



India Resources Limited

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Manager Announcements
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

EARLY SETTLEMENT OF CONVERTIBLE NOTE FACILITY

The directors of India Resources Limited (Company) advise that the Company has entered into an agreement for the early settlement of the convertible note facility with La Jolla Cove Investors Inc (La Jolla).

The La Jolla facility was entered into in September 2009 and provided for the issue of up to four convertible notes each with a face value of US\$1,500,000. To date, two convertible notes have been issued and after voluntary conversions by La Jolla, the current combined principal balance outstanding of the notes amounts to US\$470,169.

Under the terms of the settlement and mutual release agreement, the Company will make a payment of US\$150,000 to La Jolla and the principal balance of the second convertible note will be increased by an amount of US\$250,000. Other key terms of the agreement are as follows:

- the maturity date of the two notes will be extended to 31 December 2014.
- subject to compliance with ASX Listing Rules and shareholder approval (if required), the Company will grant one option for every five shares issued to La Jolla upon the conversion of the existing convertible notes. The option entitlement applies to each US\$100,000 of conversions by La Jolla up to US\$546,490. The options will be exercisable at 2.5 cents each on or before 31 December 2014.
- a daily limit applies to the number of shares able to be traded by La Jolla.
- upon the date that the combined principal balance of the notes is less than US\$250,000, the interest rate of the notes will be reduced from 4.75% to nil. In addition, the conversion price of the notes shall be the lesser of A\$0.026 or 85% of the average of the 3 lowest volume weighted average prices of the Company's shares in the 21 trading days prior to the election to convert.
- the rights and obligations of La Jolla to purchase additional convertible notes is cancelled.

The directors wish to acknowledge the support provided to the Company by La Jolla over the last 12 months and look forward to a continuing strong relationship between the parties.



Yours faithfully

Arvind Misra
Managing Director

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