



India Resources Limited

ABN 77 121 339 704

QUARTERLY ACTIVITIES REPORT QUARTER ENDED 30 SEPTEMBER 2009

HIGHLIGHTS

Surda Mine - Copper

- Ore production from the Surda mine was slightly improved during the quarter but overall copper production was lower due to lower ore grades.
- An expatriate geology manager was appointed during the quarter. This appointment has been made with the objective of improving mine grade control and monitoring other exploration programmes.
- The Surda operation has achieved a significantly lower cost base and improvements in grade recoveries and production tonnages are expected to improve project cash flows.

Exploration Joint Ventures

- ***Base Metals – (Aravalli)*** The Mining Lease applied for over the lead-zinc mineralisation defined at Sindesar Khurd-Rajpura Dariba has been progressed.
- ***Diamonds – (Bundelkhand, Bhandara, Dharwar)*** Joint venture partner Vajra is currently assessing previous exploration data and is developing sampling and bulk sampling programmes.

Coal - Biharinath project

- The discussions with Bankura DRI Mining Manufacturers Company for a coal development contract are progressing well, as per the guidelines set out in the heads of agreement.

Corporate

- The Company has entered into an unsecured convertible note facility with La Jolla Cove Investors Inc. for the issue of up to four convertible notes each with a face value of US\$1,500,000, to raise up to US\$6,000,000.
- \$400,600 in working capital was raised during the quarter pursuant to a share purchase plan offer to all shareholders of the Company.
- Mr Eoin Rothery relinquished his executive role with the Company and has become a non-executive director.

OPERATIONS REPORT

Surda Project

Safety

During the September 2009 quarter one lost time injury (LTIFR) occurred at the Surda mine. The overall accident Frequency rate (FR) is the lowest it has been since the start of the project.

Year	2007	2008	2009	Average
Frequency Rate (FR)	5.86	11.73	3.02	7.22
LTIFR	0.00	4.70	3.02	3.61

The Mines Safety System has been reviewed and was updated during the month of October 2009.

Production

Production at Surda was 743 tonnes of copper for the quarter, a slight 5.4% decrease in metal-in-concentrate produced over the previous quarter, despite ore production being approximately 5% better than the last quarter. Feed grade for the quarter was 0.87% Cu which is below the forecast grade of 0.925% and the main reason for the lower production result. Production was also affected due to damages caused in old ore passes, leakages in tailings and equipment breakdowns mainly due to ageing.

Quarterly production	Current quarter 30.09.09	Previous quarter 30.06.09
Ore Mined (Tonnes)	95,484	90,208
Ore Processed (Tonnes)	94,965	89,147
Mill Feed Grade (Cu)	0.87%	0.95%
Concentrate Produced (Tonnes)	3,157	3,283
Concentrate Grade (Cu)	23.5%	23.9%
Recovery	92.80	93.1%
Metal in Concentrate (Tonnes)	743	786

Surda Mine

- A new backfill bunker was commissioned along with a new backfill line to augment capacity at Number 4 shaft and also to new areas of the Number 3 shaft.
- Development of new blocks to replace old blocks has been the priority for the mine. New blocks being developed are 63, 29 and 38 in Number 3 Shaft and 29 and 32N in Number 4 shaft.
- A newly constructed block model demonstrates high grade material at the lower levels of Number 3 Shaft. The refurbishment and cleaning of 11L has been outsourced. Ore from development activity will start to flow through during the next quarter. Grade from this area is expected to be higher than 1% which will improve overall mine grade.
- During the quarter the mine took the delivery of a new Cavo loader which replaces the old Cavo. These new loaders will double the production from the high grade block 34 of Number 3 Shaft.
- Development continued on level 9 to provide a connection between the two shafts and give greater flexibility for ore hoisting.
- Surda operating costs have been reduced significantly. Despite lower than forecast production, operating cash flow for the period was around \$400,000 better than the budget forecast.

In summary, the mine has reached certain levels of production, however to increase the production by another 10-20% new higher grade areas will be opened. This will require further capital which will be funded by the Axis Bank facility and the La Jolla convertible note facility. The capital expenditure is required in the area of hoisting upgrades, material transportation upgrades, new equipment and furnishings for the new area.

Mosaboni Concentrator Plant

The plant continues to process all ore provided by the mine. A new tailings pond facility of 100,000 cubic metres is under construction.

Exploration and Resource Definition Activities

Aravalli Project – Base Metals

India Resources is in joint venture with RBG Minerals Industries Ltd (RBG), a subsidiary of Binani Zinc Limited, a large Indian conglomerate. RBG is investing 5.144 crore Rupees (US\$1.1 million) to earn up to a 51% interest in IRL's subsidiary, Crown Mining Pvt. Ltd. Currently, RBG is assisting the grant process of the Mining Lease applied for over the lead-zinc mineralisation defined at Sindesar Khurd-Rajpura Dariba.

IRL has completed a preliminary mineralisation estimate for the Aravalli project, including construction of a block model. It is based on 200m spaced drill hole sections comprising a total length of 6 kms. The ore body is of a SEDEX style similar to Mt Isa in Australia. It is emphasised that the resource estimate is expected to be upgraded substantially in both tonnes and grade by further drilling and that higher grade zones can be identified within it. These mineralised zones are essentially continuous with the adjacent Sindesar and Dariba mines where grades in excess of 10% Pb plus Zn are being mined by Hindustan Zinc Limited.

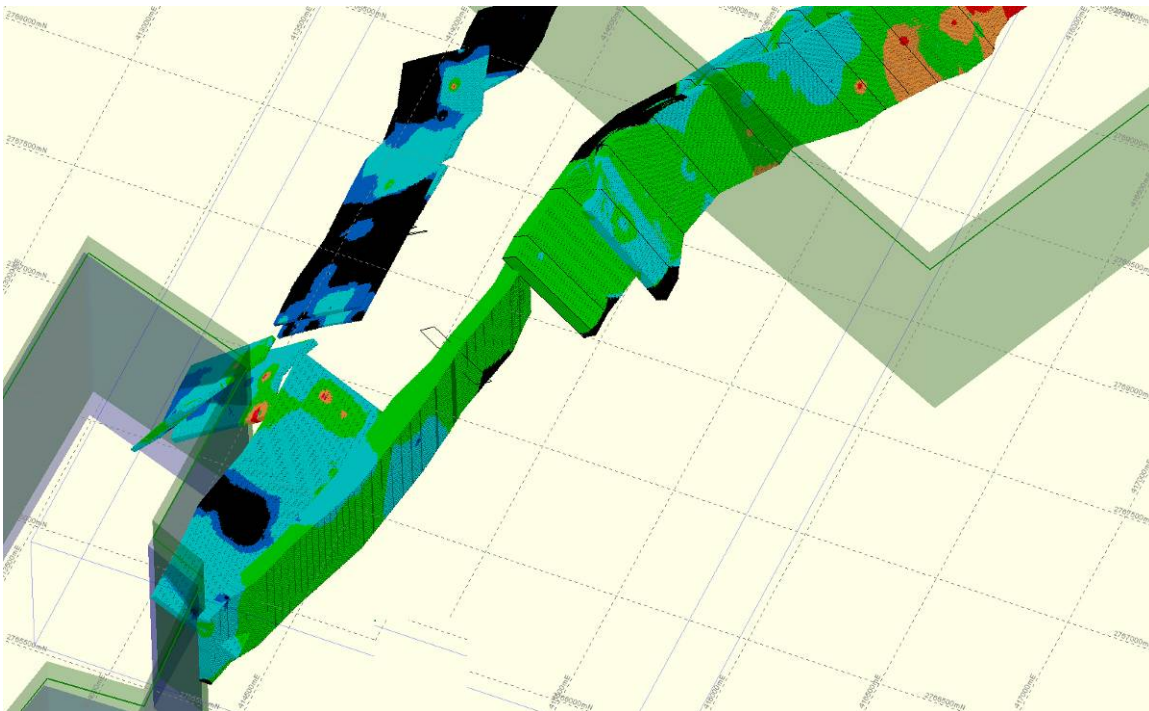


Figure 1. Oblique view from the south-east of the block model constructed for the Sindesar Khurd area. This includes the Sindesar Kalan East deposit (eastern) and the North Sindesar Ridge deposit (western). The HZL mining lease at Sindesar Khurd is shown to the left, and the Bamnia Kalan area to the right. The block model is coloured by percent zinc plus lead – black no data (drilling needed); blue greater than 1%, green > 2%, orange > 3%, red > 4%.

India Resources Limited

Mining exploration entity quarterly report

The estimates do not meet the JORC standard, because of the lack of quality data and access to many of the Geological Survey of India holes used in the estimate and so are unable to be reported here. IRL has previously reported an exploration target for this project of a range of 95-135 million tonnes at between 2.2 to 4.5% Zn, 0.7–1.8% Pb¹. The work carried out so far gives IRL confidence that this can be achieved and that smaller, higher grade zones can be identified.

Diamond Projects

India Resources has introduced a joint venture partner to its Indian diamond projects, a private Indian diamond company, Vajra Diamond Mining Private Limited (Vajra). Vajra will spend US\$500,000 to earn an 80% interest in the project areas. In addition, Vajra will pay India Resources US\$500,000 from its mining revenue on the diamond projects and IRL has the right to carry out mining at commercial rates.

Vajra is currently assessing the previous data and is planning sampling and bulk sampling programs.

Surda Project – Copper

As reported in the previous quarter, IRL has completed a JORC compatible resource estimation for the Surda project.

Category	Tonnes	Grade (Cu %)
Measured	6,023,000	1.06
Indicated	6,959,000	1.12
Inferred	113,000	0.79
TOTAL	13,095,000	1.09

During the current quarter the resource has proved beneficial in mine planning and in predicting production tonnes and grade.

The resource estimation is proving helpful in targeting areas for stope development and underground diamond drilling is being planned to assist with this work. IRL's target annual production rate is 450,000 tonnes and with a resource of 13,095,000 tonnes there is plenty of scope to develop stopes in areas of higher copper grade. In addition, the deposit is open down dip and along strike to the north and has excellent exploration potential.

Askot Project – Copper, Lead, Zinc, Gold

India Resources holds a strategic 15% 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) in Uttarakhand State. 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.

Adi Gold received final environmental clearance from the central Ministry for Environment and Forests in the previous quarter, clearing the way for grant of the Mining Lease.

In September 2009 Pebble Creek announced that it has completed a second and final closing of the previously announced non-brokered private placement for gross proceeds of \$1,050,000. The net proceeds from the placement will be used partially for continued exploration of the Askot project which has mineralisation open at depth and along strike north and south.

Biharinath Project – Coal Development

India Resources has entered into a heads of agreement with Bankura DRI Mining Manufacturers Company Private Limited (Bankura), which is a special purpose vehicle established by six sponge iron manufacturers to mine coal from their Anandapur Sector, Biharinath Block in the Raniganj Coalfield, located in the state of West Bengal, India.

Under this binding heads of agreement, Bankura has granted IRL the sole and exclusive right for a period of 4 months in order to finalise the technical and commercial terms in good faith with Bankura. Once those terms have been agreed, the parties will sign a long term agreement pursuant to which IRL will be appointed the sole and exclusive contractor to develop two declines of 2 kms each, sink two shafts of 170 and 490 metres in depth and undertake underground coal mining operations. IRL will be required to deliver coal to the pit head as per the approved mine plan. The current mine plan envisages first delivery of coal (30,000 tonnes) in the third year of operation and ramping up to reach a target production of 480,000 tonnes per year in the seventh year of operation.

Bonai Project – Iron Ore

India Resources has maintained its portfolio of 15 applications in the states of Orissa and Jharkhand. A meeting with the Jharkhand Department of Mining and Geology in India is planned for November 2009 to expedite the granting of these applications.

¹ Note, as per ASX guidelines: "Exploration targets" should not be mistaken for an estimate of Mineral Resources or Ore Reserves. The figures are based on historic (not JORC) estimates by the GSI, the current drilling, the SRK Consulting report in the IRL Prospectus of April 2007 and IRL's interpretation of the available geological and drilling data. The potential quantity and grade is conceptual in nature, there has been insufficient exploration as yet to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource. Extensive further drilling will be required to establish JORC standard estimates of Resources and this will take place on a Mining lease that IRL have applied for through its wholly owned subsidiary Crown Mining India Private Limited. IRL has a preferential right to an ML from holding a granted Reconnaissance Permit over the area under the Mines and Minerals (Development and Regulation) Act 1957.

CORPORATE ACTIVITIES

In July 2009, India Resources announced a share purchase plan offer whereby eligible shareholders were given the opportunity to subscribe for up to \$15,000 worth of shares in the Company at a subscription price of 2 cents per share. The share purchase plan offer by India Resources Limited (Company) closed on 5 August 2009, with subscriptions received for a total of 20,030,000 ordinary shares. The offer raised \$400,600 in working capital for the Company.

In September 2009, the Company entered into an unsecured convertible note facility with La Jolla Cove Investors Inc. for the issue of up to four convertible notes each with a face value of US\$1,500,000, to raise up to US\$6,000,000. The facility is subject to the approval of shareholders of the Company. Advances under each convertible note are available in monthly instalments of US\$250,000 with each advance able to be converted to ordinary shares in the Company at the election of the holder or if not so converted are redeemable in September 2011. The interest rate on the advances is 4.75% per annum.

The conversion price under the convertible note facility is the lesser of A\$0.25 or 80% of the average of the three lowest volume weighted average prices during the 21 trading days prior to the note holder's election to convert, provided that if the note holder elects to convert the convertible note in whole or in part and, on the day that the election is made, the volume weighted average price per share is below the floor price of A\$0.015, the Company shall have the right to prepay that portion of the convertible note that the note holder elected to convert, plus any accrued and unpaid interest, at 120% of such amount.

India Resources Limited

Mining exploration entity quarterly report

In July 2009, the arbitration proceedings in relation to Indian sales excise on the supply of copper concentrate under the Surda works order was concluded in favour of Hindustan Copper Limited (HCL). The proceedings related to sales excise deductions of 16.6% made by HCL from copper sales invoices issued by the Company. IRL has commenced proceedings under Section 34 of Arbitration and Conciliation Act and an appeal has been filed in the Calcutta High Court. The case has been admitted and operation of the award stands stayed. The parties have been advised to file an affidavit in opposition (HCL) and reply thereto (IRL) and the case will come up in the list on late November 2009.

The Government of India has gradually reduced sales excise tax to the current level of 8.24% since the re-commencement of the Surda project in 2007. An appeal has been filed in the Double Bench of the High Court, Kolkata for the excise reduction to be passed on to IRL by HCL. The hearing is expected to take place soon after the Court re-opens on 19 October 2009.

During the quarter, creditors and shareholders of Monarch Gold Mining Company Limited (Monarch) approved a recapitalisation proposal for Monarch, under which the Company is expected to receive full repayment of the outstanding loan in a combination of cash and shares in Monarch over a period of 12 months. The first instalment of the loan repayment is expected in November 2009.

In August 2009, the Company announced that in association with Chinese company, Nuclear Industry Yantai Tong Xing Industrial Co. Ltd (NIYTX), it successfully completed a contract to supply ceramic disc filters to Hindustan Copper Limited. The Company and NIYTX are now in discussions to establish a long term agreement to bring this new technology to the Indian market.

In September 2009, Eoin Rothery stepped down as an executive director of the Company but will remain on the Board as a non-executive director. Mr Rothery has agreed to provide geological consultancy services to the Company on an ongoing basis.

The issued share capital of India Resources Limited at the end of the quarter comprised 221,976,980 shares and 114,725,665 listed options. The Company also has on issue 47,000,000 unlisted options over ordinary shares.

Arvind Misra
Managing Director

The geological and assay statements and commentary in the above report are based on information compiled by Eoin Rothery who is a member of the Australian Institute of Geoscientists. Mr. Rothery 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. Rothery is a consultant of India Resources Limited and holds the position of non-executive director. Mr. Rothery 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. Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

India Resources Limited
Mining exploration entity quarterly report

Contact details for India Resources Limited	
---	--

Postal address:	PO Box 869 West Perth, Western Australia 6872
Telephone:	(+61 8) 9327 7444
Facsimile:	(+61 8) 9327 7499
E-mail:	admin@indiaresources.com.au
Web-site:	www.indiaresources.com.au

Appendix 5B

Mining exploration entity quarterly report

Name of entity

India Resources Limited

ABN

77 121 339 704

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	2,549	2,549
1.2 Payments for: (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(2,345)	(2,345)
(d) administration	(432)	(432)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: net cash flow from goods and services tax	-	-
Net operating cash flows	(227)	(227)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(234)	(234)
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	(234)	(234)
1.13 Total operating and investing cash flows (carried forward)	(461)	(461)

Appendix 5B
Mining exploration entity quarterly report

1.13 Total operating and investing cash flows (brought forward)	(461)	(461)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	401	401
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	32	32
1.17 Repayment of borrowings ¹	(2,194)	(2,194)
1.18 Dividends paid	-	-
1.19 Other: share issue expenses : transfer of restricted cash ¹	(10) 2,194	(10) 2,194
Net financing cash flows	423	423
Net increase/(decrease) in cash held	(38)	(38)
1.20 Cash at beginning of quarter/year to date	(2,659)	(2,659)
1.21 Exchange rate adjustments to item 1.20	143	143
1.22 Cash at end of quarter ²	(2,554)	(2,554)

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 \$2,952,000 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	82
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

Not applicable.

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.

Appendix 5B

Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities: (a) Indian working capital overdraft facility (Surda) ¹	4,030	2,952
(b) Other loan agreements	3,000	3,000
(c) Convertible note facility (US\$6 million) ²	6,817	-
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 September 2009 was \$2.85 million.

² Convertible note facility is subject to the approval of shareholders of India Resources Limited pursuant to ASX Listing Rule 7.1 and Section 611 of the Corporations Act.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	-
Total	25

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	398	340
5.2 Deposits at call	-	-
5.3 Bank overdraft ¹	(2,952)	(2,999)
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	(2,554)	(2,659)

¹ Drawing facility used for the day to day operations of the Surda mine.

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	Reconnaissance Permits 68, 70, 71, 76 and 80 in Orissa State.	Indirect	100%	Nil
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> Redeemable convertible preference shares				
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	221,976,980	221,976,980		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,030,000	20,030,000	2 cents	2 cents
7.5 ⁺ Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i> Options over fully paid shares (listed) Options over fully paid shares (unlisted)	114,725,665 12,500,000 5,000,000 19,000,000 2,000,000 2,500,000 6,000,000	114,725,665 - - - - - -	<i>Exercise price</i> 20 cents 30 cents 60 cents 30 cents 40 cents 30 cents 0.25 cents	<i>Expiry date</i> 31.12.09 31.12.09 31.12.09 30.06.10 30.09.10 30.06.12 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>				

Appendix 5B

Mining exploration entity quarterly report

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does ~~does not~~ *(delete one)* give a true and fair view of the matters disclosed.

Sign here: *Frank Campagna* Date: 30 October 2009
Company Secretary

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.

== == == == ==