



India Resources Limited

QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2016

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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

- Copper ore processed for the March 2016 quarter was 94,391 tonnes at 0.86% Cu to produce copper metal in concentrate (MIC) of 742 tonnes (equivalent mined).
- Tonnes mined, processed, copper grade and MIC tonnes produced were above the previous quarter.

Project Development

- The Surda Mine Expansion and Development project (SEPC project) achieved 95.9 metres advance in raises drive and cross-cuts in the quarter. This is a significant improvement on the 65.2 metres achieved in the December 2015 quarter.
- Shaft 5 sinking equipment installations were completed and in early April 2016 old shaft cuttings were being lifted from the bottom of the shaft prior to sinking commencing.

Aravalli Project

- Crown Mining Private Limited (CMPL), a wholly owned subsidiary of IRL, has submitted a proposal to the Rajasthan Department of Mines and Geology to upgrade the status of the previously reported exploration target on the Aravalli project for grant of the mining licence.
- A stay order was granted to Hindustan Zinc Limited (HZL) pending the conclusion of its revision order against the rejection of its applications by the Government of Rajasthan and the administrative approval granted to CMPL. A further hearing date is awaited.

Corporate

- Swan Gold Mining Limited (now renamed Eastern Goldfields Limited, or EGS) successfully appealed through a tribunal against the Indian Income Tax Office's (ITO) assessment of 441M INR (\$9.2M) tax liability for the 2010/11 year. The ITO also chose not to appeal against EGS's successful appeal against the 345M INR (\$7.2M) tax liability in relation to the 2011/12 financial year, but the ITO has drafted an assessment order against EGS for the 2012/13 FY. EGS has appealed this latest assessment.
- Operations at the Surda mine continue to improve, and shaft sinking revenue is expected to commence early in the June 2016 quarter. Initial development and start-up costs incurred to prepare the project site are effectively completed.

OPERATIONS REPORT

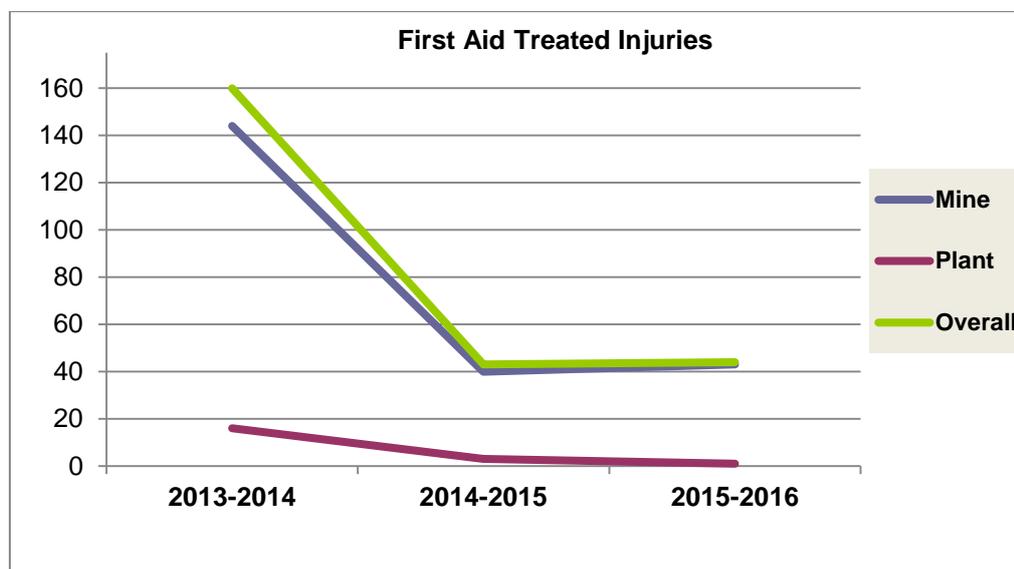
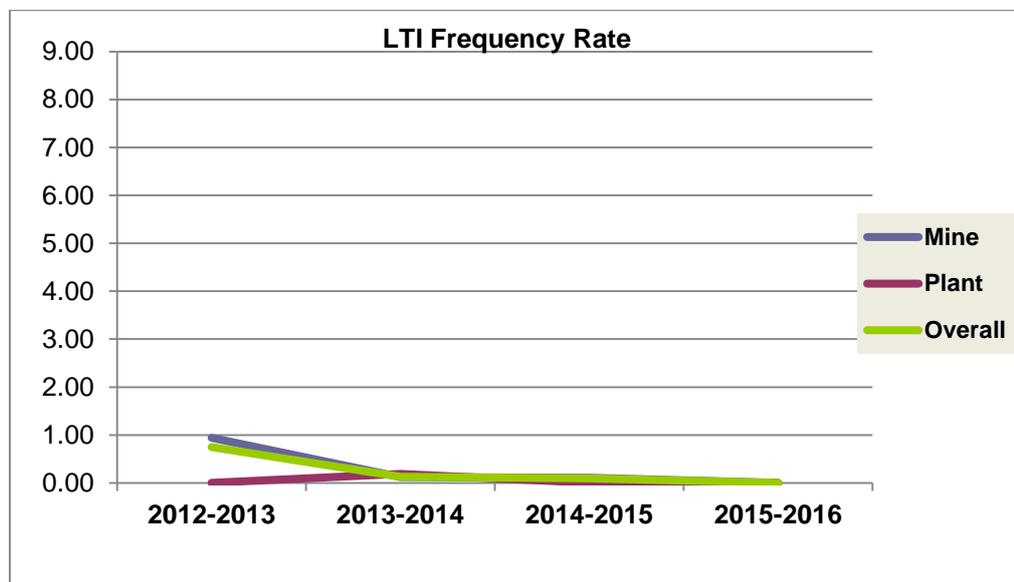
Surda Project

Mining activities by the Company produced 742 tonnes of copper metal in concentrate (equivalent mined) in the March 2016 quarter.

Safety

During the March 2016 quarter the Surda mine and Mosabani concentrator site incurred zero Lost Time Injuries (LTI). Two injuries requiring Medical Treatment (MTI) occurred at the Mine and zero at the Plant. 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)	2	0
First Aid Treatments	24	0



Production

Production in the March 2016 quarter is listed in the table below:

Quarterly Production	31 Dec. 2015	31 Mar. 2016
Ore Mined (Tonnes)	88,693	94,331
Ore Processed (Tonnes)	87,773	95,127
Mill Feed Grade (Cu)	0.85%	0.86%
Concentrate Produced (Tonnes)	2,698	2,965
Concentrate Grade (Cu)	24.94%	24.96%
Recovery	92.87%	93.00%
Metal in Concentrate (Tonnes) – Equivalent Mined	725	742
Metal in Concentrate (Tonnes) - Despatched	673	748

Additional ore tonnes were mined and processed to produce an increase of MIC tonnes (both equivalent mined and despatched) compared to the previous quarter. Every effort is being made to improve the copper grade from ore blocks. Continuous geological mapping and sampling is being undertaken to identify waste, low and high grade areas ahead of mining coupled along with training and improved supervision of mine staff to ensure faces are available, low grade blended with high grade and waste segregated to maintain copper grade.

Surda Expansion Project

The Surda Expansion Project achieved 95.9 metres advance in the March 2016 quarter compared to 62.5 metres of horizontal driving and cross-cutting for the previous quarter. Highlights were as follows:

- Level 12, Shaft 3 achieved three faces of development, driving north and south and cross cutting to make a loading point at this location. A scraper system was installed ready to continue raising at Level 10, Shaft 4.
- Level 10, shaft 4 cross-cut is nearly through to the footwall lode and will commence driving northward and once in the drive will present another raise position to develop.
- All Shaft 5 sinking installation work is complete and mucking of old material from shaft bottom commenced in early April 2016.

Next quarter:

- Shaft sinking of Shaft 5 is programmed to start in April 2016 after shaft cleaning of old material is completed.
- Driving north and south at Level 12, shaft 3.
- Drive and raising (in two positions) at Level 10, Shaft 4.
- Rise development Shaft 3 at Level 11 was halted until the Level 10 above is developed.
- A response is being sought to a proposal to carry out the geological exploration consisting of mapping, channel sampling and diamond drilling for the expansion project.

BUSINESS DEVELOPMENT

Rakha development project

The consortium of IRL and Kopex Shaft Sinking Company (Kopex PBSz) continues to wait for HCL to obtain the forest clearances and resolve an overlapping lease boundary with a uranium mine for this project prior to signing the contract and commencing this work.

IRL continues to advance financial modelling for this project in parallel with discussions with the Axis Bank and potential investors.



Shaft 5: Sinking head gear with dump shoots attached



Shaft 5: Sinking headgear with safety ladder attached

EXPLORATION ACTIVITIES

Aravalli (Base Metals)

- Crown Mining Private Limited (CMPL), a wholly owned subsidiary of IRL, has submitted a proposal to the Rajasthan Department of Mines and Geology to upgrade the status of the previously reported exploration target for grant of the mining licence.
- A stay order was granted to Hindustan Zinc Limited (HZL) pending the conclusion of its revision order against the rejection of its applications by the Government of Rajasthan and the administrative approval granted to CMPL. A further hearing date is awaited.
- The Government of Rajasthan's memorandum of understanding remains pending as the parties await outcomes from the project's funding and legal issues.

Bhandara and Dharwar (Diamonds)

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

FINANCE

- Copper production at the Surda mine is slowly improving and the group is approaching break even with site costs remaining well contained. The support of the group's workforce and creditors is being managed and maintained.
- 19M INR (\$0.4M) invested to date in the Surda Expansion shaft sinking site is almost complete, which will allow costs to reduce and shaft sinking revenue to begin early in the June 2016 quarter.
- The Axis Bank continues to provide temporary overdrafts of 10M INR (\$0.20M). Discussions continue to replace the temporary overdraft facility with an overdraft for the Surda Expansion Project. Financing for the Rhaka project also remains in discussion.
- Discussions continued with potential investors in India, Australia, the United States and the United Kingdom for funding for the Aravalli project.

STATUS OF LEGAL AND ARBITRATION CASES

- Swan Gold Mining Limited (now renamed Eastern Goldfields Limited, or EGS) successfully appealed through a tribunal against the Indian Income Tax Office's (ITO) assessment of 441M INR (\$9.2M) tax liability for the 2010/11 year. The ITO also chose not to appeal against EGS's successful appeal against the 345M INR (\$7.2M) tax liability in relation to the 2011/12 financial year.
- The ITO has now drafted an assessment order against EGS for the 2012/13 FY which has been appealed by EGS. The 2013/14, 2014/15 and 2015/16 years remain protected by the Circular issued by the Central Board of Direct Taxes.
- IRL is working to conclude these matters as it has indemnified EGS against all liabilities arising in regards to the Surda Project, and it continues to seek the release of several years of tax deducted at source it is entitled to that remain blocked by these issues.

CORPORATE ACTIVITIES

All efforts to further resolve outstanding claims against Hindustan Copper Limited (HCL) through lobbying and/or through the HCL claims committees concluded unsuccessfully shortly after the end of the quarter. This has enabled IRL to commence various legal actions against HCL.

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.

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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)	Right to mine (100%) Right to develop (100%)
Rakha Project Jharkhand State	Rakha Copper Mine Development and Mining Contract (HCL)	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 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 2016

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	2,857	8,058
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(2,961)	(7,911)
(d) administration – Perth Office	(180)	(494)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	(130)
1.6 Income taxes paid	-	-
1.7 Other – scrap sales	5	20
Net operating cash flows	(277)	(455)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(47)	(159)
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	-	-
Net investing cash flows	(47)	(159)
1.13 Total operating and investing cash flows (carried forward)	(324)	(614)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(324)	(614)
	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	(324)	(615)
1.20	Cash at beginning of quarter/year to date	(1,762)	(1,477)
1.21	Exchange rate adjustments to item 1.20	96	102
1.22	Cash at end of quarter ¹	(1,990)	(1,990)

¹ Cash at the end of the quarter includes the drawn down portion of a working capital overdraft facility of \$2,004,000 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	139
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	1,970 -	2,004 -
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 2016 was A\$1.970 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	3,000
4.4 Administration	250
Total	3,250

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	(65)	230
5.2 Deposits at call	-	-
5.3 Bank overdraft	(2,004)	(2,071)
5.4 Other: term deposits used as guarantees	79	79
Total: cash at end of quarter (item 1.22)	(1,990)	(1,762)

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> Options over fully paid shares	2,000,000 6,000,000	- -	<i>Exercise price</i> 10 cents 0.25 cents	<i>Expiry date</i> 30.11.17 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: 29 April 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.

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