



# **India Resources Limited**

ABN 77 121 339 704

## **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY MEMORANDUM**

### **PROXY FORM**

**Date and time of meeting**

25 November 2010 at 10.00 a.m.

**Place of meeting**

Celtic Club  
48 Ord Street  
West Perth, Western Australia

# INDIA RESOURCES LIMITED

ABN 77 121 339 704

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the fourth annual general meeting of shareholders of India Resources Limited (Company) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 25 November 2010 at 10.00 a.m.

### AGENDA

#### ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2010.

To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions.

**1. Re-election of David Humann as a director**

“That Mr David Humann, having been appointed as a director of the Company on 22 July 2010, and being eligible for re-election in accordance with Clause 14.3 of the Constitution, is hereby re-elected as a director of the Company.”

**2. Re-election of Andrew Simpson as a director**

“That Mr Andrew Simpson, being a director of the Company, retires by rotation in accordance with Clause 14.4(a) of the Constitution and being eligible for re-election, is hereby re-elected as a director of the Company.”

To consider and if thought fit to pass, with or without amendment, the following resolution as a non-binding resolution.

**3. Remuneration report**

“That for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as contained in the annual financial report of the Company for the year ended 30 June 2010.”

#### SPECIAL BUSINESS

To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions.

**4. Approval for issue of shares to consultants**

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the allotment and issue of:

- (a) 1,000,000 Shares to Barry Hodgkinson;
- (b) 500,000 Shares to Andrew Kohler; and
- (c) 500,000 Shares to Satish Chandra Gupta,

or their respective nominees, on the dates and on the terms set out in the Explanatory Memorandum.”

*The Company will disregard any votes cast on Resolution 4 by Barry Hodgkinson, Andrew Kohler and Satish Chandra Gupta and any of their associates and any other person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed.*

**5. Variation of terms of securities issued to La Jolla Cove Investors Inc**

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the variation in the terms of the La Jolla Notes, for the purposes and on the terms set out in the Explanatory Memorandum.”

*The Company will disregard any votes cast on this resolution by La Jolla Cove Investors Inc and any of its associates.*

**6. Ratification of securities issue**

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 39,500,000 Shares with two free attaching Options for every five Shares issued, to the parties and for the purposes and on the terms set out in the Explanatory Memorandum.”

*The Company will disregard any votes cast on this resolution by Empire Equity Limited and Antonius Bohnnen and any of their associates.*

**7. Grant of Director Options to Directors**

“That for the purposes of Section 208 and 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of a total of 4,250,000 Director Options to the Directors of the Company (or their respective nominees) on the terms set out in the Explanatory Memorandum.”

*For the purposes of ASX Listing Rule 10.13, the Company will disregard any votes cast on Resolution 7 by Mr Andrew Simpson, Mr Arvind Misra, Mr David Humann and Mr Craig Readhead and any of their associates.*

**8. Authority for issue of options pursuant to Employee Share Option Plan**

“That for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, shareholders approve as an exception to the 15% limit in ASX Listing Rule 7.1, any issue of options made within the next three years pursuant to the India Resources Limited Employee Share Option Plan (as amended from time to time), further details of which are set out in the Explanatory Memorandum.”

*The Company will disregard any votes cast on this resolution by any employees of the Company, Mr Andrew Simpson, Mr Arvind Misra, Mr David Humann or Mr Craig Readhead and any of their associates.*

By order of the Board

**Frank Campagna**  
Company Secretary

Perth, Western Australia  
12 October 2010

**VOTING EXCLUSION NOTE**

Where a voting exclusion applies, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**PROXIES**

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company. A proxy form is attached. If required it should be completed, signed and returned to the Company’s registered office in accordance with the proxy instructions on that form.

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held Shares in the Company as at 5.00 p.m. on 23 November 2010.

## **INDIA RESOURCES LIMITED**

ABN 77 121 339 704

### **EXPLANATORY MEMORANDUM**

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This explanatory memorandum has been prepared for the information of shareholders of India Resources Limited in connection with the business to be considered at the forthcoming Annual General Meeting of the Company and should be read in conjunction with the accompanying Notice of Meeting.

#### **ANNUAL FINANCIAL REPORT**

The financial report of the Company for the year ended 30 June 2010 (including the financial statements, directors' report and auditors' report) was included in the 2010 annual report of the Company, which was distributed to shareholders along with this Notice of Meeting. A copy of these reports may also be accessed by visiting the Company's web-site at [www.indiaresources.com.au](http://www.indiaresources.com.au) or the ASX web-site at [asx.com.au](http://asx.com.au).

There is no requirement for shareholders to approve these reports. However, time will be allowed during the Annual General Meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

#### **RESOLUTION 1 - RE-ELECTION OF DAVID HUMANN AS A DIRECTOR**

Mr David Humann was appointed as an additional director of the Company since the last annual general meeting of the Company.

In accordance with Clause 14.3 of the Constitution and ASX Listing Rule 14.4, any director appointed to fill a casual vacancy or as an additional director holds office until the next general meeting of shareholders and is then eligible for re-election. Mr Humann therefore retires at the Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election.

Mr Humann is a Chartered Accountant and was Chairman and Senior Partner of PricewaterhouseCoopers (formerly Price Waterhouse) for Hong Kong and China from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region and a member of the World Board of Price Waterhouse World Executive Management Committee. Mr Humann is currently a director of several publicly listed companies operating in the mining, minerals processing and mining services and engineering sectors.

The Board (excluding David Humann) recommends shareholders vote in favour of the re-election of Mr Humann as a director of the Company at the Annual General Meeting.

#### **RESOLUTION 2 - RE-ELECTION OF ANDREW SIMPSON AS A DIRECTOR**

The Constitution requires that one third of the directors in office (other than any managing director) must retire by rotation at each annual general meeting of the Company.

Mr Andrew Simpson therefore retires at the Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the Meeting.

Mr Simpson is a senior marketing executive with extensive global marketing experience in the resource and mining industry, including more than 30 years in international marketing and distribution of minerals and metals. He is currently the managing director of Resource & Technology Marketing Services Pty Ltd, a company providing specialist marketing and business assessment advisory services to the mineral resources and technology industries, both in Australia and internationally.

The Board (excluding Andrew Simpson) recommends shareholders vote in favour of the re-election of Mr Simpson as a director of the Company at the Annual General Meeting.

### **RESOLUTION 3 - REMUNERATION REPORT**

The Remuneration Report is contained in the Directors' Report section of the Company's 2010 annual report. The Remuneration Report describes the underlying policies and structure of the remuneration policies of the Company and sets out the remuneration arrangements in place for directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of shareholders of the Company. However, shareholders should note that the vote on Resolution 3 is not binding on the Company or its Directors.

### **RESOLUTION 4 - APPROVAL FOR ISSUE OF SHARES TO CONSULTANTS**

ASX Listing Rule 7.1 prohibits a listed company from issuing shares representing more than 15% of its issued capital in any 12 month period without obtaining shareholder approval (subject to certain exceptions). Approval is sought pursuant to Resolution 4 for the issue of Shares to three consultants of the Company.

#### ***Issue of Shares to Barry Hodgkinson***

The Company proposes to issue 1,000,000 Shares to Barry Hodgkinson, who holds the position of General Manager - New Projects of the Company, at a deemed issue price of 1.5 cents per Share.

The purpose of the issue is to provide non-cash remuneration to Mr Hodgkinson in accordance with the terms of his employment agreement as General Manager - New Projects for the Company.

#### ***Issue of Shares to Andrew Kohler***

The Company proposes to issue 500,000 Shares to Andrew Kohler, who holds the position of Geology Manager of the Company, at a deemed issue price of 1.5 cents per Share.

The purpose of the issue is to provide non-cash remuneration to Mr Kohler in accordance with the terms of his employment agreement as Geology Manager for the Company.

#### ***Issue of Shares to Satish Chandra Gupta***

The Company proposes to issue 500,000 Shares to Satish Chandra Gupta, who is a Strategic Adviser to the Company, at a deemed issue price of 1.5 cents per Share.

The purpose of the issue is to provide non-cash remuneration to Mr Gupta in accordance with the terms of his engagement as a Strategic Adviser to the Company.

Mr Gupta's Shares will be subject to a 12 month escrow period during which time they may not be transferred or sold.

The Shares will be allotted and issued to Messrs Hodgkinson, Kohler and Gupta as soon as possible but, in any case, not later than 3 months after the date of shareholder approval or such later date as approved by ASX.

The Shares to be issued will rank equally with all existing Shares on issue. The Company will apply to ASX for official quotation of the Shares.

The Board believes that the proposed issue of Shares is an effective form of remuneration for the Company and recommend that shareholders vote in favour of Resolution 4.

### **RESOLUTION 5 - VARIATION OF TERMS OF SECURITIES ISSUED TO LA JOLLA COVE INVESTORS INC**

In November 2009, the Company entered into a convertible note facility with La Jolla. Since then the Company has issued two convertible notes to La Jolla, which as at 8 September 2010 had an outstanding balance of US\$470,169 (La Jolla Notes).

The Company announced to ASX on 8 September 2010 that it had entered into an agreement with La Jolla for the early settlement of the convertible note facility, in consideration for which the Company agreed to:

- pay La Jolla US\$150,000 (which has been done);
- increase the balance owing under La Jolla Notes by US\$250,000 (which has been done);
- extend the maturity date of the La Jolla Notes to 31 December 2014; and
- subject to shareholder approval, grant one La Jolla Option for every five Shares issued to La Jolla upon the conversion of the La Jolla Notes. The option entitlement applies to each US\$100,000 of conversions by La Jolla up to US\$546,490.

The parties also agreed to vary the terms of the La Jolla Notes so that:

- 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; and
- 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 La Jolla Options are exercisable at 2.5 cents each on or before on 31 December 2014 and are otherwise to be issued on the terms and conditions set out in Annexure A. The number of La Jolla Options to be issued is dependent upon the Australian-United States dollar exchange rate and the Company's prevailing Share price. The following table shows the potential number of options and percentage of the Company's fully-diluted share capital if all the La Jolla Options are exercised by their exercise date.

<b>Conversion price</b>	<b>Number of La Jolla Options to be issued to La Jolla</b>	<b>% of fully diluted share capital</b>
<b>Assume A\$1 equals US\$1.00</b>		
A\$0.035	3,122,800	0.79%
A\$0.030	3,643,266	0.92%
A\$0.020	5,464,900	1.37%
A\$0.015	7,286,533	1.82%
<b>Assume A\$1 equals US\$0.95</b>		
A\$0.035	3,287,158	0.87%
A\$0.030	3,835,017	0.92%
A\$0.020	5,752,526	1.37%
A\$0.015	7,670,035	1.82%
<b>Assume A\$1 equals US\$0.90</b>		
A\$0.035	3,469,777	0.79%
A\$0.030	4,048,074	1.07%
A\$0.020	6,072,111	1.60%
A\$0.015	8,096,148	2.12%
<b>Assume A\$1 equals US\$0.85</b>		
A\$0.035	3,673,882	0.97%
A\$0.030	4,286,196	1.13%
A\$0.020	6,429,294	1.69%
A\$0.015	8,572,392	2.24%

The variations to the La Jolla Notes took effect from the date of the deed of settlement and mutual release between the Company and La Jolla, 8 September 2010.

The purpose of the variation of the La Jolla Notes is to satisfy the Company's obligations under the deed of settlement and mutual release between the Company and La Jolla. It is intended that funds raised upon the exercise of the La Jolla Options will be used for general working capital purposes.

ASX Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. ASX has advised that for the purposes of Listing Rule 7.1, it considers the variation of the La Jolla Notes to amount to the issue of new securities.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it. Resolution 5 seeks this approval.

The Board believes that the proposed issue is beneficial for the Company and recommends Shareholders vote in favour of the resolution. It will allow the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months and so that the Company can perform its obligations under the deed of settlement and mutual release.

#### **RESOLUTION 6 - RATIFICATION OF SECURITIES ISSUE**

On 29 September 2010 the Company announced a share placement to raise \$592,500 by the issue of 39,500,000 Shares and 15,800,000 Placement Options (on the basis of two options for every five Shares subscribed for).

Resolution 6 seeks the ratification of the issues of securities set out below so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities in the next 12 months.

Listing Rule 7.5 requires the following information to be given to Shareholders:

<b>Allottee</b>	<b>Issue price per Share</b>	<b>Number of Shares issued</b>	<b>Number of options issued</b>
Empire Equity Limited	1.5 cents	23,000,000	9,200,000
Antonius Bohnnen	1.5 cents	<u>16,500,000</u>	<u>6,600,000</u>
		<u>39,500,000</u>	<u>15,800,000</u>

The Shares for which ratification is sought are fully paid ordinary shares. The Placement Options are exercisable at 2.5 cents each on or before 31 December 2014 and are otherwise issued on the terms and conditions set out in Annexure A.

Funds raised from the proposed placement will be used for the ongoing development of the Company's operations in India and for general working capital purposes.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 6 as it allows the Company to ratify the above issue of Shares and Placement Options and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

#### **RESOLUTION 7 – GRANT OF OPTIONS TO DIRECTORS**

In April 2010, the Company made an allocation of options to employees and consultants of the Company pursuant to the India Resources Limited Employee Share Option Plan. At the time, it was proposed that, subject to shareholder approval, Directors would also receive an allocation of options on the same terms and conditions as those granted to employees and consultants.

The Director Options are exercisable at \$0.07 each, expire on 30 June 2014 and are otherwise issued on the terms and conditions set out below.

Resolution 7 seeks approval for the grant of a total of 4,250,000 Options to Directors on the following basis:

Andrew Simpson	1,250,000
Arvind Misra	1,500,000
Craig Readhead	750,000
David Humann	750,000
	<hr/>
	4,250,000

***Valuation of options***

The Director Options have been valued using a Black-Scholes method pricing model using the following assumptions:

- (a) the Director Options are exercisable at \$0.07 and have a 3.5 year life from their proposed grant date (for the purpose of the valuation 23 September 2010);
- (b) a price per Share of 1.4 cents (being the Share price based on the market value at 22 September 2010);
- (c) a volatility factor of 110-303%;
- (d) the risk free rate is estimated based on the Australian Treasury 3 year bond rate as at 21 September 2010;
- (e) vesting periods have been ignored in the valuation;
- (f) the valuations ascribed to the Director Options may not necessarily represent the market price of the options at the date of the valuation; and
- (g) the valuation date for the Director Options is 23 September 2010.

Based on the above, the Director Options have been valued at a range in value of 0.68 cents to 1.31 cents each.

***Trading price of Shares***

In the last 3 months before the date of this Notice of Meeting the highest, lowest and latest trading price of Shares on ASX were:

Highest	\$0.023 on 28 September 2010
Lowest	\$0.010 on 30 June 2010
Last	\$0.021 on 11 October 2010

***Shareholder approvals required – Chapter 2E and section 195 of the Corporations Act and ASX Listing Rule 10.11***

Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 for the grant of the Director Options because they are deemed to be related parties of the Company.

Approval is also sought under section 195 of the Corporations Act as the Directors each have a material personal interest in the resolution. Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters of which that director holds a ‘material personal interest’ are being considered.

For the purposes of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to allow shareholders to assess the proposed grant of the Director Options:

- (a) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Directors is 4,250,000.
- (b) the Director Options will be granted for nil consideration, accordingly no funds will be raised from the grant of the Director Options.

- (c) the deemed value of the Director Options and the pricing methodology is set out above.
- (d) the current interests of Directors of securities in the Company are as follows:

<b>Name</b>	<b>Number of shares</b>	<b>Number of options</b>
Andrew Simpson	3,000,000	-
Arvind Misra	7,712,773	8,500,000
Craig Readhead	1,150,000	-
David Humann	-	-

- (e) Details of existing remuneration arrangements with the Directors are as follows:

<b>Name</b>	<b>Directors fees or base remuneration</b>	<b>Performance bonus entitlement</b>	<b>Super-annuation</b>	<b>Total</b>
Andrew Simpson	75,000		6,750	81,750
Arvind Misra	500,000	100,000		600,000
Craig Readhead	50,000			50,000
David Humann	50,000		4,500	54,500

- (f) If the options to be granted to Directors are exercised, a total of 4,250,000 Shares would be allotted and issued. This would increase the number of Shares on issue from 374,574,524 to 378,824,524 (assuming that no other options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

<b>Director</b>	<b>Number of options to be issued</b>	<b>Shares currently on issue</b>	<b>Dilutionary effect if all options issued to Directors are exercised</b>
Andrew Simpson	1,250,000	374,574,524	0.33%
Arvind Misra	1,500,000	374,574,524	0.40%
Craig Readhead	750,000	374,574,524	0.20%
David Humann	750,000	374,574,524	0.20%
<b>Total</b>	<b>4,250,000</b>		<b>1.13%</b>

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company. Information on the trading history of the Company's Shares on ASX in the past 12 months is set out above.

- (g) The Director Options will vest to the holder in three equal instalments as follows:
- 33.33% of the options vest immediately to the holder;
  - 33.33% of the options vest to the holder on 31 March 2011; and
  - 33.34% of the options vest to the holder on 31 March 2012.

The Director Options are exercisable by no later than 5.00 pm (WST) on 30 June 2014 (Expiry Date) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the options are exercised to the registered office of the Company.

- (h) The Director Options will be granted to the Directors no later than 1 month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Director Options will be issued on one date.

- (i) The primary purpose of the grant of the Director Options is to provide a market-linked incentive component in the remuneration arrangements for the Directors in their capacity as directors of the Company and for the future performance by the Directors in their respective roles. The Directors considered the current market price of the Company's Shares and current market practice when determining the number and exercise price of the options. The Board considers that the grant of the options to be reasonable, as part of the strategy to retain high calibre professionals to the Company whilst maintaining the Company's cash reserves.

The Directors believe that the grant of options provides cost effective consideration to the Directors for their ongoing commitment and contribution to the Company. Given this purpose, the Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the options upon the terms proposed.

- (j) The Directors decline to make a recommendation to shareholders in relation to Resolution 7 due to their material personal interest in the outcome of the resolution. The Directors are not aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of securities to the Directors will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

#### ***Terms and conditions of options***

The options entitle the holder to subscribe for Shares in the capital of the Company on the following terms and conditions:

- (a) each option entitles the holder to subscribe for one (1) ordinary fully paid share.
- (b) once vested, the options are exercisable wholly or in part by no later than 5.00 pm (Australian Western Standard Time) on 30 June 2014 (Expiry Date).
- (c) if the option holder ceases to be director of the Company, the options that have vested are retained, but those options that have not yet vested will automatically lapse from the date of cessation as director.
- (d) the option exercise price is A\$0.07 (7 cents) per option. Options may be exercised by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company in Australia. Options not exercised by the Expiry Date shall automatically lapse.
- (e) application will not be made to ASX for official quotation of the options. Application will be made for official quotation of the shares issued upon exercise of options.
- (f) the options are not transferable.
- (g) there are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of securities offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced.
- (h) shares allotted pursuant to the exercise of options will be allotted following receipt of all the relevant documents and payments and will rank equally with the Company's issued shares.
- (i) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules.
- (j) if, from time to time, before the expiry of the options the Company makes a pro-rata issue of shares to shareholders for no consideration, the number of shares over which an option is exercisable will be increased by the number of shares which the option holder would have received if the option had been exercised before the date for calculating entitlements to the pro-rata issue.

## **RESOLUTION 8 – AUTHORITY FOR ISSUE OF OPTIONS PURSUANT TO EMPLOYEE OPTION PLAN**

The India Resources Limited Employee Share Option Plan (Plan) was established in 2007, to assist in the recruitment and retention of key personnel. As at the date of this notice, 7,000,000 options have been issued under the Plan.

As stated above, ASX Listing Rule 7.1 prohibits a company from issuing new securities representing more than 15% of its issued share capital during the following 12 month period without shareholder approval. ASX Listing Rule 7.2 (Exception 9) provides that options issued under an employee incentive scheme are excluded from this restriction, provided that, within 3 years before the date of issue, issues of securities under the scheme have been approved by shareholders in general meeting.

Resolution 8 seeks the approval of shareholders for the potential issue of options under the Plan for 3 years after the 2010 annual general meeting, without those options being subject to the 15% restriction contained in ASX Listing Rule 7.1.

There is no longer any requirement under the ASX Listing Rules for shareholders to approve the establishment or operation of an employee incentive scheme. Accordingly, if Resolution 8 is not passed, the Plan will be maintained, however any options issued under the Plan will count towards the 15% restriction.

It should be noted that directors of the Company will not participate in the Plan, without first obtaining specific shareholder approval.

### **Summary of key features**

The key features of the Plan are as follows:

- options may be issued under the Plan to employees, directors or consultants (together called “Employees”) of the Company (or any associated companies) as nominated by directors;
- options will be issued for no consideration and are not transferable;
- options will be issued at an exercise price of not less than 80% of the market price of the Company’s Shares on ASX;
- the expiry date of the options will be determined by the directors at the time of issue of the options;
- the directors may elect to issue the options with vesting conditions whereby the options will vest to the Employee progressively over a period of time or upon satisfaction of performance hurdles;
- options that have not vested may be exercised in the event of a takeover offer or a change of control of the Company;
- the maximum number of options on issue under the Plan cannot be more than 5% of the number of Shares on issue in the Company from time to time, subject to certain exceptions;
- the Company will not apply for official quotation of the options; and
- all Shares issued upon exercise of the options will rank pari passu with existing Shares on issue.

A full copy the terms and conditions of the Plan is available upon request.

### **Purpose of the Plan**

The Plan is designed to assist in attracting and retaining key personnel required for the continuing mining operations and business development activities of the Company.

Options issued under the Plan are expected to increase the motivation of Employees of the Company, promote the retention of Employees, align Employee interests with those of the Company and its shareholders and to reward Employees who contribute to the growth of the Company.

The future success of the Company is in part dependent on the skills and commitment of the Company's Employees. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the Plan provides Employees with an opportunity and an incentive to participate in the future growth of the Company.

## **GLOSSARY OF TERMS**

**“Annual General Meeting”** or **“Meeting”** means the meeting convened by this notice of meeting;

**“ASX”** means ASX Limited;

**“ASX Listing Rules”** means the official listing rules of ASX;

**“Board”** means the board of directors of the Company;

**“Company”** or **“India Resources”** means India Resources Limited (ABN 77 121 339 704);

**“Constitution”** means the constitution of the Company as amended from time to time;

**“Corporations Act”** means the Corporations Act 2001 (Commonwealth);

**“Corporations Regulations”** means the Corporations Regulations 2001 (Commonwealth);

**“Directors”** means the current directors of the Company;

**“Director Options”** means the Options issued on the terms in resolution 7;

**“La Jolla”** means La Jolla Cove Investors Inc;

**“La Jolla Notes”** means the convertible notes issued to La Jolla and which are more fully described in section 5 of the Explanatory Memorandum;

**“La Jolla Options”** means the Options issued on the terms in resolution 5;

**“Notice of Meeting”** or **“Notice”** means this notice of meeting;

**“Options”** means an option to purchase a Share on the terms and conditions outlined in Annexure A;

**“Placement Option”** means the Options issued on the terms in resolution 6;

**“Plan”** means the India Resources Limited Employee Share Option Plan;

**“Share”** means an ordinary fully paid share in the Company;

**“WST”** means Australian Western Standard Time.

## ANNEXURE A

### TERMS AND CONDITIONS OF OPTIONS

1. Each Option entitles the holder, when exercised, to subscribe for one Share in the capital of the Company;
2. No application will be made for official quotation of the Options on ASX;
3. The Options are not transferable;
4. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must state the number of Options exercised and the consequent number of Shares to be allotted. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share;
5. All Shares issued upon the exercise of the Options will rank pari passu in all respects with the Company's then issued Shares;
6. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure, for the purposes of determining entitlements to any issue, the record date will be at least 9 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues;
7. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules;
8. The Options will not give any right to participate in dividends, bonus issues or new issues until Shares are allotted pursuant to the exercise of the relevant Options subject to the ASX Listing Rules. There is no right to change the exercise price of Options if the Company completes a bonus or new issue or for any other reason; and
9. Ordinary Shares issued on exercise of Options may not be offered for sale during the 12 month period following issue unless the Company either gives a notice that complies with section 708A(6) of the Corporations Act or lodges a prospectus that qualifies the Ordinary Shares for resale under section 708(11) of the Corporations Act.

# INDIA RESOURCES LIMITED

ABN 77 121 339 704

## PROXY FORM

Company Secretary  
India Resources Limited  
989 Wellington Street  
West Perth Western Australia 6005

FACSIMILE: (08) 9327 7499

I/We \_\_\_\_\_

being a member of India Resources Limited,

holding \_\_\_\_\_ shares in the capital of the Company,

hereby appoint \_\_\_\_\_

or failing him/her, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held on 25 November 2010 at the Celtic Club, 48 Ord Street, West Perth, Western Australia, and at any adjournment thereof. If no voting directions are given, the Chairman will vote in favour of each resolution.

### Instructions on voting

	FOR	AGAINST	ABSTAIN
Resolution 1 Re-election of David Humann as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Andrew Simpson as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of shares to consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Variation of terms of securities issued to La Jolla	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of securities issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Grant of options to directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Authority to issue options under ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### OR

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote in respect of the resolutions, please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest.

**You must either mark the boxes directing your proxy how to vote or mark the box indicating that you do not wish to direct your proxy how to vote, otherwise this appointment of proxy form will be disregarded.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010

**Individuals and joint holders to sign:**

**Companies to sign (affix common seal if applicable):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Director, or sole director and sole secretary  
(delete as applicable)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Director or Company Secretary

## VOTING BY PROXY

1. A member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not be a member) to attend and vote on his/her behalf.
2. If the member is entitled to cast two or more votes at the meeting, they may appoint two proxies. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then each proxy may exercise half of the votes.
3. The proxy form must be received at the Company's registered office at 989 Wellington Street, West Perth, Western Australia, 6005, or by facsimile on (08) 9327 7499 and in both cases, not less than 48 hours before the time of holding of the meeting.
4. In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the register.
5. An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney, duly authorised in writing or, if the appointor is a corporation, under seal. A copy of the power of attorney must be lodged for any proxy appointed under a power of attorney.
6. A proxy for a corporation must be appointed under the common seal of the corporation or signed in accordance with the requirements of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company; or
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. If no voting instructions are marked on the proxy form then the proxy may vote as he/she thinks fit or may abstain from voting.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on a poll and the shares the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned and the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the meeting which do not contain a direction how to vote will be used to support each of the resolutions proposed in the notice of meeting.