



QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 June 2016

Level 1
18 Kings Park Road,
West Perth
Western Australia
6005

Tel +61 8 9327 7400
Fax +61 8 9327 7499
ABN 77 121 339 704

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

- Copper ore processed for the June 2016 quarter was 77,128 tonnes at 0.84% Cu to produce copper metal in concentrate (MIC) of 590 tonnes (equivalent mined).
- Both tonnes processed and MIC tonnes produced were below the previous quarter, due to industrial action and lengthy delays in payments from Hindustan Copper Limited (HCL), the mine owner. These matters have now been resolved.

Project Development

- Shaft sinking at the Surda Mine Expansion and Development project (SEPC project) achieved 3.9 metres in the June 2016 quarter and has, after statutory checks, been granted approval by the Directorate General of Mines Safety (DGMS) to commence sinking below 60m.
- All development advances composed of drives, raises and cross-cuts of the SEPC project totalled 83.5 metres for the June 2016 quarter.

Aravalli Project

- Crown Mining Private Limited (CMPL), a wholly owned subsidiary of India Resources Limited (IRL), has submitted its reply to the Government of Rajasthan (GOR) mining office at Rajsamand seeking a new order to submit the application fee for the agreed area of 17.29 km² not the original 24 km² area. The GOR has not yet responded to the submission.
- CMPL is continuing to contest in the tribunal court, Revision Authority, Ministry of Mines, New Delhi a revision petition filed by Hindustan Zinc Limited (HZL). The GOR has not yet filed its reply. The Revision Authority has instructed GOR to maintain the status quo until the matter is heard by the Revision Authority.

Corporate

- The appeal against the Indian Tax Office's assessment against Swan Gold Mining Limited (renamed Eastern Goldfields Limited) for the 2012/13 financial year was successful. The 2010/11 financial year was not appealed by the Tax Office and so is now complete, meaning that the 2010/11, 2011/12 and 2012/13 years are completed. Steps are being taken to expedite the tax refund for 2012/13 financial year.
- Compliance requirements in India for registration of the change of name of Swan Gold Mining Limited to Eastern Goldfields are almost complete.
- Meetings were held at the Prime Minister's Office and Minister level to seek a determination on the Company's pending claims with Hindustan Copper Limited (HCL). Although commitment has been shown by these officials, progress remains slow.

OPERATIONS REPORT

Surda Project

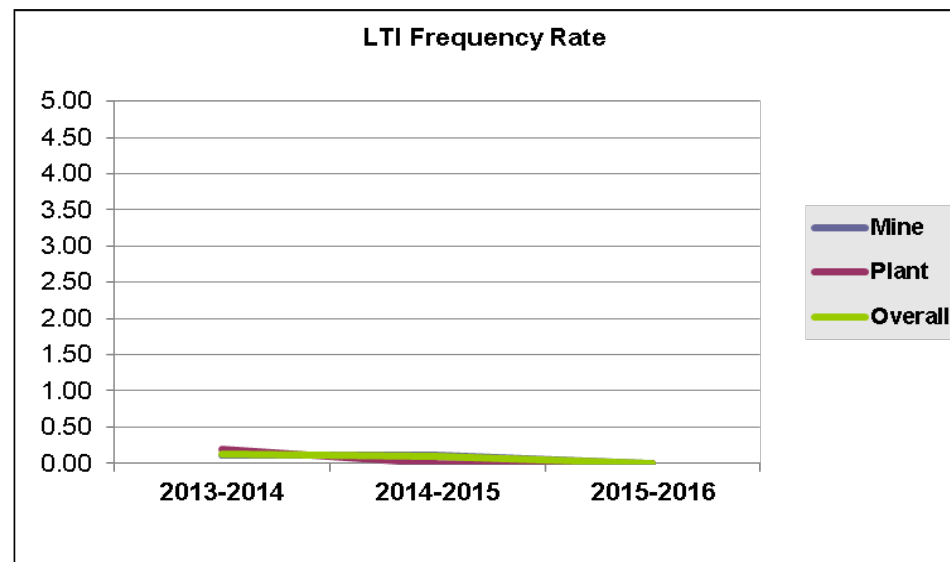
Copper production for the June 2016 quarter amounted to 590 tonnes of copper metal in concentrate (equivalent mined).

Safety

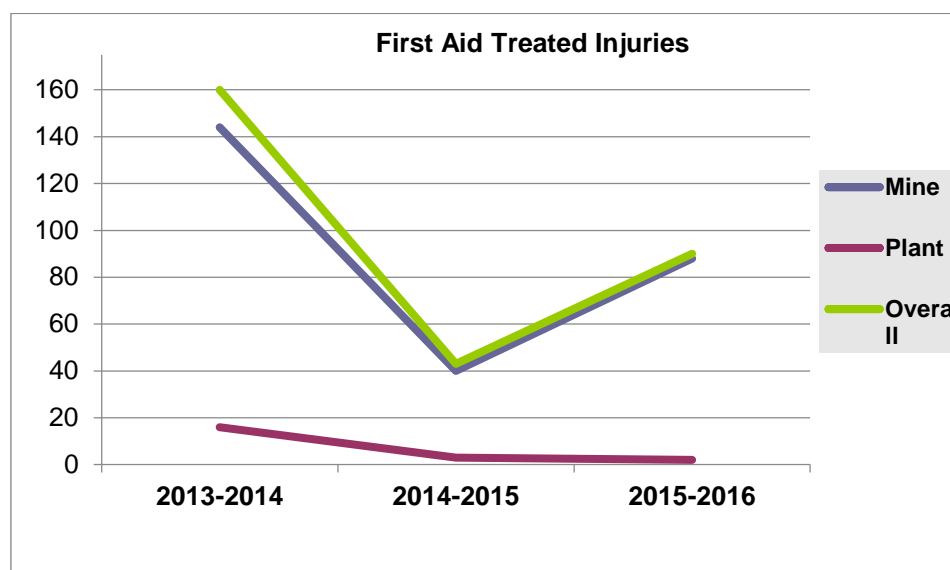
During the June 2016 quarter, one lost time injury (LTI) and one medical treatment injury (MTI) occurred at the Surda mine. Altogether, there were 14 first aid treatments, a significant improvement on the previous quarter. See below table and graphs.

June 2016 quarter

| Type of Injury | Mine | Plant |
|--------------------------------|------|-------|
| Lost Time Injury (LTI) | 1 | 0 |
| Medical Treatment Injury (MTI) | 1 | 0 |
| First Aid Treatments | 12 | 2 |



Graph Showing Lost Time Injuries Frequency Rate at Surda Mine



Graph Showing First Aid Injuries at Surda Mine

Production

The tonnes and grade mined and processed in the June 2016 quarter were below the March quarter. Mining was hampered by industrial action and reduced material supplies for the mining purpose as a result of payment delays and disputes with HCL. Dewatering of the Surda mine was blocked by the industrial action causing flooding of level 11 and hampering mining of Shaft 3's level 11 stopes. Mining returned to normal in the second half of July 2016.

| Quarterly Production | 31 March 2016 | 30 Jun 2016 |
|--|---------------|-------------|
| Ore Mined (Tonnes) | 94,331 | 76,846 |
| Ore Processed (Tonnes) | 95,127 | 77,128 |
| Mill Feed Grade (Cu) | 0.86% | 0.84% |
| Concentrate Produced (Tonnes) | 2,965 | 2,310 |
| Concentrate Grade (Cu) | 24.96% | 25.51% |
| Recovery | 93.00% | 92.81% |
| Metal in Concentrate (Tonnes) – Equivalent Mined | 742 | 590 |
| Metal in Concentrate (Tonnes) - Dispatched | 748 | 601 |

Surda Expansion Project

The Surda Expansion contract achieved 83.5 metres for the June 2016 quarter, (this is less than March 2016 quarter of 95.9 metres because of industrial action by the work force) of horizontal driving, raising and cross-cutting and 3.9m of Shaft sinking (Shaft 5), for the June 2016 quarter. Highlights are as follows:

- Footwall lode reached and driving and raising commenced Shaft 4, Level 10.
- Shaft 3, Level 12, small loader (cavo) installed, temporary shoot fixed, driving commencing in earnest and a high grade lode intersected.
- Statutory inspections of Shaft 5 for sinking below 60m complete and approval granted by Directorate General of Mines Safety (DGMS)

Next quarter:

- High speed shaft sinking is expected to commence in the next quarter at the Surda, Shaft 5
- Drive development north and south at Shaft 3, Level 12.
- Drive and raising at Shaft 4, Level 10.



Shaft 5: Photo taken from Shaft 3



Shaft 5: Photo taken at Shaft 5 collar looking down at the lined 7m diameter shaft

BUSINESS DEVELOPMENT

Rakha development project

HCL has cancelled the Letter of Intent (LOI) awarding the Rakha development project to the IRL-KOPEX consortium because of HCL inability to obtain the necessary approvals for its mining lease. IRL has written to the Indian Ministry of Mines stating that such a unilateral cancellation of a LOI is not transparent as the consortium of Kopex Shaft Sinking Company and IRL had no role in the statutory approvals.

EXPLORATION ACTIVITIES

Aravalli (Base Metals)

IRL's cornerstone exploration prospect is the Aravalli lead-zinc-silver project. Crown Mining Private Limited (CMPL) a wholly owned subsidiary of IRL, has replied to the Rajsamand Mining Office, Rajasthan's request to consider only the agreed 17.29 km² not the original 24 km² area for its application fee deposit for the Aravalli mining license (the deposits are at a rate of 5Lak/km² Indian rupees or (\$10,000AUD/km²). As yet no reply has been received by CMPL.

At the request of the Geological Survey of India (GSI) Rajsamand office a submission was made showing a table of drill holes of GSI boreholes and CMPL boreholes used in CMPL's submission for the Aravalli project.

Bhandara and Dharwar (Diamonds)

Letters were submitted to the Directors of Mines in Odisha and Andhra Pradesh States for the grant of outstanding prospecting licenses, PL's 410 and 306 and 309.

FINANCE

- Copper production at the Surda mine was below target for the quarter due primarily to an illegal strike by mine workers. However, the mine is now back to operating at normal rates of production.
- To date, the support of the Group's work force and creditors is being managed and maintained. Cash flow and working capital limitations have required the continued goodwill from all stakeholders to sustain the business.
- The Surda Expansion Project is expected to achieve clearances in the first week of August 2016, which will allow costs to reduce and shaft sinking revenue to begin in the September 2016 quarter.
- Axis Bank continues to provide temporary overdrafts of 10M INR (\$0.20M). Discussions are continuing to replace the temporary overdraft facility with an overdraft for the Surda Expansion Project.
- Discussions continued with potential investors in India, Australia, the United States and the United Kingdom for funding for the development of the Aravalli project.
- Procedures have commenced with the Indian Tax Department for the tax refunds on previous assessments for Eastern Goldfields Limited for the 2012/13 financial year. It is expected that the refunds for tax deducted at source for IRL will be available by the end of this year.

LEGAL AND ARBITRATION CASES

- IRL secured a Kolkata High Court order against HCL restraining HCL from arbitrary deductions from sales invoices for copper deliveries. This was later negotiated with HCL and the proceedings were withdrawn.
- An arbitration notice was served on HCL to seek a determination on a number of pending issues. This notice was withdrawn on a without prejudice basis as HCL agreed to IRL's participation in resolving the outstanding issues through an Independent Expert Monitor.

CORPORATE ACTIVITIES

Meetings were held at the Prime Minister's Office and Mines' Minister level to seek a determination on IRL's pending claims with HCL. Although commitment has been shown by these officials, progress remains slow.

During the quarter, HCL declined to pay the full amount of sales invoices for copper deliveries despite a Court Order requiring payments to be made. Following negotiations with HCL, the proceedings were withdrawn and a provisional agreement was reached. Both the parties now desire to find a reasonable and sensible way forward so that the potential suspension of operations at the Surda mine and the Mosaboni plant can be avoided.

A meeting was held at the Mining Secretary level to progress settlement discussions for advanced claims (\$2.2M) and offset other claims (\$10M) with the grant of an extension of the Surda contract until March 2020. The current Surda works order contract (100% right to mine by IRL) is due to expire on 31 March 2017 or at a date when the SEPC contract finishes, whichever is later. SEPC has sought an extension of its contract for 32 months on the Force Majeure grounds as allowed for in the contract. This will extend the SEPC contract until the end of 2019. The Surda contract has similar Force Majeure extension clauses and IRL has asked HCL to formally extend the contract. HCL has not responded to these contractual requests as yet and has advertised globally for expressions of interest by interested parties for the Surda operations and development.

HCL, IRL and SEPC remain in discussions to discuss a finish date of the contract. IRL believes it has a sound legal basis to extend the contract however until a written agreement is signed between the parties there remains uncertainty if the Company can continue with the contract.

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

| | |
|-----------------|--|
| Postal address: | PO Box 869, West Perth, Western Australia 6872 |
| Telephone: | (+61 8) 9327 7444 |
| Facsimile: | (+61 8) 9327 7499 |
| E-mail: | admin@indiaresources.com.au |
| Web-site: | www.indiaresources.com.au |

TENEMENT DIRECTORY

| Projects - India | Tenement number | Beneficial interest |
|--|--|--|
| Surda Project Jharkhand State Rakha 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% |
| Dharwar Diamond Project Andhra 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")

30 June 2016

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | 2,061 | 10,119 |
| 1.2 Payments for (a) exploration and evaluation | - | - |
| (b) development | - | - |
| (c) production | (1,993) | (9,904) |
| (d) administration – Perth Office | (57) | (551) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | 2 |
| 1.5 Interest and other costs of finance paid | (1) | (131) |
| 1.6 Income taxes paid | - | - |
| 1.7 Other – scrap sales | - | 20 |
| Net operating cash flows | 10 | (445) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (1) | (160) |
| 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 | - | - |
| Net investing cash flows | (1) | (160) |
| 1.13 Total operating and investing cash flows (carried forward) | 9 | (605) |

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | 9 | (605) |
| | Cash flows related to financing activities | | |
| 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) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other | - | - |
| | Net financing cash flows | - | (1) |
| | Net increase (decrease) in cash held | 9 | (606) |
| 1.20 | Cash at beginning of quarter/year to date | (1,990) | (1,477) |
| 1.21 | Exchange rate adjustments to item 1.20 | (24) | 78 |
| 1.22 | Cash at end of quarter ¹ | (2,005) | (2,005) |

¹ Cash at the end of the quarter includes the drawn down portion of a working capital overdraft facility of \$2,043,000 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 |
| 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 | 1,992 - | 2,043 - |
| 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 30 June 2016 was A\$1.992 million (100.0M INR). This limit includes a temporary overdraft facility of 10.0M INR (\$0.206M).

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | - |
| 4.2 Development | - |
| 4.3 Production | 2,000 |
| 4.4 Administration | 200 |
| Total | 2,200 |

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 | (42) | (65) |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | (2,043) | (2,004) |
| 5.4 Other: term deposits used as guarantees | 80 | 79 |
| Total: cash at end of quarter (item 1.22) | (2,005) | (1,990) |

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

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 Preference securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter | | | | |
| (a) Increases through issues | | | | |
| (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities 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 +Convertible debt securities Unsecured convertible notes | | | | |
| 7.6 Changes during quarter | | | | |
| (a) Increases through issues: | | | | |
| (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | | | <i>Exercise price</i> | <i>Expiry date</i> |
| Options over fully paid shares | 2,000,000 | - | 10 cents | 30.11.17 |
| | 6,000,000 | - | 0.25 cents | 31.12.17 |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | | | | |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <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: 28 July 2016

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.

== == == == ==