



India Resources Limited

ACN 121 339 704

QUARTERLY ACTIVITIES REPORT QUARTER ENDED 30 JUNE 2009

HIGHLIGHTS

Safety

- No lost time injuries (LTI) were reported at the Surda operations for the quarter.
- Lost time injury frequency rate (LTIFR) remains below 2, which is lower than the West Australian LTIFR for underground mining operations.

Surda Mine - Copper

- During the quarter, particularly in the months of May and June, the operations at Surda were interrupted by protest activity in relation to local community issues and by Indian federal elections. A total of 10 days production was lost during the quarter.
- During the month of April, total copper produced was 313 tonnes which is a record for the project to date. However, May and June copper production was impacted by stoppages and lower grade recoveries.
- Newly published JORC resource and block model for the Surda copper deposit will assist in mine planning and identification of high grade ore blocks.

Base Metals – Aravalli

- RBG Minerals Industries Limited is assisting the grant process of the Mining Lease applied for over the lead zinc mineralisation defined at Sindesar Khurd-Rajpura Dariba.

Diamonds – Bundelkhand, Bhandara, Dharwar

- The Company has also introduced a joint venture partner to its Indian diamond projects, a private Indian diamond company, Vajra Diamond Mining Private Limited (Vajra).

Coal - Biharinath project

- After the end of the quarter, India Resources entered into a Heads of Agreement whereby it was granted the sole and exclusive right to finalise a technical and commercial agreement to be appointed as the sole and exclusive contractor to develop the Biharinath Block in the Raniganj Coalfield, located in the state of West Bengal, India.

Corporate

- As foreshadowed in the previous quarterly report, the Company's focus during the June 2009 quarter was to increase involvement in a mine development opportunity, reduce exploration expenditure and restructure head office costs.
- During the quarter head office staffing levels were reduced from 8 full time employees to a total of 4 employees. The remaining staff took significant pay cuts.
- A private share placement was made in May 2009 to raise additional working capital.

OPERATIONS REPORT

Surda Project

Safety

During the June 2009 quarter, no lost time injuries (LTI) were reported at the Surda mining operations. This safety record is particularly impressive in light of 82% of the Surda workforce having been introduced to underground mines for the first time.

Production

Copper production at Surda was 786 tonnes of copper produced during the quarter, a slight 2.3% decrease in metal-in-concentrate produced over the previous quarter. Feed grade for the quarter was 0.95% which is in line with forecast and 6.7% better than the previous quarter.

Quarterly production	Current quarter 30.06.09	Previous quarter 31.03.09
Ore Mined (onnes)	90,208	99,579
Ore Processed (Tonnes)	89,147	97,225
Mill Feed Grade (Cu)	0.95%	0.89%
Concentrate Produced (Tonnes)	3283	3400
Concentrate Grade (Cu)	23.9%	23.6%
Recovery	93.1%	92.9%
Metal in Concentrate (Tonnes)	786	804

Surda Mine

- Record 31,064 tonnes of backfilling for the month of June.
- Record 313 tonnes of copper– in– concentrate per month in April.
- JORC resource published.
- Production impacted by 10 days of stoppages.
- Production affected by early onset of significant stress on Crown pillar in Block 7. This has now been resolved and ore extraction from Block 7 is budgeted to be completed in August 2009.

Mining took place in 10 blocks during the quarter – Blocks 1, 7, 14, 30, 34, 35 and 37 supplying 3 Shaft and Blocks 6, 18 and 32 supplying 4 Shaft. Development continued on level 9 to provide a connection between the two shafts and give greater flexibility to hoisting. Development was in ore at an average grade of 0.9%.

Mosaboni Concentrator Plant

The plant continues to process all ore provided by the mine. Unit processes underwent optimisation during the previous quarter when the rate of production increased by 26%. Now the total process has been stabilised fully. The crushing unit's throughput efficiency dipped a little below 90% this quarter but had 100% system availability. The grinding unit is operating at 105% throughput efficiency and system availability has been over 95%. Recovery and concentrate grade both improved during the quarter as commissioning work on the new flotation cells resulted in performance upgrades.

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.

Diamond Projects

India Resources has also 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.

Surda Project – Copper

IRL has completed a 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

India Resources has been mining at Surda since 2007, but estimation of a resource has been hampered by the poor quality of the historic records. However with the completion of a new mine survey to use as a template, the verification of a drill hole and channel sample database, and the experience of mining over the last two years, a JORC compatible resource has now been completed. This resource will be of use in mine planning and will help to predict production tonnes and grade.

IRL's target annual production rate is 450,000 tonnes. At this rate the mine life of Surda is at least 28 years, with IRL's current contract expiring in mid-2014. 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 an approved Mining Lease in Uttarakhand State. The Askot 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.

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

Biharinath Project – Coal Development

After the end of the quarter, India Resources announced that it had 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.

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Mining exploration entity quarterly report

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.

CORPORATE ACTIVITIES

In May 2009, India Resources made a share placement of 12.3 million shares at a subscription price of 2.1 cents per share. Funds raised of \$258,300 were to be used as additional working capital for the Company, including costs associated with restructuring the Australian office in Perth.

On 3 July 2009, India Resources announced a share purchase plan offer whereby eligible shareholders will be 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 closing date of the offer is 5 August 2009.

The arbitration proceedings in the application of excise duty under the Surda works order were finalised after the end of the quarter, with the award decided in favour of Hindustan Copper Limited (HCL). The arbitration proceedings relate to approximately 16.64% deductions made by HCL from monthly copper sales invoices for Indian sales excise tax. The Government of India has gradually reduced excise tax to the current level of 8.24% since the re-commencement of the Surda project in 2007. HCL has now refused to pass this excise reduction on to IRL. IRL is evaluating its options in challenging these decisions and will advise the market about its strategy going forward. Currently net reduction in revenue to IRL is approximately 13-14%.

During the quarter a recapitalisation proposal recommended by the Voluntary Administrator of Monarch Gold Mining Company Limited (Monarch) was approved by creditors. Under the proposal, IRL would receive approximately 32 million shares in the recapitalised Monarch (to be renamed) and approximately \$2.4 million in cash over the 12 months following completion of the Recapitalisation Deed (payable in the amount of approximately \$603,000 at Completion, and the balance in equal instalments at 4 months, 8 months and 12 months following). The value of share consideration of \$1.61 million assumes the average sale price of the shares is not less than the issue price of 5c per share. The proposal represents a return to IRL of 100% of the outstanding loan. First instalment of the loan repayment is expected by early October 2009.

The issued share capital of India Resources Limited at the end of the quarter comprised 201,946,980 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

India Resources Limited
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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 full-time employee of India Resources Limited and holds the position of Director - Geology. 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.

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

India Resources Limited

ABN

77 121 339 704

Quarter ended ("current quarter")

30 June 2009

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	3,229	12,621
1.2 Payments for: (a) exploration and evaluation	(38)	(614)
(b) development	-	-
(c) production	(2,399)	(12,262)
(d) administration	(436)	(2,390)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	10
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	1	174
Net operating cash flows	358	(2,461)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(294)	(3,730)
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	(294)	(3,730)
1.13 Total operating and investing cash flows (carried forward)	64	(6,191)

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Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	64	(6,191)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	258	558
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	2,194	7,128
1.17	Repayment of borrowings	(238)	(238)
1.18	Dividends paid	-	-
1.19	Other: share issue expenses	(15)	(15)
	Net financing cash flows	2,199	7,433
Net increase/(decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	252	1,323
1.21	Exchange rate adjustments to item 1.20	-	(50)
1.22	Cash at end of quarter Refer Notes 2 and 3 below	2,515	2,515

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	166
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	<p>Payments to directors and director-related entities for executive salaries, directors' fees, superannuation contributions and the provision of management services to the Company.</p>

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

During the quarter the creditors of Monarch Gold Mining Company Limited (Monarch) approved a proposal (as recommended by the Deed Administrators) under which it is envisaged that India Resources Limited will receive 100% of the outstanding loan of \$4.008 million due from Monarch. Under the proposal, which is pending Monarch shareholder approval, the loan is repayable in cash and shares in instalments over a period of 12 months.

- 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 facility (Surda) ¹	4,030	3,048
(b) Indian term loan (Surda) ²	2,340	2,194
(c) Other loan agreements	3,000	3,000
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 2009 was \$3.23 million.

² Term loan facility was drawn down on 29 June 2009 and on 1 July 2009 applied against the working capital facility. Refer comments at Note 3.

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 ³	2,515	258
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	(6)
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	2,515	252

³ Cash on hand includes term loan proceeds of \$2.194 million deposited into the Indian cash account on 29 June 2009. The use of these funds was conditional upon a successful ruling in the excise duty arbitration case, otherwise the funds were restricted to paying down the working capital facility. Subsequent to the end of the quarter, the arbitration court ruled in favour of Hindustan Copper Limited.

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> 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	201,946,980	201,946,980		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,300,000 3	12,300,000 3	2.1 cents 20 cents	2.1 cents 20 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	3	3	20 cents	31.12.09
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*
Company Secretary

Date: 31 July 2009

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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