



India Resources Limited

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MEDIA RELEASE

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INDIA RAISING \$20 MILLION TO DOUBLE COPPER PRODUCTION

Diversified minerals explorer India Resources (ASX:IRL) will raise up to \$20 million through a share rights issue and additional capital raising, to drive development of its Surda copper project in India and fund further exploration to leverage India's resources potential.

Through a share rights issue, IRL plans to raise \$16.4 million through the offer of 81.8 million shares at 20 cents per share. The shares will be made available to eligible shareholders on the basis of one new share with a free attaching option for every share held at the record date of 17th October.

The company is also embarking on an additional capital raising program for \$3.6 million through a share placement to sophisticated investors by issuing up to 18 million shares at 20 cents per share with free attaching options.

India Resources Chairman Michael Kiernan said the funds would be used for the Surda copper project in eastern India into production next month, following the raising of first ore from the mine in September and fund an ultimate doubling of production.

"We are now on the cusp of full time mining at Surda, with trial mining expected to commence in early November, two months ahead of schedule," Mr Kiernan said.

"Refurbishment work on the mine and the associated Mosaboni concentrator is nearly complete, with a team of more than 200 people on the ground making great strides, and all key plant and infrastructure in place or on order," Mr Kiernan said.

IRL, in alliance with Hindustan Copper Limited, has a current annual production target of 4,500 tonnes of copper concentrate.

"It is the Board's goal to double production over the 12 months and move towards profitability for India Resources' shareholders."

Mr Kiernan added India Resources was also continuing a strategic exploration program on a range of commodities throughout India, to capitalise on the largely undeveloped potential in the country.

The Company has achieved recent exploration success at its Aravalli project area, and has been granted a new in the Bundelkhand Diamond project. Further exploration is underway on these projects.

He said the company aimed to leverage quality projects, leading edge mining techniques, and access to one of the world's largest markets.

"We are bringing cost effective Australian mining techniques and know how to India to deliver a lower cost product to the awakening tiger's economy," Mr Kiernan said.

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About India Resources

The company is headquartered in Perth, Western Australia with the primary objective to maximize shareholder wealth by capital growth and dividend through the discovery of economic mineral deposits and the development of profitable mining operations.

IRL is applying Australian exploration expertise and cost effective mining techniques to project in India, to capitalise on country huge growth and market opportunities.

The Company's portfolio of assets comprises:

Hindustan Copper Limited - Surda Mine

The Company has the benefit of an alliance with Hindustan Copper Limited (HCL - a Government of India enterprise) with the initial focus on identifying existing operations and areas where large-scale mineralisation has been proven. HCL is the sole integrated producer of primary copper in India and is listed on the Mumbai, Delhi, Kolkata and Madras exchanges.

IRL, in alliance with HCL, plans to re-open and operate the Surda Mine with an initial objective of delivering annual production of 4,500 tonnes of copper concentrate. The HCL Surda Mine closed in January 2003 and for the six years prior produced a total of 1,473,000 tonnes at an average grade of 0.9% copper.

Hindustan Copper Limited – Exploration MOU

IRL has the benefit of a Memorandum of Understanding (MOU) for general exploration on HCL's various leases including tenure around the Surda Mine, and around HCL's current operations at Malanjhand and Khetri. IRL will undertake detailed evaluation of exploration areas to be determined in consultation with HCL.

Aravalli Project

Through IRL's in-country consultants, the Company has acquired two Reconnaissance Permits in Rajasthan (north western India). The permits cover a combined total of more than square kilometers. The Aravalli Proterozoic metamorphic belt is prospective for copper, lead, zinc as well as gold. IRL has recently completed a reconnaissance drilling program with positive results.

Coal

As has happened in China, India's rapidly growing economy is driving a surge in demand for power. IRL is currently seeking suitable projects for rights to explore and develop coal projects in India.

Diamonds

The Company's diamond initiative will focus on the Bhandara Diamond Project which consists of seven granted Reconnaissance Permits in Orissa, as well as three Reconnaissance Permit applications in Chhattisgarh, located in the region of several kimberlite ore bodies.

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