



India Resources Limited

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

Dear Sir/Madam

UPDATE - FINALISATION OF \$5.5 MILLION PLACEMENT FACILITY

The directors of India Resources Limited (Company) are pleased to advise that the Company has signed an agreement for the establishment of a \$5.5 million equity funding facility (Facility) with the Chimaera Equity Market Neutral Fund (Chimaera EMN). The Facility was arranged by Empire Equity Limited, a London based private merchant bank.

The key terms of this agreement are materially similar to those set out in our announcement of 21st February 2011. Some of the key elements of this Facility are

- Initial subscription is reduced to \$500,000 [Initial Subscription] of which the first \$310,000 has been subscribed by Chimarea EMN for 15,500,000 shares at \$0.02c per share.
- The balance of \$190,000 will be subscribed by Chimaera EMN for 12,666,667 million shares at \$0.015 per share within 21 days.
- The Facility is subject to shareholder approval
- The maximum draw down will be the greater of 7 x Trading Volume or 10,000,000/Purchase Price.
 - Trading Volume means the average daily number of shares traded on the ASX for the 15 consecutive days subsequent to a draw down notice issued by the Company. Purchase Price means the subscription price per share for the drawdown shares expressed as cents per share and determined as the lesser of:
 - 90% of the volume weighted average traded price of shares on the ASX during the pricing period and
 - 130% of the volume weighted average traded price of shares for the 15 day period ending on the day prior to the date on grant of Share holder approval.
- Any drawdown of the Facility above the Initial Subscription will be at the Company's sole discretion.
- The Company's secured creditor, Noble Group, has consented to the Facility.



A general meeting of the shareholders will be called soon to seek approval for the Facility.

The Company has postponed its consideration of a Share Purchase Plan.

Yours faithfully



Arvind Misra

Managing Director

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