ITO) assessment against Swan Gold Mining Limited (for which IRL has indemnified Swan) for the 2012/13 financial year has been successful. The Commissioner of Income Tax (Appeals) noted the precedent set by the prior year and that the appellant had raised valid issues.

The 2010/11 financial year was not appealed and is now complete, so the 2010/11 and 2011/12 financial years are completed and 2012/13 has now been won in appeal. Furthermore, the tax circumstances for the 2013/14 year onwards are more favourable than the earlier years.

IRL is now in a position to recover several years of tax deducted at source held by the ITO. The Company is working to recover nearly 20M INR (\$0.4M) within months.

\$1 million has been received from Hindustan Copper Limited (HCL) since an agreement was reached with HCL last month. HCL appears to be following the recently agreed payment plan. Shaft sinking is expected to commence in early July 2016. The review being undertaken by the Independent External Monitor (IEM) regarding IRL's various claims against HCL remains in process.

Further updates will be provided as soon as available.

Yours faithfully

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Managing Director

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