



**India Resources Limited**

A.C.N.121 339 704

**MEDIA RELEASE**

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## **INDIA RESOURCES \$10 M IPO HEAVILY OVERSUBSCRIBED**

India Resources Limited (IRL) has closed its Initial Public Offer heavily oversubscribed, having raised \$11 million to develop its suite of resources opportunities in India.

The offer opened on April 23 when IRL sought to raise \$10 million with an oversubscription facility of \$1 million. The heavy demand for the offer resulted in a complete take up of the IPO and the full oversubscription facility.

Through the IPO, IRL offered 50 million shares at an issue price of \$0.20 each, with attached listed options. IRL proposes to list on the ASX in late May.

IRL chairman Michael Kiernan said the strong demand for IRL shares from both institutional and retail shareholders was recognition of the quality of the company's assets and opportunities for growth in India.

"We welcome new shareholders on board, and look forward to driving the projects in India to the next phase," Mr Kiernan said.

"We believe that investors have a great opportunity within the Indian resources industry, which is not as developed to the extent as Australia's and South Africa's, primarily due to the lack of exploration and cost-effective mining techniques.

"India has world class ore bodies and we look forward to growing our local relationships to mine resources using Australian cost effective mining techniques," Mr Kiernan said.

India Resources primary project is the previously operated Surda copper mine in the Singhbhum copper belt in India. In alliance with Hindustan Copper Limited (a Government of India enterprise), IRL has an annual production target of 4,500 tonnes of copper concentrate.

Mr Kiernan said IRL primary focus now was to continue moving toward re-opening of the Surda mine over the coming year. The mine closed in 2003 and for the six years prior produced 1,473,000 tonnes at an average grade of 0.9% copper. He said IRL would also investigate development of a diverse range of other resource opportunities in India.

"There is a growing view within India that the Australian mining industry can deliver the expertise to drive efficient extraction of resources to meet domestic demand.

"The key indicators show India is expected to achieve GDP growth of at least 9% in the coming year" Mr Kiernan said.

"While attention has focused on China's spectacular economic progress in recent years, India has quietly surged to be the world's fourth-largest economy (after the United States, China and Japan)," Mr Kiernan said.

Carmichael Capital Markets Pty Limited was the Lead Manager to the Offer.

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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.

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 Malanjkhand 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 first permit is 50 kms North East of Udaipur with 1,900 square kms in area and the second permit is 20 kms South East of Ajmer with 670 square kms in area. The Aravalli Proterozoic metamorphic belt is prospective for copper, lead, zinc as well as gold.

### Coal

IRL is currently holding discussions with Cook's Construction Pty Ltd, Australia's largest privately owned earth moving and mining contracting company with extensive coal mining experience, with a view to establishing a joint venture. It is intended that any resulting joint venture entity would apply 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. The projects will be acquired by IRL shortly, subject only to some formalities to be completed by the current holders.

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