



India Resources Limited

ABN 77 121 339 704

QUARTERLY ACTIVITIES REPORT QUARTER ENDED 30 JUNE 2010

HIGHLIGHTS

Surda Mine - Copper

- Copper production at the Surda Mine was 618 tonnes for the quarter. An industrial strike of 24 days in April and May adversely affected copper production during the quarter.

Coal

- The Letter of Intent with Bankura DRI has been extended until December 2010, to allow sufficient time for final environmental clearances by the Indian government.

Iron Ore

- In July 2010, the Company entered into an option agreement to acquire a granted mining lease which contains identified haematite mineralisation.

Exploration

Base Metals

- The joint venture with RBG Minerals Industries Ltd has completed the application process for the Mining Lease, applied for over the lead-zinc mineralisation defined at Sindesar Khurd-Rajpura Dariba.

Diamonds

- During the quarter prospecting took place on reconnaissance permits 57 and 62.

Corporate

- On 1 April 2010, settlement of the first tranche of the agreement between the Company, Alexandra Resources Pty Ltd and Territory Resources Limited was completed. The balance of the debt due by the Company has been reduced from \$1.5 million to \$0.5 million.

OPERATIONS REPORT

Surda Project

Safety

One Lost Time Injury (LTI) was reported at the Surda Mine during the June quarter. Various aspects of the mine's safety management system were audited and a number of mining activities were re-examined to the base case level to ensure that the correct design and procedures are in place for these operations.

Safety statistics for the project to date shows a LTIFR 2.24 compared with operations in Australia which report an average LTIFR of 4.5.

Year	2008	2009	2009/2010			
			Sept Quarter	Dec Quarter	March Quarter	June Quarter
LTIFR	4.70	3.10	3.02	3.55	2.10	2.29

Production

Production at Surda was 618 tonnes of copper during the quarter. This represents a 26% decrease in production from the previous quarter, due primarily to lost production during the industrial action. Ore milled was 20.2% lower than the last quarter and feed grade decreased slightly to 0.87% Cu compared to 0.88% Cu last quarter.

On a daily basis, production parameters were either better or at par with the previous quarter despite the loss of momentum due to the strike. Production in the September quarter is expected to improve as the contribution from higher grade area increases. In addition, increased hoisting tonnages are also forecast.

Quarterly Production	30 June 2010	31 March 2010
Ore Mined (Tonnes)	77,009	105,726
Ore Processed (Tonnes)	83,086	104,087
Mill Feed Grade (%)	0.87%	0.88
Concentrate Produced (Tonnes)	2,496	3,471
Concentrate Grade (%)	24.5%	24.31
Recovery (%)	92.95	92.95
Metal in Concentrate (Tonnes)	618	838

Surda Mine and Mosaboni Concentrator Plant

- Refurbishment of high grade (lower end of Number 3 Shaft) area at 11th Level continued. Hoisting from this area commenced in June and is expected to show improvement in coming months.
- Concentrate quality improved due to ongoing circuit optimisation work. One set of Hydro-cyclone for Ball Mill 05 was commissioned during the quarter. Projects are underway to improve recovery.

- The grade for April 2010 was 0.89% Cu, May 2010 was 0.88% Cu and June 2010 was 0.85% Cu while milled tonnes for the these months were 25,949, 23,128 and 34,009 tonnes respectively.
- Development continued on Level 9 to provide a connection between the two shafts and give greater flexibility for material hoisting.

The industrial work stoppage commenced in April 2010 without giving reasonable notice to the Company and was declared illegal by the presiding State authorities. No Work and No Pay was adopted by the Company in response to the illegal strike. This significantly reduced any financial impact of the stoppage to the Company.

The strike falls under the definition of Force Majeure as per the Surda contract works order with the owners of the mine, Hindustan Copper Limited. The works order also has provisions for extension of the contract term by an equal number of days lost due to the strike.

NEW PROJECTS

Coal Project - Biharinath Coal Mine (Bankura DRI)

The Letter of Intent with Bankura DRI Mining Manufacturers Company Private Limited (Bankura) was extended to December 2010 to allow for sufficient time to obtain final environmental clearances from the Indian government.

Future Prospects

The tender for the Prism Coal Block was submitted during the previous quarter and a number of discussions have since been held with Prism Cement, as well as a site visit by the Prism Senior Project Management to the Surda operations. Awarding of this project is expected in the current quarter. The Coal Block is held by Prism Cement and requires approximately 300,000 tonnes per annum of coal to be mined once two declines and a vertical ventilation shaft have been sunk.

Exploration Activities

Aravalli Project – Base Metals

The joint venture between the Company's subsidiary, Crown Mining Pvt Ltd and RBG Minerals Industries Ltd (RBG) (a subsidiary of Binani Zinc Limited), has completed the application process for the Mining Lease, applied for over the lead-zinc mineralisation defined at Sindesar Khurd-Rajpura Dariba. Representations have been made to the Indian State and Federal Governments to progress the approval of the lease. Crown Mining has the preferential right to be granted the Mining Lease.

Hindoli – Base Metals

The Hindoli reconnaissance permit (RP) application has now been granted to Crown Mining and Crown is in the process of formally accepting the application, which covers some 3,754 sq kms in the Bhilwara, Tonk and Bundi Districts of Rajasthan and is located between large Anglo American, HZL and ACC Rio Tinto RP's, to the east of Bhilwara (see Figure 1).

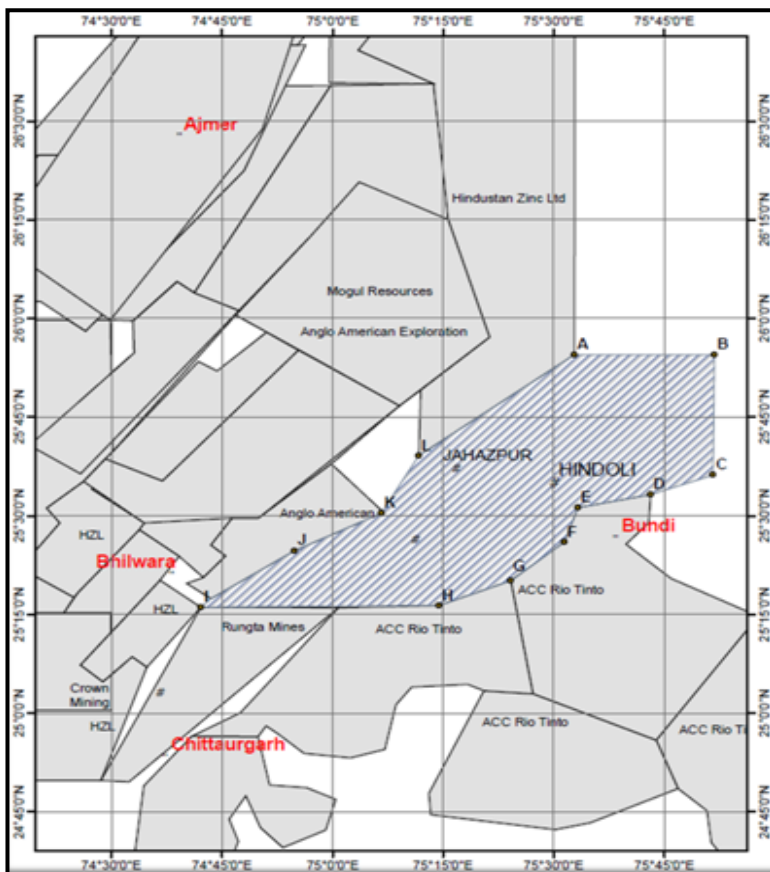


Figure 1: The Hindoli RP, surrounded by large RPs of Rio and Anglo

The Hindoli RP is located in a significant structural setting which has prospective lithological units and numerous recorded instances of surface mineralisation, primarily copper, subordinate lead and zinc and silver and one of gold.

Copper

The resource block model for the Surda project is being used to compare resources mined to actual production (reconciled to the concentrator tonnes and grade). Work is progressing to cover all the Blocks and then use the information for the mine planning work.

Work is ongoing to convert part of the Surda resource model into a reserve using detailed mapping, channel sampling and diamond drilling. Delays have occurred in sourcing a diamond drill rig and finding qualified drilling operators. To convert the resource into a reserve, solids are being used to constrain the block model along with the mine design.

Askot Project – Copper, Lead, Zinc, Gold

India Resources holds a strategic 10% shareholding in Pebble Creek Mining Limited (TSX-V: PEB), which owns 100% of the Askot project through a subsidiary Adi Gold Mining Pvt Ltd. The Askot project lies on a granted Prospecting Licence (and approved Mining Lease). The project is a polymetallic volcanogenic massive sulphide deposit containing 5 metals of economic significance: gold, silver, copper, lead and zinc. The full extent of the mineralised system has not been defined and there is further anomalism over a wide area.

The first drill hole, DDH10AA018 of the Askot project surface diamond drill program was completed this quarter. Over 7,000 metres of drilling is planned. The drilling program aims to add to the known mineral resource of the Askot deposit by conducting step-out drilling in untested areas along strike and down-dip.

Diamond Projects

A private Indian diamond company, Vajra Diamond Mining Private Limited (Vajra), is earning an interest in the Company's diamond projects.

During the quarter prospecting took place on reconnaissance permits (RP) 57 and 62 at the Bundelkhand project in Madhya Pradesh and sampling locations were determined and will be sampled in the next quarter. The area is located immediately adjacent to India's only recently producing diamond mine at Panna and Rio Tinto's massive Bunder Diamond Project.

IRON ORE

Bonai project

India Resources has maintained its portfolio of 15 applications in the states of Orissa and Jharkhand.

Option to purchase mining lease

In July 2010, the Company entered into an option agreement to purchase a mining lease prospective for iron ore. The prospect is located within the Bonai syncline, a world class iron ore province located on the western edge of the Singhbhum Craton in Eastern India. The lease is situated in the same geological region as the Company's existing prospecting licence applications.

The option agreement provides the Company with an opportunity to evaluate an area of a granted tenement in close proximity to the existing applications. The Company will undertake legal and technical due diligence on the tenement over the coming months.

The area is analogous to the Pilbara iron ore province of Western Australia. The Province produces over 60 million tonnes of iron ore annually. There are many sponge iron plants and blast furnaces in the district, with good rail, roads and mining services in close proximity, although the iron ore industry in India is fragmented and lacks transparency.

At the prospect, rock chip samples were taken from the surface outcrop of the in-situ haematite, giving an average of 63.2% Fe and low values for contaminants (see table). There are numerous outcrops of in-situ haematite at surface and in small pits on the prospect, which are overlain in places by float and kanga ores and alluvium/laterite.

The outcrop area within the mining lease is approximately 500m x 450m, and occurs on the top of a small hill. This has allowed an estimation of dip (approximately 30 degrees to the south east) and thickness (15m).

Table: Chemical analysis of samples

	Sample 1	Sample 2	Sample 3
Fe	63.38%	62.98%	63.20%
SiO ₂	1.20%	1.18%	1.13%
Al ₂ O ₃	0.98%	1.12%	1.10%
S	0.003%	0.006%	0.007%
P	0.012%	0.018%	0.017%

The option agreement provides the Company with an opportunity to carry out further technical evaluations of the region with the aim of establishing a foothold in the iron ore district of the Bonai region in India.

CORPORATE ACTIVITIES

On 1 April 2010, settlement of the first tranche of the agreement between the Company, Alexandra Resources Pty Ltd (Alexandra) and Territory Resources Limited (Territory) was completed. The balance of the loan due by the Company was reduced from \$1.5 million to \$0.5 million by the issue of shares and unsecured convertible notes

A judgement in the proceedings under Section 9 of the Arbitration and Conciliation Act seeking Interim was handed down after the end of the quarter. The judgement Held that Company is at present not entitled to any Interim order in view of the findings of the Arbitrator to the effect that Company's price was inclusive of Excise Duty.

The case under Section 34 of the Arbitration and Conciliation Act, 1996 has been filed challenging the Award of the Arbitrator, the hearing of which was kept in abeyance by the Court pending delivery of the judgement on the Section 9. The hearing of the Section 34 case will be pursued after reviewing the judgment of Section 9 case upon receipt of a copy of that judgement.

During the quarter, the Company commissioned an independent executive remuneration review which has concluded that executive remuneration levels for the Company are in the median range for companies with a similar level of activities as the Company.

The issued share capital of the Company at the end of the quarter comprised 325,218,580 listed shares and 16,600,000 unlisted options. The Company also has on issue 3 unlisted convertible notes.

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 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")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	2,515	11,222
1.2 Payments for:		
(a) exploration and evaluation	(86)	(224)
(b) development	-	-
(c) production	(2,460)	(10,797)
(d) administration – Perth Office	(313)	(1,995)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	13
1.5 Interest and other costs of finance paid	(33)	(184)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(374)	(1,965)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(103)	(911)
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	-	603
1.12 Other	-	-
Net investing cash flows	(103)	(308)
1.13 Total operating and investing cash flows (carried forward)	(477)	(2,273)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(477)	(2,273)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	401
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	528	1,922
1.17	Repayment of borrowings ¹	(5)	(2,210)
1.18	Dividends paid	-	-
1.19	Other : Share issue expenses	(1)	(11)
	: transfer of restricted cash ¹	-	2,194
	Net financing cash flows	521	2,296
	Net increase (decrease) in cash held	44	23
1.20	Cash at beginning of quarter/year to date	(2,600)	(2,659)
1.21	Exchange rate adjustments to item 1.20	(29)	51
1.22	Cash at end of quarter ²	(2,585)	(2,585)

¹ Restricted cash represented the proceeds from a term loan which were restricted until a successful ruling in the excise duty arbitration case was achieved. The funds were applied against the Surda working capital facility in July 2009, following the unsuccessful arbitration court ruling and the term loan was repaid.

² Cash at the end of the quarter includes the balance of a working capital overdraft facility of \$3,035,000 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	135
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 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 59,675,872 ordinary fully paid shares upon the partial conversion of unsecured convertible notes (40,599,184) and the partial repayment of a debt owed to Alexandra Resources Pty Ltd (19,076,688).

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	3,398	3,035
(b) Other loan agreements	2,000	2,000
(c) Convertible note facilities:		
- La Jolla (US\$6.0 million) ²	6,940	2,007
- Alexandra (A\$0.75 million)	750	500
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 30 June 2010 was A\$3.398 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. As at 30 June 2010, the Company has issued two convertible notes and received monthly instalment payments totalling US\$1.75 million. 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	2,700
4.4 Administration	500
Total	3,290

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	450	315
5.2 Deposits at call	-	-
5.3 Bank overdraft	(3,035)	(2,915)
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	(2,585)	(2,600)

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 (cents)	Amount paid up per security (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	325,218,580	325,218,580		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	59,675,872	59,675,872	2.07 cents (average)	2.07 cents (average)
7.5 +Convertible debt securities ¹ Unsecured convertible notes: La Jolla Cove - face value US\$1.5 million Alexandra Resources – face value A\$125k	2 1	- -	US\$3,000,000 A\$125,000	US\$1,750,000 A\$125,000
7.6 Changes during quarter ¹ (a) Increases through issues: (b) Decreases through securities matured, converted	1 4 3	- - -	US\$1,500,000 A\$500,000 A\$375,000	US\$250,000 A\$500,000 A\$375,000
7.7 Options <i>(description and conversion factor)</i> Options over fully paid shares	2,000,000 2,500,000 6,100,000 6,000,000	- - - -	<i>Exercise price</i> 40 cents 30 cents 7 cents 0.25 cents	<i>Expiry date</i> 30.09.10 30.06.12 30.06.14 31.12.17
7.8 Issued during quarter	6,100,000	-	7 cents	30.06.14
7.9 Exercised during quarter				
7.10 Expired during quarter	19,000,000		30 cents	30.06.10
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

¹ During the quarter, the Company received monthly instalments totalling US\$500,000 from US institutional investor La Jolla Cove Investors Inc (La Jolla) for the issue of convertible notes. La Jolla converted US\$328,893 worth of convertible notes into 20,764,925 shares during the quarter. See also 3.1 above.

During the quarter, the Company also issued A\$500,000 worth of convertible notes to Adelaide based Alexandra Resources Pty Ltd, as part of debt re-structuring arrangements announced on 1 April 2010. Alexandra converted A\$375,000 worth of convertible notes into 19,834,259 shares during the quarter. 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: *Frank Campagna*
(Director/Company secretary)

Date: 28 July 2010

Print name: FRANK CAMPAGNA

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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