



QUARTERLY ACTIVITIES REPORT QUARTER ENDED 31 MARCH 2011

HIGHLIGHTS

Surda Mine - Copper

- In the March 2011 quarter, the Surda Copper Mine's production reached a record 884 tonnes of metal in concentrate, beating the previous highest of 855 tonnes in the September 2010 quarter.
- The Level 11 underground development has intersected higher grade sulphide copper ore and is supplementing the ore supply to the Mosabani Concentrator.

Coal

- Prism Cement have made significant progress towards acquiring the necessary Government approvals required in relation to the mining of the Sial Ghogri coal block. IRL Coal is in discussion with Kopex Shaft Sinking Company to provide technical and onsite services for the execution of this contract.
- Bankura DRI Mining Manufacturing Company Private Ltd is working towards acquiring the necessary Government approvals for the mining of the Biharinath coal block.

Exploration

Base Metals

- A request has been made of the Rajasthan Government to make a decision on granting the Mining License over the Aravalli base metal mineralisation. The Minister of Mines in Rajasthan has directed his Principle Secretary of Mines and Petroleum, Dr G Sharma to look into the matter personally.
- In the March quarter, Pebble Creek announced the addition of 1.2 million tonnes of inferred mineral resources at the Askot Project.

Diamonds

- Bundelkhand (Madhya Pradesh) - During the quarter, samples have been sent to a South African laboratory for assay reconfirmation.

Corporate

- A Memorandum of Understanding (MOU) was entered into with KOPEX Przedsiębiorstwo Budowy Szybów Spółka Akcyjna SA (KOPEX) to co-operate as a Consortium on a mutually exclusive basis for the preparation and submission of bids for development projects for which Hindustan Copper Limited (HCL) has invited Requests for Qualification (RFQ) globally.
- An agreement to vary the terms of the Swan Gold Mining Limited (Swan Gold) Creditors' Trust Deed to assign to a third party the balance of the admitted claim. We understand that a The Company currently forecasts a return on the Swan Gold debt of approximately 79 cents in the dollar.
- A \$5.5 million equity funding facility (Facility) was entered into with the Chimaera Equity Market Neutral Fund (Chimaera EMN), a Melbourne based private equity fund. The Facility was arranged by Empire Equity Limited, a London based private merchant bank.

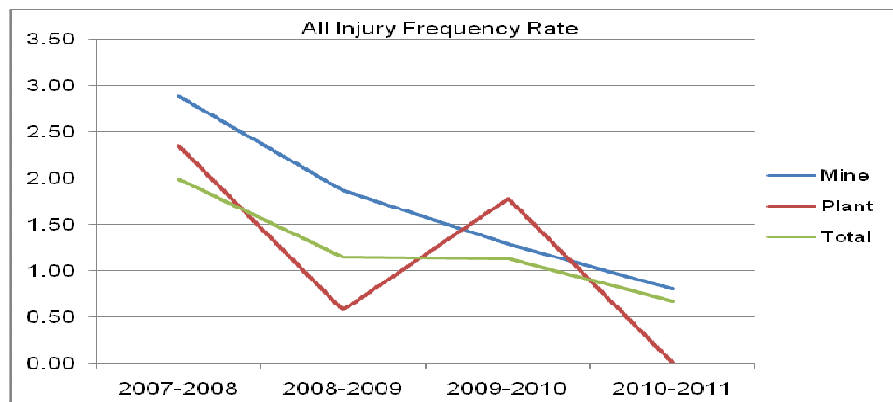
OPERATIONS REPORT

Surda Project

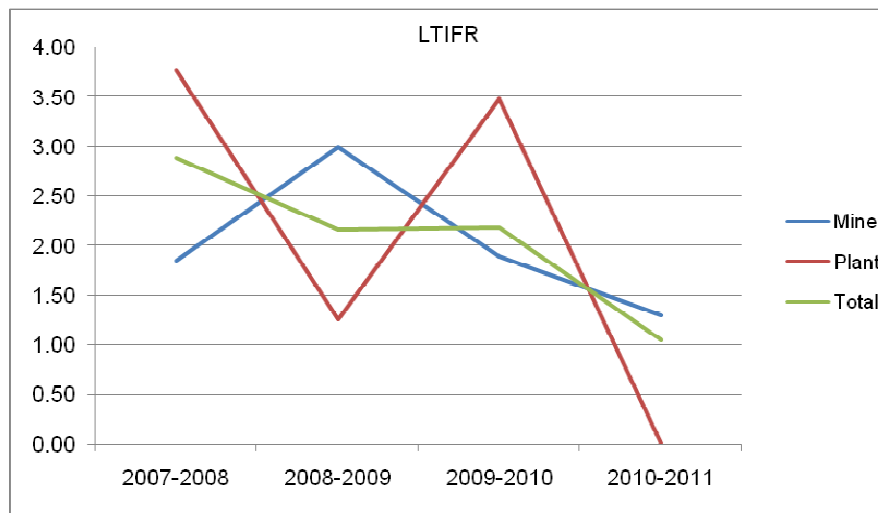
Safety

The combined operations of the Surda Mine and the Mosaboni Concentrator Plant reported no Lost Time Injury (LTI) for the quarter.

The graphs below represent the total company safety performance over the life of the project.



The All Injury Frequency Rate for the Surda operations for the 2011 calendar year to date is 0.67 which represents an improved performance to the 1.12 rate recorded during 2010. This improvement has been achieved as a result of the implementation of the Safety Management System, and continuous training and safety awareness amongst employees.



Production

The Surda Mine recorded copper production of 884 tonnes of metal-in-concentrate for the quarter. This represents an increase of 29 tonnes from the previous best result in the September 2010 quarter. Copper grades for the period was 0.90% Cu with the results achieved in the month of March of 0.97% copper being notably encouraging. The development of the Surda Mine at Level 11 has uncovered a spectacular lode which, since the start of its development in the second half of last year, produced the following statistics:

- Metres driven since start of development by IRL, north driving (from Shaft 3) 89.7m, south driving 50.5m, for a total 140.5m;
- Rising in five rises, four from the north drive and one from the south drive for a total of 176.1m;
- Two cross-cuts for 24.5m;
- Tonnes and grade of material mined during development is now averaging +2,000t per month @1.2%Cu.

Ore tonnage from Level 11 will continue to increase over the coming months with an increase in development meters. Eventually a stoping block will become operational sometime during the second half of current calendar year.

Production in the March quarter was affected by the intermittent supply of explosives at the mine site. Problems continued with the choking of the old ore passes. Both problems are expected to be rectified in the September quarter.

Quarterly production	31 Mar 2011	31 Dec 2010
Ore Mined (Tonnes)	107,642	105,492
Ore Processed (Tonnes)	107,187	106,721
Mill Feed Grade (%)	0.90%	0.88%
Concentrate Produced (Tonnes)	3,515	3,392
Concentrate Grade (%)	25.1%	24.9%
Recovery (%)	93.4%	93.4%
Metal in Concentrate (Tonnes)	884	845

Surda Mine and Mosaboni Concentrator Plant

- The grade for January 2011 was 0.83% Cu, February 2011 was 0.89% Cu and March 2011 was 0.97% Cu while milled tonnes for these months were 37,806, 33,940 and 35,441 tonnes respectively.
- Production from a new block (#660 South) above the 5th level commenced in the Number 3 Shaft area.

NEW PROJECTS

Coal

- The Letter of Intent (LOI) has been extended to 30 June, 2011 to allow Bankura DRI Mining Manufacturing Company Private Ltd more time to secure the necessary Government approvals to commence mining of the Biharinath Coal Mine. This work is continuing.
- Prism Cement has made significant progress towards acquiring the necessary Government permissions for the mining of the Sial Ghogri coal block. IRL Coal is in discussions with Kopex Shaft Sinking Company to provide technical and onsite services for the execution of this contract.

Base Metals

- IRL has made a joint submission with Kopex to qualify to bid on the development of old and new Copper Mines for Hindustan Copper Ltd.

Exploration Activities

Base metals - Aravalli

- The Company's wholly owned subsidiary, Crown Mining Pvt Ltd (CMPL), is pleased to announce progress with its Mining License (ML) application ML 87/08 in Aravalli with the support of the Australian High Commissioner in India. The Minister of Mines in Rajasthan has directed his Principle Secretary of Mines and Petroleum, Dr G Sharma to look into the matter of the delay in the grant of the Mining Lease application made by the Company in respect of the Aravalli base metals mineralisation.
- Prospecting License (PL 88/08) application for Sathuddia copper project: All drill holes by IRL contained stringer mineralisation of chalcopyrite (copper-iron sulphide). The mineralisation trends 450m in a NNE direction, is open down dip and along strike and featured a best intercept of 9m at 1.7% copper.
- Hindoli Reconnaissance Permit (RP 6/08): An RP is the first step to the exploration of minerals in India followed by the application of Prospecting and Mining Licenses over part of the RP that is mineralised. The Hindoli RP was granted in 2010 and plans are being made to carry out geological mapping and soil sampling for base metal mineralisation, with several known occurrences ready for investigation.

Base metals – Askot

In February 2011, Pebble Creek Mining Ltd (Pebble Creek) announced a significant increase in resources (of 1.2 million tonnes) at its Askot Project, based on last year's drilling program. Pebble Creek has recalculated the Inferred mineral resource estimate for the Askot project (which is located in the State of Uttarakhand) by including an additional 1.2 million tonnes of inferred mineral resource (previous estimate of 149,000 tonnes). More details can be found at Pebble Creek's web site www.pebcreek.com.

Surda Level 11 development

Development of the Surda Mine at Level 11 has resulted in discovery of a significant new lode (figure below).

Types of ore at Level 11:

- Massive; Chalcopyrite with less than 10% gangue minerals;
- Braided; intensively interwoven chalcopyrite stringer ore;
- Disseminated; stringers and blebs of chalcopyrite usually occurring along schistosity planes.

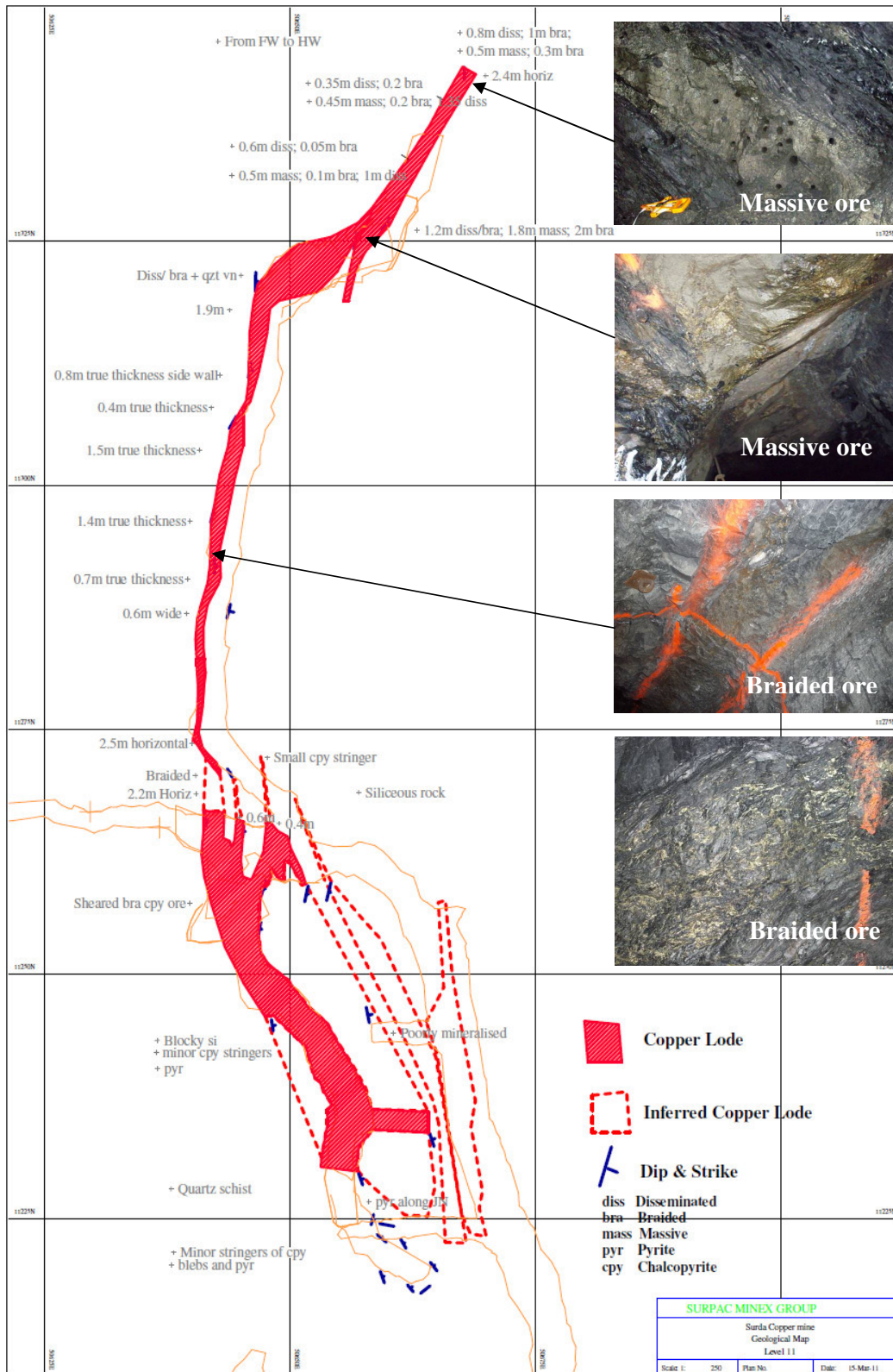


Figure: Level 11 development at Surda.

Diamonds

There are three diamond projects in the joint venture with a private Indian diamond company, Vajra Diamond Mining Private Limited (Vajra). The three diamond projects are the Bundelkhand, Bhandara and Dharwar Projects. Highlights are as follows:

Bundelkhand (Madhya Pradesh)

- During the quarter, samples were sent to a South African laboratory for assay reconfirmation. A total of 5,866 grains were examined, from which a total of positive or possible positive grains were 26 of which 8 were possible garnets, 15 were Ilmenite and 3 were spinels. Sample numbers VD-09 and VD-15 (figure below) have reported a few kimberlitic ilmenites. Sample number VD-09 is draining from the outside of the RP 57A. However, sample number VD-15 has potential for further discovery, as this sample is draining from the RP-62 and therefore RP-62 has now become priority for the stream sediment sampling. The sampling is planned for the coming months.
- The southern part of the RP-62 is a high potential area with respect to preservation potential of the kimberlite (proterozoic diamond bearing lamproites have intruded in to the Kaimur, Vindhyan sediments). This area is located immediately adjacent to India's only recently producing diamond mine at Panna and Rio Tinto's massive Bunder Diamond Project.

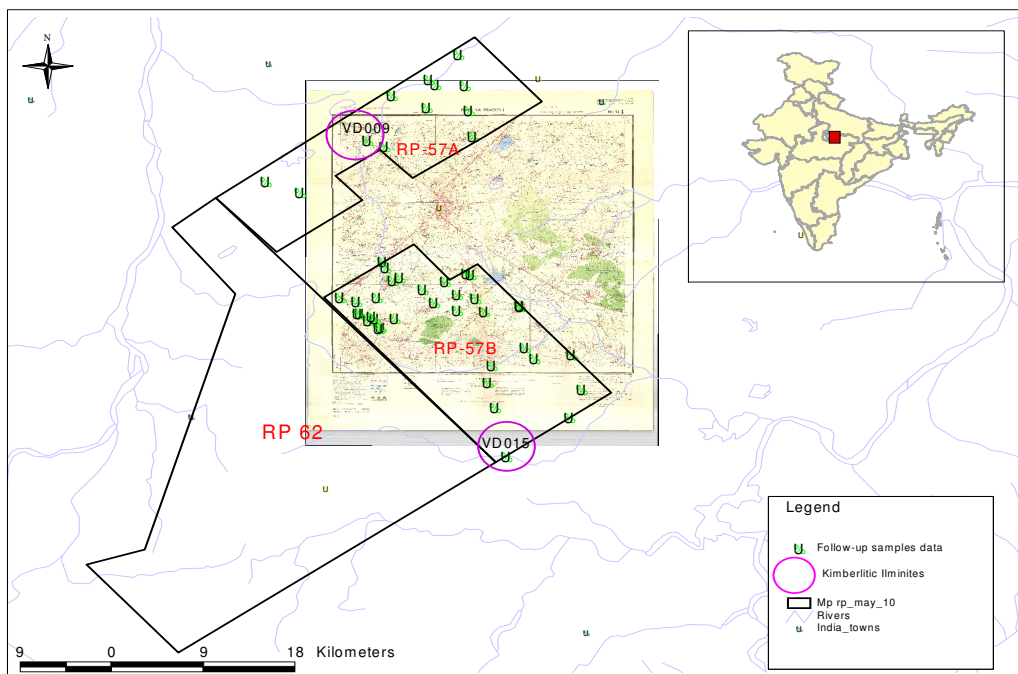


Figure: Final sample result from the RP-57A & 57B

Iron Ore

Bonai project

- IRL has 12 PL applications in the Indian state of Orissa and 3 PL applications in the state of Jharkhand. All applications have reached the State Governments and several are under scrutiny. IRL is Lobbying the State Governments to expedite the situation.
- IRL also investigates potential joint venture or acquisition opportunities for iron ore in India but to date these opportunities have fallen short of IRL's project criteria.

Other

- IRL continues to advance its exploration interests in India. IRL continues to assess several mineral projects for participation as partner or contractor. IRL also continues to advance its wholly owned projects and projects in partnership that are detailed in previous reports.

FINANCIAL

Cash proceeds from the sale of copper concentrate were down by 2%, in Rupee terms, on the previous quarter, due to 5% higher production levels and timing issues. Payments for production costs were up by 6%, in Rupee terms, on the previous quarter.

The Group's consolidated cash position moved from negative (i.e net overdraft position) \$2.2 million to negative \$2.3 million by the end of the quarter. Operating and investing cash outflows of \$0.449 million were offset by net share placement proceeds inflows of \$0.299 million.

CORPORATE ACTIVITIES

On 25 January 2011, the Company signed a Memorandum of Understanding (MOU) with KOPEX Przedsiębiorstwo Budowy Szybów Spółka Akcyjna SA (KOPEX). Under the MOU, the parties have agreed to co-operate as a Consortium on a mutually exclusive basis for the preparation and submission of bids for development projects for which Hindustan Copper Limited (HCL) has invited Requests for Qualification (RFQ).

On 27 January 2011, the Company entered into an agreement to vary the terms of the previously announced agreement to assign to a third party the balance of the admitted claim under the Swan Gold Mining Limited (Swan Gold) Creditors' Trust Deed. Assuming full creditors returns under the Creditors Trust Deed and together with cash payments received to date, on receipt of all dividends to be declared by the Creditors' Trustee, the Company currently forecasts to achieve a total return on the Swan Gold debt of approximately 79 cents in the dollar.

On 21 February 2011, the Company entered into 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 definitive documents were finalised in April 2011 and were announced on 18 April 2011. On 28 February 2011, the first tranche of the initial share placement under the Facility Chimaera EMN, was completed by the subscription for 15.5 million ordinary fully paid shares at a price of 2 cents per share.

There was no further progress in the final hearing of the case filed by the Company under Section 34 of the Arbitration and Conciliation Act 1996 challenging the award of the Arbitrator in relation to the sales price in the Surda works order being inclusive of Indian excise duty.

There was no further progress in the case filed under Section 11 of the Arbitration and Conciliation Act 1996 in the Calcutta High Court seeking the appointment of an Arbitrator.

The issued share capital of the Company at the end of the quarter comprised 480,613,116 listed shares and 39,317,910 unlisted options. The Company also has on issue 1 unlisted convertible note.

Arvind Misra
Managing Director

The geological and assay statements and commentary in the above report are based on information compiled by Andrew Kohler who is a member of the Australian Institute of Geoscientists. Mr Kohler has reviewed the information and has satisfied himself that the values quoted and the parameters used in the report are reasonable and accurately reflect the operations involved. Mr Kohler is a geological consultant to the Company and holds the position of Geology Manager. Mr Kohler has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kohler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

India Resources Limited

ABN

77 121 339 704

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities

- 1.1 Receipts from product sales and related debtors
- 1.2 Payments for
 - (a) exploration and evaluation
 - (b) development
 - (c) production
 - (d) administration – Perth Office
- 1.3 Dividends received
- 1.4 Interest and other items of a similar nature received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Other

Net operating cash flows

Cash flows related to investing activities

- 1.8 Payment for purchases of:
 - (a) prospects
 - (b) equity investments
 - (c) other fixed assets
- 1.9 Proceeds from sale of:
 - (a) prospects
 - (b) equity investments
 - (c) other fixed assets
- 1.10 Loans to other entities
- 1.11 Loans repaid by other entities
- 1.12 Other

Net investing cash flows

- 1.13 Total operating and investing cash flows (carried forward)

	Current quarter \$A'000	Year to date (9 months) \$A'000
	2,618	8,323
	(51)	(288)
	-	-
	(2,376)	(7,470)
	(415)	(1,378)
	-	-
	40	51
	(143)	(349)
	-	-
	-	-
	(326)	(1,111)
	-	-
	-	-
	(123)	(521)
	-	-
	-	-
	-	-
	-	854
	-	-
	(123)	333
	(449)	(778)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(449)	(778)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	304	886
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(5)	(177)
1.18	Dividends paid	-	-
1.19	Other : Share issue expenses	(0)	(18)
	Net financing cash flows	299	691
	Net increase (decrease) in cash held	(151)	(86)
1.20	Cash at beginning of quarter/year to date	(2,207)	(2,662)
1.21	Exchange rate adjustments to item 1.20	60	450
1.22	Cash at end of quarter ¹	(2,298)	(2,298)

¹ Cash at the end of the quarter includes the drawn down portion of a working capital overdraft facility of \$2,921,000 which is used specifically for the day to day operations at the Surda copper mine. Refer items 3.1(a) and 5.3.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	187
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and director-related entities are for executive salaries, directors' fees, superannuation contributions and the provision of management services to the company.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

Issue of 12,538,327 ordinary fully paid shares upon the partial conversion of unsecured convertible notes.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Not applicable.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities: (a) Indian working capital overdraft facility ¹	2,921	2,638
(b) Other loan agreements	1,500	1,500
(c) Convertible note facilities: - La Jolla (US\$0.249 million)	241	241
3.2 Credit standby arrangements	-	-

¹ Drawing facility based on levels of, and secured against, trade receivables and inventories at Surda mine. Available drawdown level as at 31 December 2010 was \$2.921 million.

² On 29 September 2009, the Company entered into an agreement with US institutional investor La Jolla Cove Investors Inc for the issue of up to four convertible notes with face values of \$US1.5 million at an interest rate of 4.75% and payable by monthly instalments of US\$250,000. On 22 September 2010, the Company announced that it had agreed to an early settlement of the facility. See also 7.5 & 7.6 below.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	90
4.2 Development	-
4.3 Production	2,600
4.4 Administration	450
Total	3,140

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	174	277
5.2 Deposits at call	166	169
5.3 Bank overdraft	(2,638)	(2,653)
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	(2,298)	(2,207)

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities Fully paid shares	480,613,116	480,613,116		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	28,038,327	28,038,327	1.67 cents (average)	1.67 cents (average)
7.5 +Convertible debt securities ¹ Unsecured convertible notes: La Jolla Cove - face value of US\$1.5 million	1	-	US\$249,363	US\$249,363
7.6 Changes during quarter ¹ (a) Increases through issues: (b) Decreases through securities matured, converted	-	-	US\$158,383	US\$158,383
7.7 Options <i>(description and conversion factor)</i> Options over fully paid shares	2,500,000 9,850,000 20,967,910 6,000,000	- - - -	<i>Exercise price</i> 30 cents 7 cents 2.5 cents 0.25 cents	<i>Expiry date</i> 30.06.12 30.06.14 31.12.14 31.12.17
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

¹ During the quarter, La Jolla converted US\$158,383 worth of convertible notes into 12,538,327 shares. See also 3.1 above.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:
(Director/Company Secretary)

Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities: The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards: ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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