INDIA RESOURCES LIMITED

ABN 77 121 339 704

ELECTRONIC PROSPECTUS AND APPLICATION FORM

Note for intended users of this Prospectus:

(a) This file contains the Prospectus dated 23 April 2007 issued by India Resources Limited ABN 77 121 339 704 ("**Company**").

(b) Persons who access the Prospectus in electronic form should note that the securities offered by this Prospectus should be considered speculative. Before deciding to invest in the Company potential investors should read the entire Prospectus and in particular consider the risk factors that could affect the financial performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

(c) The securities to which the Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus.

(d) The offer to which the Prospectus relates is available to persons receiving electronic disclosure documents in Australia.

(e) Users of the Application Form included in the Prospectus should note:

(i) the Prospectus contains information regarding investing in the securities referred to in the Application Form; and

(ii) potential investors are strongly advised to read the Prospectus before applying for securities.

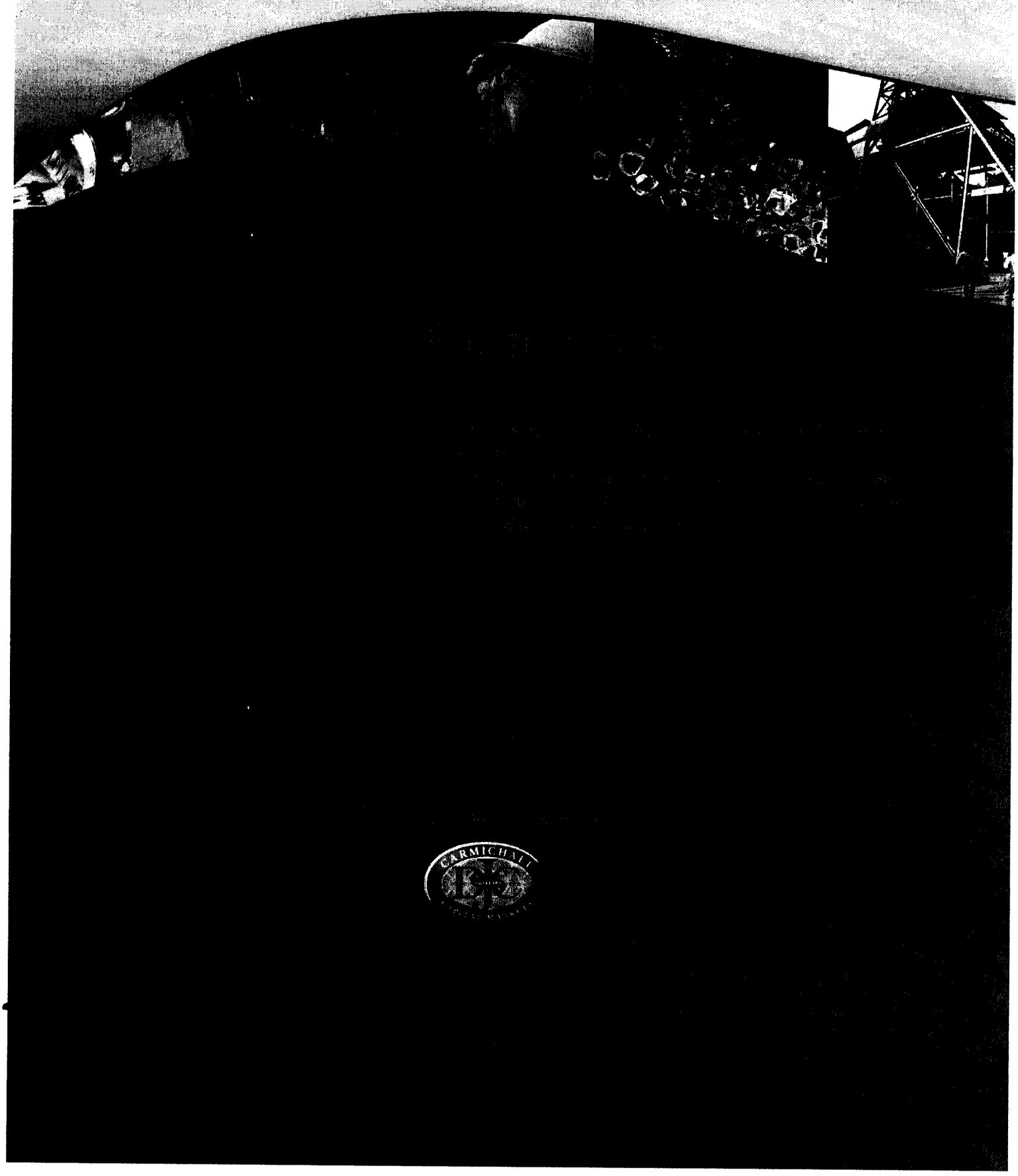
(f) Whilst the Prospectus is current, the Company will send copies of the Prospectus and any supplementary document and the Application Form, on request and without charge. In this regard, please contact:

[*]

[Company to insert acknowledgment box and link for investors to tick before enabling access to the website Prospectus]

India Resources Limited

ABN 77 121 339 704



CORPORATE DIRECTORY

Directors	Michael Kiernan - Executive Chairman Eoin Rothery - Managing Director David Humann - Non Executive Director Allan Quadrio - Non Executive Director Craig Readhead - Non Executive Director Andrew Simpson - Non Executive Director
Advisor to the Board	Captain Shailendra Pratap Singh - Vice President Business Development
Company Secretary	Frank Campagna
Principal Place of Business	Level 2 23 Ventnor Avenue West Perth WA 6005 Telephone: (08) 9324 7000 Facsimile: (08) 9324 7099 E-mail: admin@indiaresources.com.au Web-site: www.indiaresources.com.au
Lead Manager to the Offer	Carmichael Capital Markets Pty Limited Level 11, Allendale Square 77 St Georges Terrace Perth WA 6000
Solicitor to the Offer and Solicitor Reporting on Tenements	Pullinger Readhead Lucas Level 2, Fortescue House 50 Kings Park Road West Perth WA 6005
Independent Consulting Geologist	Steffen Robertson & Kirsten (Australasia) Pty Ltd 1064 Hay Street West Perth WA 6005
Auditor and Independent Accountant	Ernst & Young 11 Mounts Bay Road Perth WA 6000
Share Registry	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth WA 6000 Telephone: 1300 557 010 Facsimile: (08) 9323 2033 E-mail: perth.services@computershare.com.au Web-site: www.computershare.com.au

The assets depicted in the pictures contained in this Prospectus are not assets of the Company and are used solely for illustrative purposes only.

India Resources Limited

INVESTMENT HIGHLIGHTS

The Directors of India Resources Limited (IRL) believe the reasons to consider investing in India's minerals industry via IRL include:

- India has the world's fourth-largest economy (after the United States, China and Japan). India's GDP growth rate is second only to China's among the world's major economies, averaging 8% per annum since 2004.[1]
- India is rich in key minerals and now permits up to 100% direct foreign investment.[2]
- The full spectrum of resources development exploration, extraction and processing is ripe for modernisation in India. Global demand for most minerals and metals is increasing rapidly and is forecast to continue for at least the next decade. As part of this increasing demand, India's domestic demand is also increasing rapidly and therefore the need to develop domestic supply sources is becoming increasingly evident.[3]
- IRL has the benefit of an effective working alliance with Hindustan Copper Limited, an Indian government enterprise, and has acquired a suite of resources projects in India.
- The Company's initial focus will be on the implementation of modern exploration techniques and systematic and cost effective exploration programmes on its existing projects. The Company may also evaluate and participate in additional prospective mining projects in India.
- The Board of IRL includes Directors with many years experience in the resources industry, with a broad range of technical, operational and financial skills. The IRL management team also has a mix of commercial, mining, marketing, legal and in-country expertise. In addition, IRL has access to modern, highly efficient exploration techniques currently rare or unknown in India.
- The Company's primary objective is to maximise shareholder wealth by capital growth and dividend through the discovery of economic mineral deposits and the development of profitable mining operations.

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[1] *"Economy of India" (http://en.wikipedia.org/wiki).*

[2] *"Economy of India" (http://en.wikipedia.org/wiki), and Current Government of India Ministry and Finance website homepage (http://farmin.nic.in/foreign_investment).*

[3] *"A Preliminary Market Review of the Global Copper Industry" by Goodall Business & Resources Management Pty Ltd dated April 2007 (available www.indiaresources.com.au).*

India Resources Limited

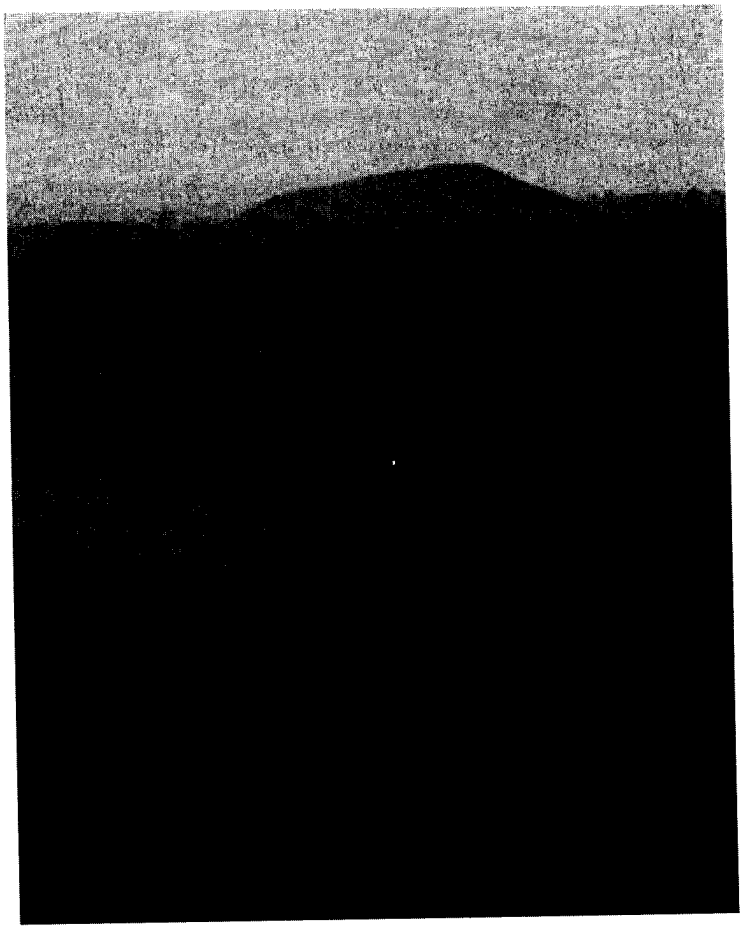


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IMPORTANT NOTICE

This Prospectus is dated 23 April 2007 and was lodged with the ASIC on that date. No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Neither the ASIC nor ASX take any responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is important that you read this Prospectus carefully, in its entirety and seek professional advice where necessary before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors that could affect the performance of the Company. The Offer does not take into account your investment objectives, financial situation and particular needs. Accordingly, you should carefully consider the risk factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Securities the subject of this Prospectus should be considered speculative.

No person is authorised to provide any information or make any representation in connection with the Offer contained in this Prospectus which is not contained in this Prospectus.

WEB SITE ELECTRONIC PROSPECTUS

A copy of this Prospectus may be downloaded from the Company's website at www.indiaresources.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any persons passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any persons may obtain a hard copy of this Prospectus free of charge by contacting the Company by telephone on (08) 9324 7000 during normal business hours.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for Securities under this Prospectus may be received but will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications before the expiry of the Exposure Period.

Section 1 Chairman's Letter

Dear Investor

On behalf of the Board of Directors of IRL, I am pleased to present this Prospectus and invite you to invest in this public offer by subscribing for Shares in IRL.

IRL was established in August 2006 for the purpose of assembling a portfolio of resource projects in India. The Directors consider that IRL offers investors an outstanding opportunity to participate in the exploration and development of selected minerals in India.

India has recently opened its doors to direct foreign investment as it joins the developed world[4] and the Directors believe India has not received the attention from Australian investors that it has merited in recent times.

The Company's portfolio of assets comprises:

Hindustan Copper Limited - Surda Mine

The Company has the benefit of an alliance with Hindustan Copper Limited (HCL - a Government of India enterprise) with the initial focus on identifying existing operations and areas where large-scale mineralisation has been proven. HCL is the sole integrated producer of primary copper in India and is listed on the Mumbai, Delhi, Kolkata and Madras exchanges.

IRL, in alliance with HCL, plans to re-open and operate the Surda Mine with an initial objective of delivering annual production of 4,500 tonnes of copper concentrate. The HCL Surda Mine closed in January 2003 and for the six years prior produced a total of 1,473,000 tonnes at an average grade of 0.9% copper.

Hindustan Copper Limited - Exploration MOU

IRL also has the benefit of a Memorandum of Understanding (MOU) for general exploration on HCL's various leases including tenure around the Surda Mine, and around HCL's current operations at Malanjkhand and Khetri. IRL will undertake detailed evaluation of exploration areas to be determined in consultation with HCL.

Aravalli Project

Through IRL's in-country consultants, the Company has acquired two Reconnaissance Permits in Rajasthan (north western India). The first permit is 50 kms North East of Udaipur with 1,900 square kms in area and the second permit is 20 kms South East of Ajmer with 670 square kms in area. The Aravalli Proterozoic metamorphic belt is prospective for copper, lead, zinc as well as gold.

Coal

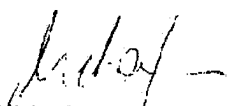
IRL is currently holding discussions with Cook's Construction Pty Ltd, Australia's largest privately owned earth moving and mining contracting company with extensive coal mining experience, with a view to establishing a joint venture. It is intended that any resulting joint venture entity would apply for rights to explore and develop coal projects in India.

Diamonds

The Company's diamond initiative will focus on the Bhandara Diamond Project which consists of seven granted Reconnaissance Permits in Orissa, as well as three Reconnaissance Permit applications in Chhattisgarh, located in the region of several kimberlite ore bodies. The projects will be acquired by IRL shortly, subject only to some formalities to be completed by the current holders.

India's spectacular economic growth, second only to China's among the world's major economies, points to a rapidly expanding industrial base[5]. IRL is positioning itself to participate in this expected growth in the Indian minerals sector. On behalf of the Directors, I commend this Prospectus to you and look forward to welcoming you as a shareholder in the Company.

Yours faithfully



Michael Kiernan
Chairman

[4] *Current Government of India Ministry and Finance website homepage (http://farmin.nic.in/foreign_investment).*
[5] *"Economy of India" Wikipedia (http://en.wikipedia.org/wiki).*

Section 2 Details of the Offer

2.1 Indicative Timetable

Lodgement of Prospectus	23 April 2007
Opening Date *	23 April 2007
Closing Date (5.00pm WST)	18 May 2007
Allotment of Securities under this Prospectus	Late May 2007
Despatch of Holding Statements	Late May 2007
Trading of Securities to commence on ASX	Late May 2007

The above dates are indicative only and may vary. The Company reserves the right to change the key dates of the Offer without prior notice which may have a consequential impact on other dates.

* No Applications will be processed until expiry of the Exposure Period but Applications may be received on and from the Opening Date.

2.2 Securities Offered For Subscription

Pursuant to this Prospectus, the Company is offering 50 million Shares at an issue price of $0.20 each to raise $10 million before costs of the Offer, with up to a further 5 million Shares being offered as oversubscriptions, to raise up to a further $1 million.

In addition, Applicants will receive one free attaching Listed Option for every four Shares subscribed for, exercisable at $0.20 each on or before 31 December 2009.

Details of the rights attaching to the Securities are set out in Sections 10.2 and 10.3 of the Prospectus.

2.3 Application For Securities

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the Securities offered by this Prospectus before deciding to apply for Securities. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

An Application for Securities can only be made on the Application Form contained at the back of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the Application Form.

Applications must be for a minimum of 10,000 Shares and 2,500 Options (being minimum application monies of $2,000), and thereafter in multiples of 1,000 Shares and 250 Options ($200).

The Application Form must be accompanied by a cheque in Australian dollars, for the full amount of your application monies. Cheques must be made payable to "**India Resources Ltd - Share Application Account**" and should be crossed "Not Negotiable".

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus. All Shareholders registered on the date of this Prospectus will receive a copy of this Prospectus by mail.

Completed Application Forms and accompanying cheques must be received by no later than 5.00 pm (WST) on the Closing Date by the Share Registry:

By Delivery to:

India Resources Limited
C/- Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

By Post to:

India Resources Limited
C/- Computershare Investor Services Pty Ltd
GPO Box D182
Perth WA 6840

The Company reserves the right to extend the Offer or close the Offer early without notice. Applicants are therefore urged to lodge their Application Form as soon as possible.

An original, completed and lodged Application Form, together with a cheque for the application monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities.

If the Application Form is not completed correctly, or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Securities than is indicated by the amount of the cheque for the application monies.

No brokerage or stamp duty is payable by Applicants in respect of Applications for Securities under this Prospectus.

Section 2 Details of the Offer

Continued

2.4 Allocation and Allotment of Securities

The Company reserves the right to reject any Application or to allocate to any Applicant fewer Securities than the number applied for. The Company also reserves the right to reject or aggregate multiple Applications in determining final allocations.

In the event an Application is not accepted or accepted in part only, the relevant portion of the application monies will be returned to Applicants, without interest.

The Company reserves the right not to proceed with the Offer or any part of it at any time before the allocation of the Securities to Applicants. If the Offer or any part of it is cancelled, all application monies, or the relevant application monies will be refunded without interest.

The Company also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Applications Forms either generally or in particular cases.

The allotment of Securities to Applicants will occur as soon as practicable after Application Forms and application monies have been received for the minimum subscription of Securities being offered, following which statements of shareholding will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

2.5 Application Money Held in Trust

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Securities are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

2.6 Minimum Subscription and Oversubscriptions

The minimum subscription to be raised under this Prospectus is $6 million.

No Securities will be issued pursuant to this Prospectus until the minimum subscription has been achieved. Should the minimum subscription not be reached within 4 months after the date of this Prospectus, all application monies will be dealt within in accordance with the Corporations Act.

The Company believes the minimum subscription will provide sufficient working capital to fulfil current expenditure commitments and to undertake exploration and evaluation programmes as detailed in this Prospectus. Additional programmes and objectives have been identified should the Offer be fully subscribed ($10 million) and if applicable, for oversubscriptions of a further $1 million.

2.7 Objectives and Use of Funds

The primary objectives of the Company are the discovery of economic mineral deposits and the development of profitable mining operations on its existing projects, and to acquire interests in other prospective mining projects that have the potential to contribute to the Company's future growth. The Company's budgeted expenditure, based on the Company's current expenditure commitments in India, for the first two years following listing, are set out below in Table 1. Details of the intended exploration programs are set out in Section 3 of the Prospectus.

The details of exploration expenditure budgeted for each project with current financial commitments are set out in Table 2 overleaf:

Table 1

Budget expenditure	**Minimum subscription**		**Offer fully subscribed**		**Oversubscriptions accepted**	
	$6 million		**$10 million**		**$11 million**	
	Year 1 ($)	**Year 2 ($)**	**Year 1 ($)**	**Year 2 ($)**	**Year 1 ($)**	**Year 2 ($)**
Exploration expenditure	1,300,000	1.050,000	2,350,000	3,300,000	2,500,000	3,600,000
Project acquisition costs	550,000	nil	550,000	nil	550,000	nil
Administration overheads	1,070,000	1,150,000	1,160,000	1,200,000	1,160,000	1,200,000
Expenses of the Issue	545,000	nil	750,000	nil	800,000	nil
Working capital balance		335,000		690,000		1,190,000
Total	**$6,000,000**		**$10,000,000**		**$11,000,000**	



Section 2 Details of the Offer

Continued

Table 2

Intended expenditure by Project	Minimum subscription		Offer fully subscribed		Oversubscriptions accepted	
	$6 million		$10 million		$11 million	
	Year 1 ($)	Year 2 ($)	Year 1 ($)	Year 2 ($)	Year 1 ($)	Year 2 ($)
Surda Mine						
Evaluation*	700,000	*	900,000	*	900,000	*
Aravalli Project						
Data compilation and evaluation	200,000	50,000	250,000	100,000	250,000	100,000
Geology	100,000	50,000	150,000	150,000	150,000	150,000
Geochemistry	50,000	50,000	100,000	100,000	100,000	100,000
Geophysics	50,000	50,000	100,000	100,000	100,000	100,000
Drilling	200,000	450,000	850,000	1,650,000	1,000,000	1,950,000
Diamonds – Orissa **						
Geochemistry	**	200,000	**	300,000	**	300,000
Drilling, bulk sampling etc	**	200,000	**	900,000	**	900,000
Total	**1,300,000**	**1,050,000**	**2,350,000**	**3,300,000**	**2,500,000**	**3,600,000**

* *Costs and capital required, associated with plant refurbishment and full production in Year 2, will be known at the end of the evaluation phase (Refer Section 3.7(b)).*

** *Completion of the acquisition of the diamond project in Orissa is pending formalities being attended to by the current holders of the tenements. It is anticipated that the Company will acquire the diamond projects in mid 2007 (and by November 2007 at the latest). The working capital surplus will be allocated for Year 1 to Orissa, and to the tenement application areas outside Orissa and to the MOU with HCL because the Company currently has no existing contractual commitments.*



Surda Mine Headframe.

Section 2 Details of the Offer

Continued

2.8 Capital Structure

As at the date of this Prospectus, the issued share capital of the Company is 26,000,001 Shares and 40,406,250 options (including 10,000,000 options to be issued to Directors subject to shareholder approval at a general meeting to be held on 17 May 2007).

The capital structure at completion of the Offer, assuming the Offer is fully subscribed, is set out below in Table 3:

Table 3

Securities	Number of Securities
Shares on issue as at the date of the Prospectus	26,000,001
Shares to be issued pursuant to the Prospectus [1]	50,000,000
Total Shares on issue at the close of the Offer	**76,000,001**
Options on issue at the date of the Prospectus	
- Options exercisable at 20 cents each on or before 31.12.09 (to be listed)	8,156,250
- exercisable at 30 cents each on or before 31.12.09	12,500,000
- exercisable at 60 cents each on or before 31.12.09	5,000,000
- exercisable at 30 cents each on or before 30.06.10 [2]	14,750,000
Total Options on issue as at the date of the Prospectus	**40,406,250**
Listed Options to be issued pursuant to the Prospectus exercisable at 20 cents each on or before 31.12.09 [1]	12,500,000
Total Options on issue at the close of the Offer	**52,906,250**
Total Shares and Options on issue at the close of the Offer [2]	**128,906,251**

1 *The Directors may accept oversubscriptions for a further $1 million. This will result in a further 5,000,000 Shares and 1,250,000 Listed Options being issued. The number of Shares and Options issued pursuant to this Prospectus will be reduced proportionately if subscriptions between the minimum subscription of $6 million and $10 million are received.*

2 *These options include 10,000,000 Options to be issued to Directors subject to the approval of shareholders at a general meeting of the Company to be held on 17 May 2007. Further details are provided in Section 10.6 of the Prospectus.*

Full details of the terms and conditions of the various classes of Options, including proposed Plan Options, and the Listed Options offered by this Prospectus, are set out in Section 10.6.

2.9 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's projects. These activities are expected to dominate the two year period following the issue of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Once sustained profitability has been established and subject to working capital and investment requirements, the Directors intend to distribute a proportion of future profits to Shareholders by way of dividends.

2.10 ASX Listing

The Company will apply to ASX within 7 days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares and Listed Options, other than those existing Shares that the ASX is likely to treat as restricted securities as defined in ASX Listing Rules, such as those issued to vendors of projects to the Company.

If the Shares and Listed Options are not admitted to official quotation within 3 months after the date of this Prospectus, or such longer period as permitted by ASIC following an application to modify the Corporations Act, none of the Shares and Listed Options offered by this Prospectus will be allotted or issued. In that circumstance, all Applications will be dealt with in accordance with the Corporations Act.

The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Securities. ASX, its officers and employees, take no responsibility for the contents of this Prospectus.

2.11 Investment Risks

The business of the Company involves mineral exploration and investment in mining tenements in India and accordingly, investment in the Securities offered by this Prospectus should be considered speculative. The key risks associated with an investment in the Company are in Section 9 of this Prospectus.

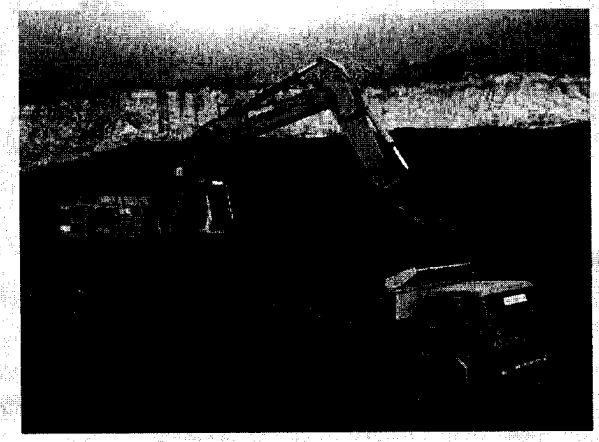
2.12 Lead Manager

Carmichael Capital Markets Pty Limited has been appointed lead manager to the Offer. The terms of the appointment are summarised in Schedule C of the Solicitor's Report.

Carmichael Capital Markets Pty Limited will pay a split fee to be negotiated by Carmichael Capital Markets Pty Limited in respect of applications lodged by any member organisation of ASX, licensed securities dealer or the holder of an Australian Financial Securities Licence and accepted by the Company provided the relevant stamp of the organisation is on the Application Form.

No brokerage or commission is payable by Applicants in respect of Securities issued pursuant to this Prospectus.

Section 3 Overview



3.1 Overview of India; an economic giant – and growing fast

The Directors believe that India has slipped "under the radar" to become a major force in the global economy.[6]

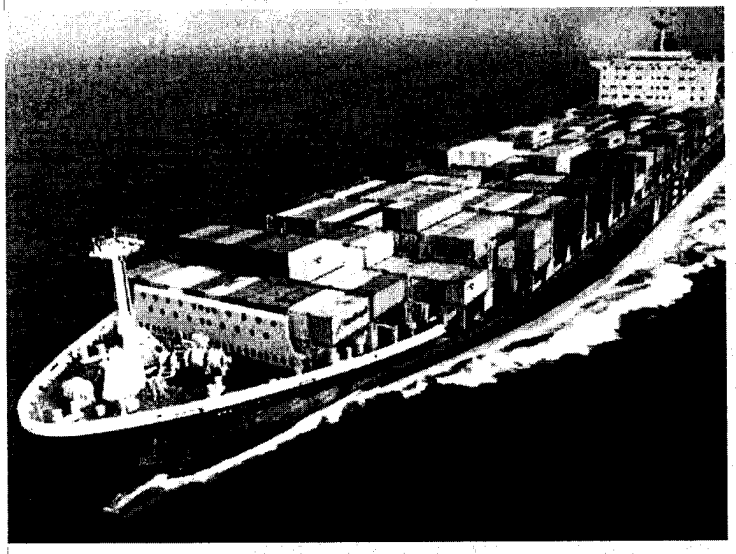
While attention has focussed on China's spectacular economic progress in recent years, India has quietly surged to become the world's fourth-largest economy (behind only the United States, China and Japan).[7]

A media report by Goldman Sachs suggests that India will pass Japan to climb into third place before 2030.[8]

GDP growth is expected by economists to average 5.5%[9] per annum for the period from 2006 to 2020.[10]

For most of the period since independence in 1947 foreign trade and investment had been deliberately restricted, with the objective of enhancing domestic growth. The limitations of this policy were recognised in the 1990's and the government began reducing barriers.[11]

As the economy modernised, the need for large inflows of foreign investment was more clearly appreciated. India took a major step forward in 2005 when it announced a policy of permitting up to 100% foreign direct investment in new ventures.[12]



3.2 India - a Power in Natural Resources

Like Australia and South Africa, the Directors consider that India is richly endowed with minerals. The Directors believe that it possesses coal reserves among the world's largest and its iron ore deposits are almost equal in tonnage to Western Australia's. Among its other major mineral resources are bauxite, manganese, chromite, copper, ilmenite (a source material for titanium) lead and zinc.

However, the Directors believe that the Indian resources industry has not developed to the extent of Australia's and South Africa's, primarily due to the lack of exploration and cost-effective mining techniques.

Some of the world's largest resources-related companies have taken positions in India since foreign investment restrictions were eased. Among them, South Korea's Posco one of the world's top five steelmakers is developing an integrated mine and steel plant with an output capacity of 12 million tonnes a year, making it one of the biggest in the world.

The Indian government is in the process of formulating a new mineral policy as a result of recommendations to the Prime Minister by the Planning Commission Committee on Mineral Policy. The new policy is expected to encourage exploration investment and to streamline and simplify procedures relating to mineral concessions and environmental approvals.[13]

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[6] *Ernst & Young Report "India Budget 2007".*

[7] *"Economy of India" (http://en.wikipedia.org/wiki).*

[8] *Media Report 29 June 2005 "Goldman takes India to G-8" released by Goldman Sachs (http://timesofindia.indiatimes.com).*

[9] *"India A study in contrasts" dated September 29, 2006 (http://neweconomist.blogs.com).*

[10] *Deutsche Bank Research 2006 presentation by Tamara Trinh, senior economist, "India A Study in contrasts".*

[11] *Economy of India Foreign direct investment in India" (http:en.wikipedia.org/wiki).*

[12] *Economy of India Foreign direct investment in India" (http:en.wikipedia.org/wiki).*

[13] *The McKinsey Quarterly No 4 of 2001 (www.mckinseyquarterly.com).*

Section 3 Overview

Continued

3.3 India – Home of Diamonds

Historically, India was the major supplier of world diamonds until the discovery of the South African and Brazilian fields. Much of this supply came from alluvial deposits and includes such gems as the Kohinoor (105 carats) that resides in the British monarch's crown jewels.

To date, only one primary source has been mined and it is currently operated by India's National Mineral Development Corporation (NMDC) at Panna in Madhya Pradesh, producing around 60,000 carats per year. The Directors believe that India is still the largest processor of diamonds 11 out of every 12 diamonds are cut there. Most of the major global diamond mining companies such as De Beers, Rio Tinto and BHP Billiton, have been searching in recent years for further primary kimberlite sources.

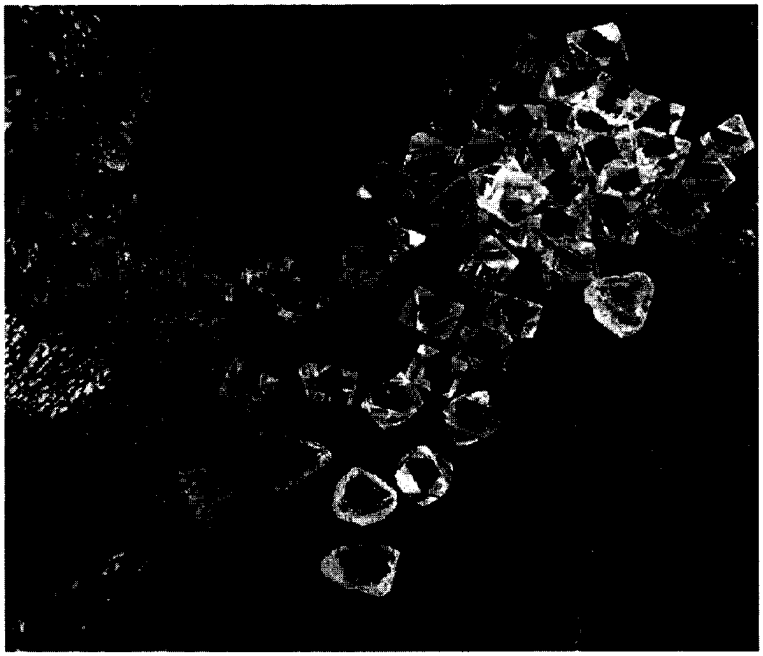
3.4 Ongoing Scope for Growth within India

India's economic growth has long-term potential that at least matches China's. Its population of 1.1 billion continues to grow at a high rate by world standards. In 2006, 60% of the population was less than 25 years old.[14]

Although affluence is rising (India's middle class exceeds 300 million people, more than the population of the United States or European Union), per capita income remains low. However, with education standards and social aspirations rising, demand for a higher standard of living will continue to fuel pressure on governments to maintain high economic growth rates for the foreseeable future.[15]

The Directors believe that India is short of power to fuel its annual growth. Over 60% of India's power generation comes from coal-fired boilers. India is the world's third largest coal producer and the coal deposits of India contain over 200 billion tonnes.[16]

Rural dwellers still dominate India's population structure[17] but, as with all modernising economies, there is an accelerating movement of people to the cities for better education and more sophisticated job and career opportunities.[18] India's extraordinarily rapid development as one of the world's leading information technology centres highlights the social, educational and economic changes taking place.



3.5 Snapshots of India's modernisation

Some figures that illustrate India's rapidly advancing modernisation:

- The nation has an estimated 150 million mobile phone users.[19]
- Merchandise exports have expanded in three years, growing 35% in fiscal 2006/7 alone.[20]
- Per capita national income is expected to rise by 7.9% during 2006/07.[21]
- GDP growth has averaged 8% per annum since 2004 second only to China's among the world's major economies.[22]

India's growth is best summarized by Ernst and Young review of the India Budget 2007:

"The Indian economy itself continues to grow from strength to strength with every passing year.... Tax to GDP ratio has risen to an impressive 11% plus. Foreign direct investments have risen to a strapping US$12 billion plus, outstripping the traditionally large overseas portfolio investments. Business confidence levels are at an unprecedented high with both domestic and international investors."[22]

[14] *"India Rising" by Beth Huetter, SPIE Professional, April 2007, journal of the International Society for Optical Engineering (http://newsroom.spie.org).*

[15] *"India Market of the Month" current release by USA Department of Commerce (www.buyusa.gov).*

[16] *"Coal in India" by SK Chowdhary, Farmer, Chairman, Coal India Limited, India (www.worldenergy.org).*

[17] *Weekend Australian newspaper magazine article 14-15 April 2007.*

[18] *Weekend Australian newspaper magazine article 14-15 April 2007.*

[19] *"Mobile Phone User Base: India joins 100 million club" by Razib Ahmed, June 8 2006 (http://www.southasia.biz.com).*

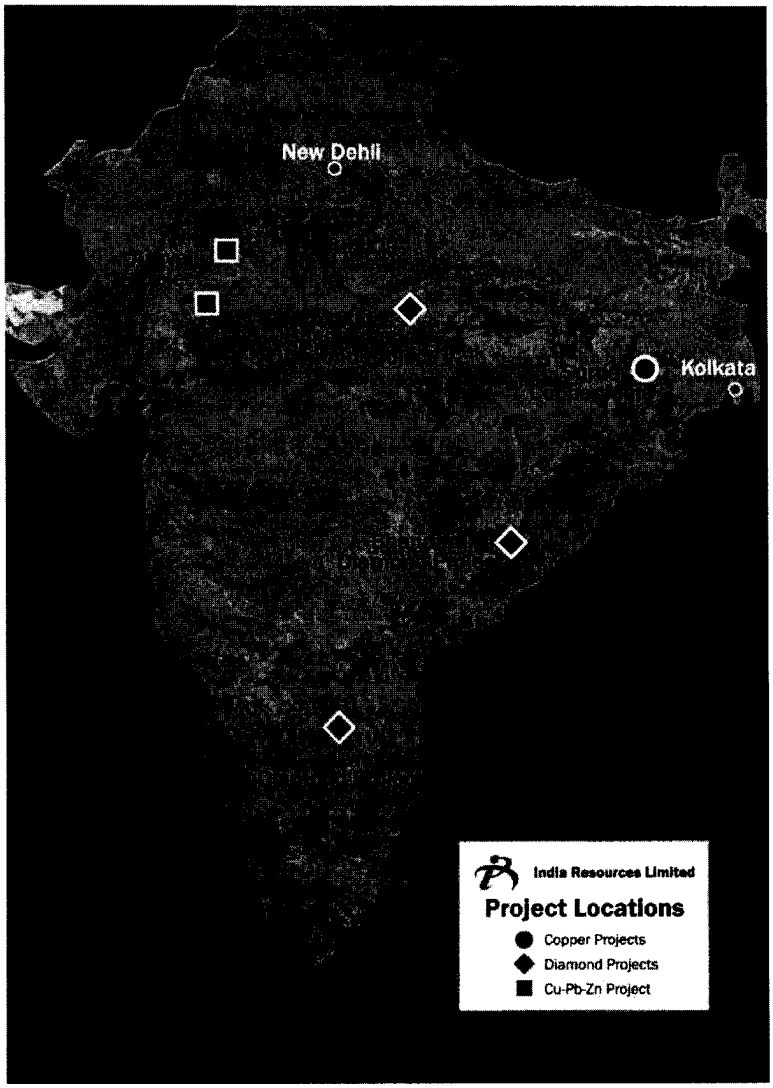
[20] *"WTO lands India, Vietnam on trade performance by G Srinivasan, April 13 2007, BusinessLine Business Daily from the Hindu group of publications.*

[21] *"National Accounts" by Press Information Bureau, Government of India, 7 February 2007 (http://mospi.nic.in).*

[22] *Ernst & Young India Budget 2007 (www.ey.com/India).*

Section 3 Overview

Continued



3.6 Overview of the Company

IRL was incorporated on 21 August 2006 for the purpose of accumulating a suite of resource assets in India. The Company raised $1.6 million before costs pursuant to a share offer in October 2006 to evaluate and acquire project opportunities in India. The Company currently has approximately 440 existing Shareholders. India was selected by IRL as an investment opportunity on the basis of its favourable geology and culture; its recent rapid growth and relaxation of foreign involvement in mining; and its nascent mining and exploration industry.

Following six months of project evaluation and acquisitions, IRL has secured a suite of projects prospective for selected commodities. IRL's approach has been to seek projects that allow early ground work on granted leases and to seek partners experienced in the local mining scene.

IRL has not been focussed on particular commodities; rather the Directors have been on the lookout for excellent projects within the mining and exploration sectors. IRL is aiming for early success and early transition from exploration to mining.

3.7 The Company's Projects

IRL has assembled a mix of projects in a range of commodities and areas of India.

As detailed in Section 2.7, the Company has prepared a comprehensive initial two-year exploration and evaluation programme for its existing project areas. The proposed second year programmes are dependent on the results of the first year of exploration and will be refined and varied in accordance with those results. The possible grant of tenement applications, and the actual date of acquisition of the diamond projects (at the latest in November 2007) may lead to some re-allocation of budgeted expenditure as these additional commitments and opportunities arise. However, it is anticipated that results from the first year's exploration will be sufficiently encouraging to maintain a similar if not increased level of exploration activity and expenditure for the second year, as budgeted in Section 2.7.

India's GDP growth has averaged 8% a year since 2004.[23]

[23] *Ernst & Young India Budget 2007 (www.ey.com/India).*

Section 3 Overview

Continued

(a) Hindustan Copper Limited - Surda Project

Acquired through Monarch Gold Mining Company Limited, IRL's main project is to re-open the Surda Mine and Mosaboni Concentrator of the Singhbhum Copper Belt in Jharkhand.

Annual production is targeted at 4,500 tonnes of copper concentrate until the existing tenement licence expires in 2014. The Surda Mine closed in January 2003 and for the six years prior produced 1,473,000 tonnes at an average grade of 0.9% copper.

HCL - a major force in Indian copper mining.....

Major activities of HCL are mining, ore beneficiation, smelting, refining and casting of refined copper metal into downstream products such as copper cathodes, copper wirebar and continuous cast copper wire rod. Precious metals present in the ore are also recovered.

Annual turnover of HCL in the year 2005-06 was Indian rupees 10,535 million (approximately A$300 million); more than 90% of the revenue was from the sale of cathode and continuous copper wire rod.

In the most recent financial year, HCL mined 2.637 million tonnes of copper ore at a grade of around 0.08% copper, and produced 35,593 tonnes of copper cathode. HCL made a net profit after tax of 1,058.9 million Indian rupees (approximately A$ 30 million).

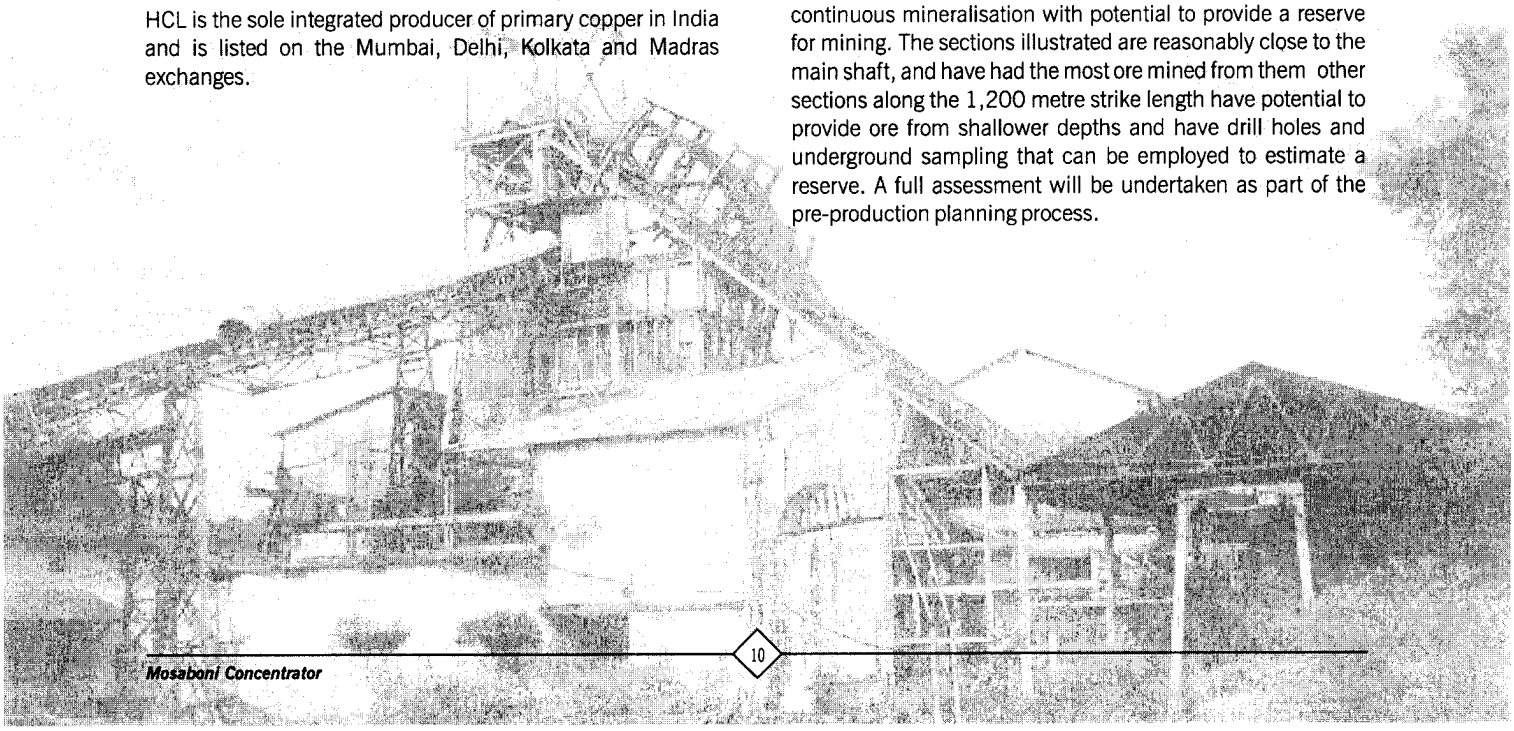
Mining was from three mines, two underground mines in Rajasthan (Khetri and Kolihan) and one open cut in Madyha Pradesh (Malanjkhand). HCL holds mining leases for half of the known copper reserves in India with total leasehold area of about 2,230 hectares in the States of Rajasthan, Madhya Pradesh and Jharkhand.

HCL is the sole integrated producer of primary copper in India and is listed on the Mumbai, Delhi, Kolkata and Madras exchanges.

(b) Surda Mine and Mosaboni Concentrator

The Surda Mine lies in the Singhbhum Copper Belt, which stretches for 200 km around the east and north of the Archaean Singhbhum Craton. The area has a proud mining history stretching back to ancient times; it is in fact unusual for all of the mines on the line of lode to be dormant as they are today. HCL still operates the Moubhandar smelter nearby, which takes ore from the central Indian Malanjkhand mine as well as periodic imports from overseas. It would be desirable to source copper locally and hence HCL's search for an alliance which will bring expertise and technology to revive the Singhbhum Copper Belt, starting with Surda. IRL has taken on this challenge and will work closely with HCL to achieve early production.

IRL's preliminary assessment is that the project has great potential, and a proportion of the funds being raised will be used for pre-production planning and evaluation in the lead up to the re-commencement of mining operations at Surda. This work will indicate development schedules, mine plans, capital refurbishment costs and funding requirements to re-commence copper production. It is expected that any further funding for re-commencement of operations will be sourced from a combination of surplus working capital, debt and equity financing. Site visits and data gathering has shown the mine and concentrator ceased operations in "mid-stream", with ore still in the circuit at the concentrator, several stopes partially completed and still open at Surda, even down to several full ore wagons left waiting at the plant on level five of the mine waiting to be taken to surface. The mine has been kept on care and maintenance for four years and de-watered continuously to the 10th level. IRL has taken samples from four open, partially developed, stopes to do some preliminary metallurgy. Indicative sections provided by HCL show reasonably continuous mineralisation with potential to provide a reserve for mining. The sections illustrated are reasonably close to the main shaft, and have had the most ore mined from them other sections along the 1,200 metre strike length have potential to provide ore from shallower depths and have drill holes and underground sampling that can be employed to estimate a reserve. A full assessment will be undertaken as part of the pre-production planning process.



Mosaboni Concentrator

Section 3 Overview

Continued

(c) Hindustan Copper Limited Exploration – MOU

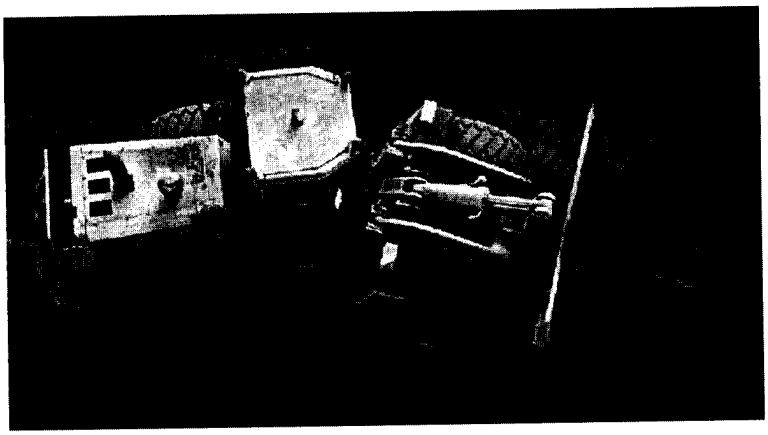
Through a Memorandum of Understanding (MOU) with HCL to explore HCL properties and other areas in partnership, IRL will assess any opportunities and put forward proposals. IRL has estimated a budget of $200,000 to facilitate this assessment process.Prospective areas will be identified in consultation with HCL and terms for any joint venture farm-in will be negotiated with HCL.

To ensure cost effective and quality exploration drilling, IRL intends to engage Swick Mining Services Limited (ASX: SWK) who are renowned as competent and experienced Western Australian drilling contractors with nearly 50 years of operation.

(d) Aravalli Project

Through its' in-country consultants, IRL has acquired the Aravalli project which is an advanced exploration asset in a recognised zinc-lead-copper mineralised region. The project consists of two Reconnaissance Permits (RPs) in Rajasthan (North-Western India). Relmagra RP, the first permit, is 50 kms North East of Udaipur with 1,905 square kms in area. Nasirabad RP, the second permit, is 20 kms South East of Ajmer with 670 square kms in area. The area is a known mining centre, with three operating mines (Vedanta Resources-Hindustan Zinc), one of which lies in the centre of an IRL RP.

A map of the Aravalli Project is provided in the Independent Consulting Geologist's Report in Section 5 of the Prospectus.



Relmagra RP

The prominent feature of the Relmagra RP is the operating zinc-lead mine in the centre of the lease. The Rajpura-Dariba mine is operated by Hindustan Zinc and lies on one of three excised mining leases, the other two of which have known deposits on as well. These occurrences were known to the ancients, who mined Rajpura Dariba to several hundred metres depth; it was only re-discovered in modern times by the Geological Survey of India. The mineralisation appears to belong to the Proterozoic lead zinc SEDEX style of deposits; known in Australia at Mount Isa and Macarthur River. Anglo American's previous work has defined large areas and strike lengths of geochemical anomalism, as well as several interesting magnetic features. Several prominent structures can be seen in remote sensing imagery, many associated with surface copper showings. IRL's exploration programme will comparatively assess the various datasets, particularly with regard to possible structural controls, to define the best targets for drill testing.

A map of the Relmagra RP is provided in the Independent Consulting Geologist's Report in Section 5 of the Prospectus.

Nasirabad RP

The Nasirabad RP lies 20 kms South East of the major town of Ajmer in the state of Rajasthan. The major mines of Kayar and Rampura Agucha lie 20 kms North East and 40 kms South of the RP, respectively. These are lead zinc mines, but the main potential in the Nasirabad RP is copper there are several known occurrences in close proximity, all appearing to be associated with the major shear zone that separates the Delhi Group in the North West from the Bhilwara Supergroup to the South East. Once again, there are several strong structural features in the remote sensing data set and IRL will proactively explore their association to possible copper mineralisation.

In general, copper mineralisation appears to occur in rocks of widely varying geological ages. Previous geological mapping and exploration have emphasised the lithology and stratigraphy at the expense of structural features, which will be a focus of the proposed exploration.

Maps of the RPs Nasirabad and Relmagra are provided in the Independent Consulting Geologist's Report in Section 5 of the Prospectus.

IRL has allocated a budget of approximately $2.6 million to advance the Aravalli Project including data purchase and compilation, GIS targeting, geochemistry and geophysics; and finally drills testing.

(e) Coal

IRL is currently holding discussions with a view to entering into a joint venture with the Australian mining group, Cook's Construction Pty Ltd ("**Cook's**"). Cook's is Australia's largest privately owned earth moving and mining contracting company and has extensive coal mining experience.

It is intended that any resulting consortium will apply for prospective coal Reconnaissance Permits to explore and develop coal projects in India.

IRL intends to pursue several opportunities to gain access to prospective coal properties via joint venture or partnership.

Section 3 Overview

Continued

(f) Diamond Exploration Projects

The Company's diamond initiative will focus on the Bhandara Diamond Project which consists of seven granted Reconnaissance Permits in Orissa, as well as three Reconnaissance Permit applications in Chhattisgarh. The area lies on the boundary of the Bhandara Archaean craton with the Proterozoic Eastern Ghats Mobile Belt and several kimberlite bodies have been recorded in close proximity to this boundary.

Once IRL acquires the diamond projects, anticipated in mid 2007 and no later than November 2007, IRL's diamond exploration focus will consist initially of stream sediment sampling with microprobe analysis to identify kimberlitic indicator minerals.

The Company's strategic interest in diamonds is underpinned by the fact that India has the world's largest diamond processing industry[23] and major diamond companies including De Beers are active in India. De Beers have an active exploration program underway on a permit immediately adjacent to IRL's diamond leases, in the prospective Nuapada and Bolangir districts of Western Orissa. Recently, Rio Tinto announced a major kimberlite find at Bunder, 60 kms South West of Panna 4, 5 in Madhya Pradesh.[24]

Successful identification of the occurrences of kimberlite and lamproite pipes and bodies is greatly facilitated by a thorough appreciation of the profound structural and tectonic control of their emplacement. Known diamondiferous kimberlites in India are restricted to Archaean and Proterozoic cratonic nucleii and are distinctly associated with deep lithosphere penetrating fault zones and basement structures tapping in to the upper mantle. Kimberlites and lamproites are mantle derived surface emplacements and occur as complex breccia pipes and dykes, often occurring in characteristic clusters. Examples of these clusters are the Raipur Pipes Cluster and the Tokapal Pipes occurrence, adjacent to the Company's permits in Western Orissa.

The exploration methodology employed to locate kimberlites and lamproites is a series of progressively more detailed regional drainage sediment sampling programs. Samples are processed to produce a heavy mineral concentrate which is then subject to detailed optical microscopic observation; any identified kimberlitic indicator minerals are then subject to Scanning Electron Microscopy (SEM) and Electron Micro-Probe analysis. Many kimberlite associated minerals such as the various olivine and pyroxene species do not survive weathering processes to yield a widely dispersed sediment trail. Several species of pyrope garnets and chromite grains, as well as diamond itself, provide the most reliable indicator minerals in the search for diamond-bearing kimberlites and lamproites.

The Company's diamond exploration activities are centred on three project areas, located in three established diamond-bearing kimberlitic fields in peninsular India. A location map is provided in the Independent Consulting Geologist's Report in Section 5 of the Prospectus.

(g) Bhandara Diamond Project

The Bhandara Diamond Project includes seven granted Reconnaissance Permits covering an area of 8,044 km^2 in Western Orissa. An additional contiguous 6,070 km^2 covered by three Reconnaissance Permit applications in neighbouring Chhattisgarh State completes the project area of 14,114 km^2 in total. All of the allocated budget is currently planned for the part of the Bhandara project in Orissa. The Bhandara Diamond Project straddles the border between Chhattisgarh and Orissa and is located in the recognised Mainpur-Raipur Kimberlite Field. It lies on the boundary of the Bhandara Archaean Craton with the Proterozoic Eastern Ghats Mobile Belt and several kimberlite bodies have been recorded in close proximity. A map of the Bhandara Diamond Project is provided in the Independent Consulting Geologist's Report in Section 5 of the Prospectus.

The planned exploration programme consists initially of regional catchment sediment sampling with subsequent SEM and Micro-Probe analysis to identify diamonds and any associated kimberlitic indicator minerals. Results of the sampling will be combined with geology and remote sensing to identify possible locations of source rocks (kimberlite or lamproite diatremes). Further detailed geophysics, loam sampling and drilling will be required to discover the pipes, and if successful will lead to bulk sampling and analysis of diamond content.

As and when the applications in Chhattisgarh become granted, the Company would re-allocate some of the existing budget for the granted tenements in Orissa in order to carry out reconnaissance and possibly drilling.

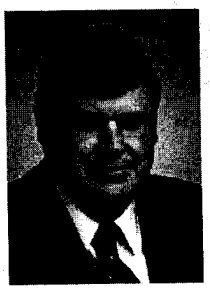
(h) Other Diamond Projects

The Company's other projects are lease applications in Andhra Pradesh and Madyha Pradesh. The Dharwar Project comprises five prospecting licence applications totalling 24.87 km^2 located in the Wajrakarur kimberlite field of the Southern Indian Diamond Province, in the Anantapur and Southern parts of the Kurnool Districts, in the state of Andhra Pradesh. The Bundelkhand project consists of two reconnaissance permit applications close to the South East boundary of the Archaean Bundelkhand craton around 40-80 kms west of India's only producing diamond mine at Panna, and around 20-50 kms North of Rio Tinto's Bunder diamond project. The prospectively of these lease applications requires a detailed multi-faceted exploration program, as soon as the leases are granted. No specific budget has been allocated to these areas, pending grant.

[23] *Independent Technical Assessment Report by SRK in Section 5 of this Prospectus.*

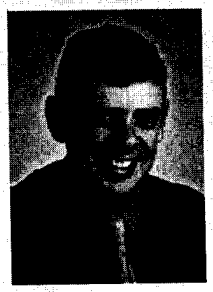
[24] *www.debeersgroup.com.*

Section 4 Directors and Management



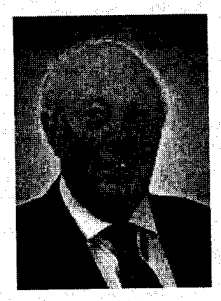
Michael Kiernan - *Executive Chairman*

Michael Kiernan has more than 30 years experience in manganese, chromite, iron ore, nickel, gold, coal and copper/zinc projects. He has held executive positions with Australia's major mining and transport contractors. Mr Kiernan is currently Chairman of Monarch Gold Mining Company Limited (gold exploration), Uran Limited (uranium exploration), Mineral Resources Limited (contracting services group), Territory Iron Limited (iron ore exploration) and Non-Executive of Precious Metals Australia Limited and Matilda Minerals Limited (mineral sands). He was founding Managing Director of the diversified minerals producer Consolidated Minerals Limited.



Eoin Rothery - *Managing Director*

Eoin Rothery is a minerals explorationist with strong multi-commodity experience in copper, gold, manganese, chromite, iron ore, lead/zinc, uranium and silver. Extensive experience includes three world class mines Jundee, Broken Hill and McArthur River together with vast international and diverse geological environments. Mr Rothery has a track record of significant exploration success particularly in manganese, gold and zinc discoveries. He previously held the position of General Manager Exploration with Consolidated Minerals Limited.



David Humann - *Non-Executive Director*

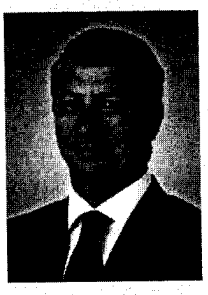
David Humann is a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Certified Practising Accountants and a fellow of the Australian Institute of Company Directors.

He joined PricewaterhouseCoopers (formerly Price Waterhouse) from college, and his career with Price Waterhouse included roles in Perth, Sydney, Jakarta, Hong Kong, Baltimore, New York and London. He was a member of the firm's World Board of Directors and its World Management Committee. He was also Managing Partner Asia Pacific Region based in Hong Kong and a member of the Policy Committee of the Australasian firm. Mr Humann holds non-executive directorships with Atomaer Holdings Pty Ltd, Braemore Resources PLC, Exxaro Australian Sands Limited, Matrix Metals Limited, Mincor Resources Limited, Rewards Holding Pty Ltd, Safe Effect Technologies Limited and Monarch Gold Mining Company Limited.



Allan Quadrio - *Non-Executive Director*

Allan Quadrio has had 25 years experience in mining operations. He is an experienced and qualified metallurgist, having been Resident Manager at various mine operations within Western Australia including gold and nickel operations. Allan was previously Technical Director with Consolidated Minerals Limited responsible for the technical management of the manganese, chromite, nickel and iron ore operations together with responsibility for exploration. Mr Quadrio is currently Managing Director of Monarch Gold Mining Company Limited.

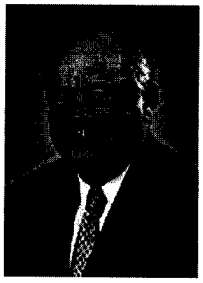


Craig Readhead - *Non-Executive Director*

Craig Readhead is a lawyer with 30 years legal and corporate advisory experience with specialisation in the resources sector, including the implementation of large scale mining projects both in Australia and overseas. Mr Readhead is a former president of the Australian Mining and Petroleum Law Association and is the managing partner of specialist mining and corporate law firm, Pullinger Readhead Lucas. Mr Readhead is chairman of Heron Resources Limited and Halcyon Group Limited, and is a non executive director of Mount Gibson Iron Limited, Frankland River Olive Company Limited and Galaxy Resources Limited.

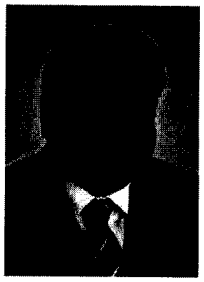
Section 4 Directors and Management

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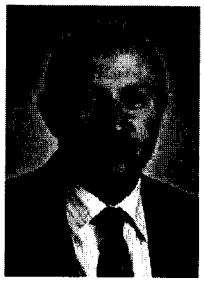
Andrew Simpson - *Non Executive Director*

Andrew Simpson is a senior marketing executive with extensive global marketing experience in the resource and mining industry, including more than 30 years of 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. Mr Simpson is also non-executive Chairman of Swick Mining Services Pty Ltd and a non executive director of Consolidated Minerals Limited and Vital Metals Limited. He is a Member of the Australian Institute of Company Directors.



Captain S.P. Singh - *Vice President Business Development*

In recent years, Captain S.P. Singh has been at the forefront of opening-up the minerals sector of India and attracting foreign investment to this sector. He has achieved this through close working relationships with the Indian Government and its administration. Captain Singh was the chief co-ordinator of the $20 million Orissa air-borne geophysical survey project in 1994 funded by the Australian Government. Captain Singh has a successful track record of acquiring projects also succeeding in obtaining a change in Government policy to allow private sector access to India's vast mineral sands deposits. These deposits had previously been under the exclusive control of the Indian Atomic Energy Department. Captain Singh has associations with a number of major international companies working in India, including Ashton Mining, BHP Billiton and Anglo American, and has provided assistance to foreign companies in establishing themselves in India, obtaining necessary approvals and implementing work plans. Captain S.P. Singh is a non-resident Indian.



Frank Campagna - *Company Secretary*

Frank Campagna is a Certified Practising Accountant with more than 25 years experience as Company Secretary, Financial Controller and Commercial Manager for listed resources and industrial companies. He presently operates a corporate consultancy practice which provides corporate secretarial and advisory services to both listed and unlisted companies.

Previous roles include acting as Company Secretary for Consolidated Minerals Limited and Aquarius Platinum Limited. Mr Campagna is currently Company Secretary of Monarch Gold Mining Company Limited, Red 5 Limited and Wavenet International Limited.

Section 5 Independent Consulting Geologist's Report

Independent Technical Assessment Report

Report Prepared for
India Resources Ltd

Prepared by

SRK Consulting
Engineers and Scientists

INR001

April 2007

SRK Consulting
Engineers and Scientists

18 April 2007

The Directors
India Resources Limited
Level 2, 23 Ventnor Avenue
West Perth WA 6005

Dear Directors,

SRK Consulting ("SRK") has been commissioned by India Resources Limited ("IRL") to provide an Independent Technical Assessment on IRL's mineral exploration tenements of the Surda Copper Project, the Aravalli Base Metal Project, and three project areas relating to diamonds, all located in India. This Independent Technical Assessment is intended for inclusion in a Prospectus to be issued by IRL to be lodged with the Australian Securities and Investments Commission (ASIC) on 20 April 2007 to support the proposed listing on the Australian Stock Exchange (ASX) for the Offer of up to 50,000,000 Shares at an issue price of 20 cents each, to raise up to $10,000,000, with up to a further 5,000,000 Shares being offered as oversubscriptions, to raise up to a further $1,000,000, and free-attaching Options on the basis of one Option for every four Shares subscribed for.

Reporting Standard

This report has been prepared to the standard of, and is considered by SRK to be, an Independent Technical Assessment Report under the guidelines of the VALMIN Code. The VALMIN Code is the code adopted by the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG), and the standard is binding upon all AusIMM and AIG members. The VALMIN code incorporates the JORC Code for the reporting of Exploration Results and Mineral Resources and Ore Reserves.

This report is not a Valuation Report and does not express an opinion as to the value of mineral assets. Aspects reviewed in this report may include product prices, socio-political issues and environmental considerations; however SRK does not express an opinion regarding the specific value of the assets and tenements involved.

SRK Independence

Neither SRK nor any of the authors of this Report have any material present or contingent interest in the outcome of this report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK. SRK has no prior association with IRL in regard to the mineral assets that are the subject of this Report. SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the report.

Information basis of this report

A site visit to IRL's project areas was not undertaken, as the Company has only recently commenced compilation of exploration data and field work has yet to commence. SRK has therefore relied on information provided by IRL (including reports by the Geological Survey of India; "GSI" and internal IRL reports), as well as on articles published in the scientific literature. The exploration history of these tenements has been derived from previous explorer's reports via information provided by IRL. SRK has not conducted its own independent searches.

SRK and Authors

SRK is an international mining industry consulting company that has been providing services and high-level technical and financial advice to the mining industry since 1975. SRK has fully staffed independent offices in all major mining centres of the world. This report was compiled by Ms Deborah Lord, Senior Consultant (Geology) and Mr Mauro Prado, Consultant (Geology / Hydrogeology), with peer review by Dr Louis Bucci, Senior Consultant (Geology). All are staff of SRK Australasia. The sections relating to diamonds projects held by IRL were compiled by Mr Hugh Durey, who worked with SRK on an Associate basis for purposes of this Report.

Ms Deborah Lord has seventeen years of experience that ranges from grass roots to advanced stage exploration management in a variety of geological terranes. Her expertise is in the development of exploration models, integration of multi-disciplinary datasets and target generation. Deborah has worked with SRK in developing concepts of risk and value in mineral exploration and the application of these principles in due diligence and independent technical reporting for the mining / exploration companies, banks, financial institutions and the ASX.

Mr Mauro Prado is a geologist and hydrogeology specialist, with eight years of experience dominantly within environmental and hydrogeology consulting. His initial degree in Geology was complemented by a Masters Degree in Environmental Sciences following experience conducting and coordinating projects involving environmental audits and soil and groundwater investigation for contaminated sites in Brazil. Mauro is a Fellow of the London Geological Society and Member of the International Association of Hydrogeologists. His involvement in this project included compilation of background research material and initial report preparation.

Dr Louis Bucci has over nine years' international commercial and academic experience, with an emphasis on investigating mineralised hydrothermal systems (including Au, Cu, Iron Ore and Ni). His recent experience has been focussed in the areas of geological Due Diligence, Fatal Flaw and Project Analysis, as well as targeting at the regional- and terrane-scale. Louis has extensive experience in the provision of Independent Technical Assessments (ITA) and Competent Persons Reports (CPR) for Initial Public Offerings (IPO) and other documents on the Australian Stock Exchange (ASX), Hong Kong Stock Exchange (HKSE), Toronto Stock Exchange (TSX) and Alternative Investment Market (AIM).

Mr Hugh Durey, author of the sections on diamond projects in this report, has been employed in the diamond exploration and mining industry for 35 years in 15 countries, including India. He has been involved in the technical evaluation and mining of numerous alluvial diamond and kimberlite deposits worldwide. He has previously consulted on alluvial diamond projects related to the Krishna and Mahanadi rivers in Orissa and Andhra Pradesh and is currently writing a book on the trading and mining of diamonds in ancient and medieval India. Hugh is a Consulting Diamond Geologist and is Principal of Hugh Durey & Associates. He worked on an Associate basis with SRK Consulting during preparation of this report. Hugh has been involved with Independent Expert Reporting and project valuation for company prospectuses and stock exchange documentation and is also technical and founding director of Striker Resources NL, Kimberlite Resources International NL, Blina Diamonds Limited and Nyala Resources (Pty) Ltd.

Ms Deborah Lord and Dr Louis Bucci have the relevant qualifications and experience to be considered Competent Persons under the definitions stipulated in the VALMIN code. Deborah and Louis are Members of the Australian Institute of Geoscientists. Mr Hugh Durey is a Fellow and a Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the relevant qualifications, expertise, competence and independence to be considered a "Specialist" under the definitions stipulated in the VALMIN Code.

Warranties and Indemnities

IRL has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

As recommended by the VALMIN Code, IRL has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by IRL or to IRL not providing material information, or;
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

Consents

SRK consents to this Report being included, in full, in the IRL prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

Yours faithfully



Ms Deborah Lord, BSc(Hons), MAIG, MGSA, MSEG
Senior Consultant (Geology)

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Disclaimer

The opinions expressed in this report have been based on the information supplied to Steffen Robertson & Kirsten (Australasia) Pty Ltd ("SRK") by India Resources Limited ("IRL"). The opinions in this report are provided in response to a specific request from IRL to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

1 Introduction and Overview

India Resources Limited ("IRL") was incorporated on 21 August 2006 as an unlisted Australian public company. The Company's key objective was to capitalise the company as a vehicle to offer smaller investors the opportunity for early exposure to the emerging Indian and surrounding South East Asian resources industry. IRL issued a Prospectus dated 24 October 2006 to raise initial funds of $1,600,000 to allow the Company to identify and acquire or joint venture into various commodities focussed within India and the South East Asian region. The Company now plans to list on the Australian Stock Exchange ("ASX") and raise further funds to progress several projects they have identified, as well as continue to develop additional opportunities.

IRL has secured rights to the Surda copper mine in Jarkhand, the Aravalli base metal exploration project in Rajasthan, and three diamond exploration projects known as the Bhandara, Bundelkhand and Chigircherla Projects all located in India (Figure 1).

1.1 Overview

As the special purpose vehicle for Monarch Gold Mining Limited ("Monarch"), IRL has developed an alliance with Hindustan Copper Limited ("HCL"), a Government of India Undertaking, in relation to the Surda copper mine situated in southeast Jharkhand State. Hindustan Copper Limited granted a contract to Monarch Gold Mining Limited (special purpose vehicle IRL) on 26 March 2007, to recommission and operate the Surda Mine and Concentrator Plant at Mosaboni, and to supply and deliver copper concentrate at Maubhandar works of India Copper Complex. IRL is currently reviewing data in relation to the project and will soon commence a pre-production planning phase.

Also in its capacity as Monarch's special purpose vehicle, IRL has the benefit of a Memorandum of Understanding to explore other HCL properties in partnership. These properties include tenements surrounding HCL's operations, including the Indian Copper Complex, and the Malanjkhand and Khetri areas. For further information on the partnership with HCL, the reader is referred to Schedule B of the solicitors report.

The Aravalli base metal exploration project includes two granted Reconnaissance Permits (RP) located in southeast Rajasthan State, covering a total area of 2,577 km^2 (Figure 1). The tenements are located in the highly mineralised Aravalli Province, in areas that are prospective for zinc, lead, copper and gold. The Relmagra RP is situated approximately 50 km to the northeast of Udaipur, covering an area of 2,025 km^2. This tenement has high potential for mineralisation as it contains an excised mining lease that hosts the Rajpura Dariba Zn-Pb-Cu mine, currently operated by Hindustan Zinc Limited (HZL). The Nasirabad RP is situated 20 km southeast of Ajmer, with a total area of approximately 675 km^2. Although the geology of this lease is perhaps less well understood, it also covers favourable structural and lithological settings for base metal mineralisation within the Aravalli Province.

Finally, IRL has three diamond exploration properties covering a combined area of 16,019km^2 within the four States of Orissa, Chhattisgarh, Madhya Pradesh and Andhra Pradesh. The diamond properties known as Bhandara, Bundelkhand and Darwar are held in the name of AMIL Mining India Pvt Limited (AMIL). IRL will be entitled to exercise an option to acquire these properties, during the course of 2007, when an existing framework agreement to which BHP Billiton's Indian entities are a party, is formally terminated. For further information on the right to acquire these properties by exercise of the option, refer to the Solicitor's Report Schedule B. Note that most of the diamond exploration tenements are pending and only those in Orissa State covering 8,044km^2 have been granted at time of writing.

The mineral tenements secured by IRL are considered to be "exploration projects", which are inherently of a speculative nature. Nevertheless, IRL has and will acquire the mineral tenements on the basis of sound geological concepts and technical merit. Each is considered to be prospective to varying degrees for base metal and diamond mineralisation, and in SRK's opinion further exploration is justified at the budgetary levels proposed by IRL.

IRL has proposed exploration programs and budgets that are in accordance with the perceived prospectivity and in balance with the funds to be raised. The minimum subscription to be raised under this Prospectus is $6,000,000 and additional objectives are identified should the Company be successful in raising $10,000,000 or $11,000,000. SRK has been provided with budget figures to support these three scenarios. Note that this document generally reports the exploration budgets proposed with regard to the maximum $11,000,000 listing. In SRK's opinion, IRL's budgets are reasonable to fund exploration programs on the Surda project, the Aravalli project and the granted diamond project area in Orissa. All work programs and budgets are subject to initial results and budgets may be diverted to more prospective projects as warranted. The principals of IRL are technically qualified to manage the proposed exploration programs and plan further work depending on the results of the first phases of exploration in each area.

1.2 Note on Tenement Status

The current ownership status and legal standing of the tenements within each project area is dealt with in the Solicitor's Report on Mining Tenements section of this Prospectus. SRK has not independently verified ownership and the current standing of the tenements and is not qualified to make legal representations in this regard. Instead, we have relied on information provided by IRL and its tenement consultants. SRK has prepared this report on the understanding that all IRL tenements are currently in good standing and that there is no cause to doubt the eventual granting of any tenement applications. SRK has not attempted to establish the legal status of tenements within each project area with respect to potential environmental and access restrictions. The reader is referred to the Solicitors report.

1.2 Note on Tenement Status

Continued

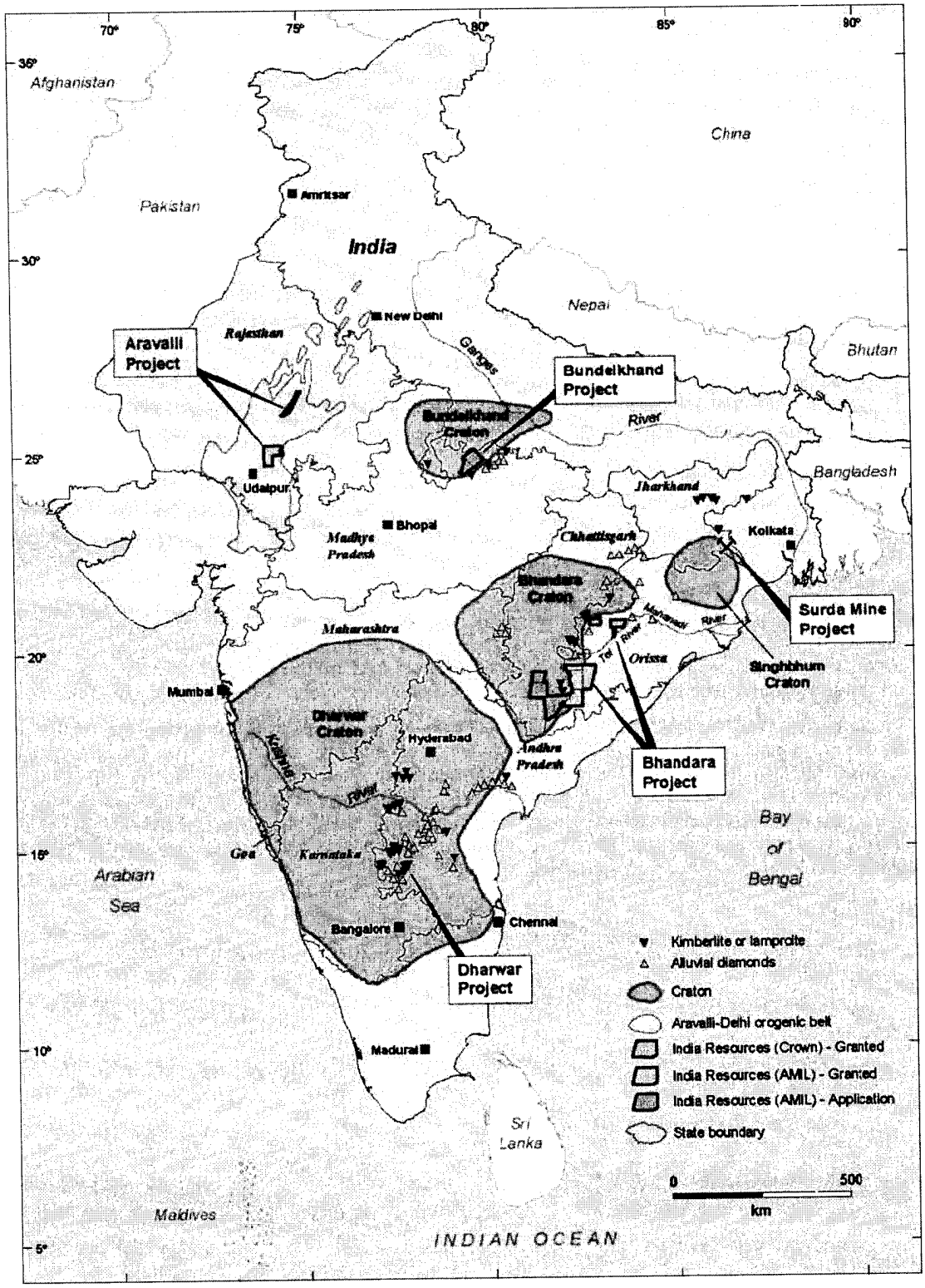


Figure 1: Map showing locations of the IRL Projects in Rajasthan, Jarkhand, Orissa, Chhattisgarh, Madhya Pradesh and Andhra Pradesh States of India

2 Surda Project

2.1 Location, Tenure and Access

The Surda Mine is located in Jharkhand State within the Singhbhum Mobile Belt (Misra and Johnson 2005) of eastern India. The Singhbhum belt comprises a 200km long, east-west trending arcuate belt of folded supracrustal rocks, overlying the northern margin of the Singhbhum-Orissa Craton (Figure 2). The belt is host to a number of mineral deposits and existing underground copper mines. The Surda Mine is part of the Indian Copper Complex, a group of six mines owned by HCL that operated between 1928 and 2003.

As Monarch's special purpose vehicle, IRL has developed an alliance with HCL, and it has secured the tender contract (dated 26 March 2007) to recommission and operate the Surda Mine and Concentrator Plant at Mosaboni to supply and deliver copper concentrate at Maubhandar works of Indian Copper Complex. IRL is currently reviewing data in relation to the project and will commence a pre-production planning phase.

Monarch, on behalf of IRL, has also signed a Memorandum of Understanding (MOU) with HCL for general exploration on other HCL properties including the tenements surrounding HCL's operations, which incorporates the Indian Copper Complex, Malanjkhand and Khetri areas.

The Surda Mine lease area covers approximately 3.89 km^2 and has good access via the main highway (NH-33) connecting Jamshedpur in Jarkhand, to Calcutta. The mine is also connected to the Mosaboni Concentrator by road.

2.2 Geological Setting & Mineralisation Styles

2.2.1 Regional Geological Setting

The Singhbhum Mobile Belt is a supracrustal sequence mostly comprising clastic sediments which surrounds the northern margin of the Singhbhum-Orissa Archean Craton. Archean basement consists of granite-greenstone terranes, overlain by extended supracrustal sequences known as the Singhbhum Mobile Belt or North Singhbhum Mobile Belt (Misra and Johnson 2005).

The southern boundary of the mobile belt with the craton is marked by the Singhbhum Shear Zone. In the footwall of this fault the Dhanjori Group rests unconformably on the granite basement and consists predominantly of mafic to ultramafic tuffs and an upper tholeiitic basalt unit. The Singhbhum Group extends from the Singhbhum Shear Zone north to the margin of the Chotanagpur Gneissic Complex, also largely fault bounded by the Northern Shear Zone (Misra and Johnson 2005) (Figure 2).

The Singhbhum Group, which is made up of the lower Chaibasa Formation and an upper Dhalbhum Formation, is further divided into two parts by the Dalma Volcanic Belt, which has been interpreted as an intracratonic rift zone (Misra and Johnson 2004). The Singhbhum Group comprises several distinct litho-units dominantly pelitic and semi-pelitic schists, as well as metapelites and quartzites, local bands of impure calcareous metasediments, acid to intermediate tuffs and mafic sills. These are variably metamorphosed up to amphibolite facies metamorphic grade and record up to four phases of deformation. Misra and Johnson (2005) propose a late Mesoarchean age of formation for the Singbhum Group, in contrast to the Proterozoic age assigned by previous workers.

2.2.1 Regional Geological Setting

Continued

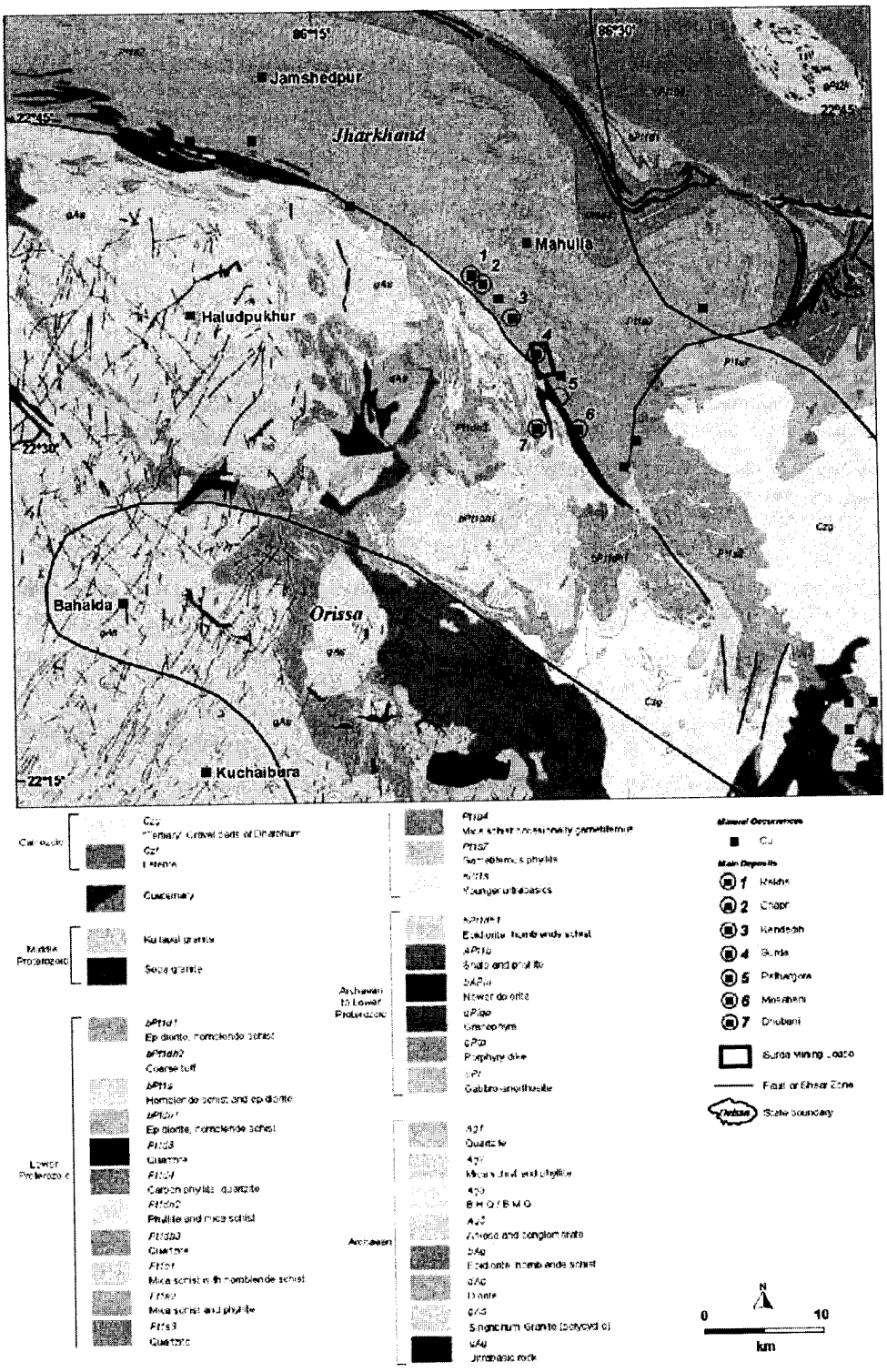


Figure 2: Geological map of the Singhbhum Mobile Belt, Jharkhand and Orissa States outlining regional geological setting of the Surda deposit. The principal base metal deposits are numbered and shown in relation to the Surda Mining Lease.

2.2.2 Mineralisation styles and characteristics

The Singhbhum Mobile Belt hosts a number of copper (occasionally associated with nickel and molybdenum), uranium, apatite-magnetite and kyanite deposits (Banerji 1981). It is best known as a copper province with most deposits hosted by Dhanjori Group rocks south of the Singhbhum Shear Zone or Singhbhum Group units north of this structure.

A group of six deposits were mined as the Indian Copper Complex, operated by HCL. Production figures from 1928, until closure of the Complex in 2003 are presented in Markandey (2004). The six mines, from north to south, include Rakha, Kendadih, Surda, Patahargora, Dhobani and Mosaboni (Figure 2). In total, these deposits contributed to an overall production figure of 46,663,279 tonnes of copper ore at a grade of 1.46% Cu (Markandey 2004). The Mosaboni mine had the largest production, with continuous operation from 1928 through to 1998, with Surda being the second largest copper producer (see further details below)

There is no consensus on the genesis of the copper mineralisation, with fairly limited technical literature available describing detailed geology of the deposits. Previous studies have suggested a range of origins from epigenetic mineralisation related to granitoid intrusion, localised in cross folds, or as a result of intersecting shears and cleavage, as well as more traditional deformed VHMS / stratiform deposits (Thomas 1989). IRL considers the copper is probably derived originally from the footwall basalts, but is now clearly shear zone hosted and probably hydrothermal in origin (Rothery 2007).

At Surda (Figure 3), one of the largest deposits in the belt, (Rothery 2007) notes the following;

- Mineralisation is developed over 2.2km along strike, and to a depth of 474m on the 13 level (Markandey 2007).
- The mineralized zone is tabular; shear zone hosted and dips at an angle of 30-35° towards the northeast.
- Three main lodes occur, termed Hanging Wall, Intermediate and Footwall or Main lode. In places these merge to form lodes up to 20m thick, but average about 6m, comprising a "braided" lode system within the shear zone.
- The host rocks of the mineralisation are quartz chlorite schist and "granular-quartz rock", now mylonitised (Thomas 1989).
- The footwall is composed of metabasite (chlorite-biotite-minor talc schist of the Dhanjori Group, with a possible tholeiitic affinity) with minor quartzite.
- The hanging wall is made up of mostly sericite-chlorite-quartz schist to sericite-quartz rock of the Chaibasa Formation.
- The ore is composed mainly of chalcopyrite (80%) and pyrite (20%) (Thomas 1989), with none of the copper minerals common at other mining centres such as bornite, chalcocite, tetrahedite, or enargite.
- There is very limited malachite or azurite at surface reflecting the lack of carbonates in the oxidised zone.
- There are some minor metals in the concentrate: nickel, molybdenum, cobalt, gold, silver and uranium, but no significant lead or zinc.

Structural studies dating to the 1960's (Dey 1968) established the main features of the Singhbhum Mobile Belt, and documented two cleavages developed within the shear, which Rothery (2007) notes would now be termed an "S-C fabric". Dey (1968) observed that while both cleavage directions were mineralised, that the more dilatant fabric ('C') carried the better mineralisation. Dey also recognised that the ore shoots were parallel to the down-dip mineral lineation. Later workers described the shear fabrics as mylonitic and observed sheath folds plunging along the mineral lineation. Rothery (2007) notes that the majority of kinematic indicators point to thrust movement on the shear, which is consistent with the higher metamorphic grades observed in the hanging wall.

Two groups of post-mineralization, non-mineralised faults are recognised in the underground workings (Dey 1968), the most prominent group of faults trend between 030° and 050° with variable, steep dips greater than 65°, mostly towards the east. The movement sense is reverse, with displacements up to 30m recorded. The second group strike 060°, dip greater than 45°→NE, and most show a reverse movement sense.

2.2.2 Mineralisation styles and characteristics
Continued

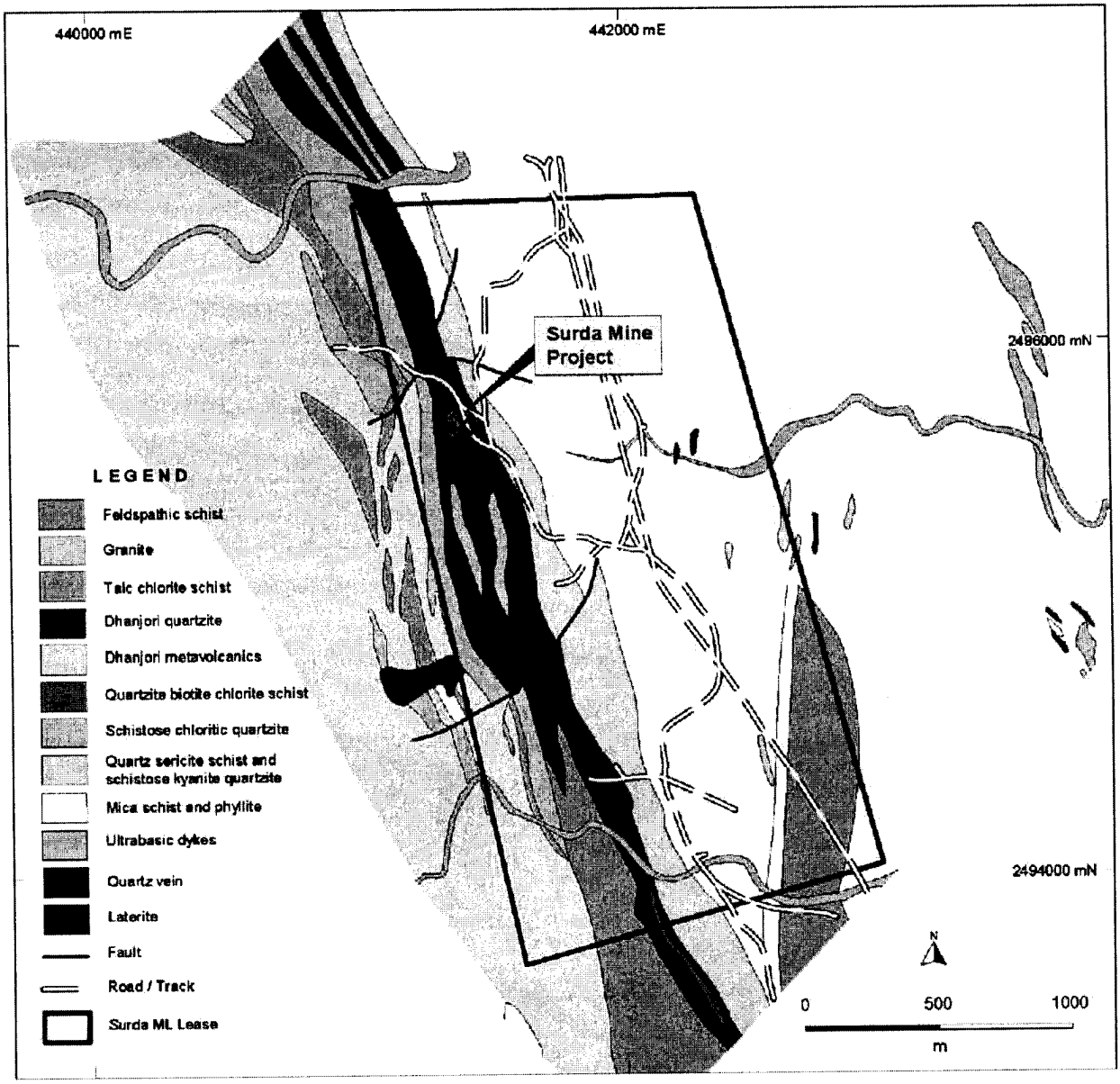


Figure 3: Surda local geology showing the mining lease outline

2.3 Production History

Like the Aravalli Province, the Singhbhum district has an ancient mining history with a coin from the Kushan Period (50BC-210AD) discovered in historic workings of the Rakah area, 10 km northwest of Surda (Dey 1968).

As noted above, the Surda Copper Mine was in continuous production from 1956 to 2003 with a minor amount of production also dating from 1937-38 (Markandey 2004). In this time, Surda has produced a total of 8,986,348 tonnes at 0.95% Cu (Markandey 2004) and represents the second largest copper producer from the six mines making up the Indian Copper Complex.

As an indication of recent production levels, the figures for Surda for its last six years of operation are presented in Table 1 and similar production levels and grades were obtained for about twenty years prior (Markandey 2004).

Table 1: Recent production figures for the Surda Copper Mine (from Markandey, 2004).

Year	Tonnes	Grade
2002-2003 (part*)	89,281	0.95
2001-2002	270,429	1.00
2000-2001	293,997	0.91
1999-2000	203,364	0.88
1998-1999	287,217	0.90
1997-1998	328,717	0.87

*** Note Surda closed in January 2003**

The mines' operations started in 1956 and mining was ceased in January 2003, with several stopes reportedly stopped in mid production (Rothery 2007). Ore processing was carried out until March of that year and the operations / processing across the Indian Copper Complex were completed in July 2003. The Surda mine operated two production shafts and one ventilation shaft, with variable mining methods used during the previous operation, depending on the width of the ore lodes, including Room and Pillar, Horizontal Cut and Fill or Post Pillar methods.

The Mosaboni concentrator is situated 5km southeast of Surda at the main mine of the line of lode. Reported capacity is in the order of 2700 tonnes per day ("TPD") (India Department of Disinvestment 2001). It comprises two sections; crushing and concentrator with 12 fine ore bin surge capacity between them. The crushing plant consists of two, 3-stage crushing units, while the concentrator circuit is a simple sulphide copper flotation circuit and comprises milling and classification; rougher and scavenger flotation with a single cleaning stage. Over the last nine years of operation, which included ore from some of the other mines in the Belt, it produced 174,246 tonnes of concentrate at 24.26% copper and 8.88% moisture. It was shut down in mid-operation and not cleaned out, so ore remains in the system at all points. An extensive clean up is required as well as assessment of whether the constituent parts can be refurbished, or need to be replaced (Rothery 2007).

2.4 Proposed Exploration Program and Budget

IRL is commencing a pre-production planning phase in relation to the Surda copper mine, and have currently put forward an initial stage of compilation, assessment and planning of up to six months. The program set out will be to make preparations for copper mining and concentration. A mining rate similar to historical performance is envisaged, with plans to expand to 500,000 tonnes per year. The money being raised in this prospectus is for pre-production planning, and care and maintenance, as summarised in Table 2.

Table 2: Proposed budget for the pre-production planning phase on the Surda Project.

Type	Cost (AUD)
Compile hard copy data	$50,000
Purchase computer hardware and software	$100,000
Digitise and develop 3D model	$100,000
Metallurgy	$50,000
Geology and Survey	$100,000
Security and Dewatering	$100,000
Clean up	$150,000
Equipment assessment	$150,000
Mine optimisation and planning	$100,000
Total	**$900,000**

2.4 Proposed Exploration Program and Budget

Continued

Rothery (2007) notes that the mine has been historically developed based on a geological model for a deformed stratiform VMS style deposit. IRL's preliminary assessment is that this is not the case, and will be looking to develop a structural-hydrothermal model for the deposits, which may lead to development of higher grade ore shoots within dilational zones of the overall hosting structure.

Monarch's special purpose vehicle, IRL also obtained a MOU with HCL to explore HCL properties and other areas in partnership. HCL have tenure around the Surda Mine, and around their current operations at Malanjkhand and Khetri. Details of individual projects have yet to be worked out, and no funds have been allocated in relation to the MOU with HCL, because the Company currently has no existing commitments. However, IRL may apply its' surplus working capital to these areas.

2.5 SRK Comment on Exploration Potential of the Area

The Surda Project represents an early opportunity for IRL to access and evaluate a producing copper operation in India, clearly with significant potential based on historical production figures of 8,986,348 tonnes at 0.95% Cu (Markandey 2004).

IRL has recently commenced compilation and interpretation information on Surda. Current documents in relation to the mine include;

- Markandey, 2007. Mining Plan including progressive Mine Closure Plan for Surda Mine. HCL, ICC. Vol. 1. Submitted under Rule 22BB and 23B MCR, 1960. RQP Dr. Markandey – Agent, Surda Mine, ICC/HCL, Regd. No. RQP/CAL/315/2003/A. RQP Pranab Mukhopadhyay – Regd. No. RQP/CAL/089/88/A, Center for Study of Man and Environment, Kolkata. February 2007.
- Markandey, 2004. Ore Reserve of the ICC Group of Mines as on March 31 2004. Geology Department of the Mosaboni Group of Mines, July, 2004. Hindustan Copper Limited Internal Report.
- CSME, 1997. Environmental Impact Assessment and Environmental Management Plan of Surda Copper Mine, Singhbhum (E) District, Bihar. Centre for Study of Man and Environment CK-11, Sector 2, Salt Lake City, Calcutta. Prepared for HCL.

These three documents summarise historical production figures and provide other general information on the mineralisation at Surda. However, any statements relating to the quantum and grade of mineralisation contained within the reports mentioned above are considered conceptual in nature and could not be substantiated by SRK. All previous drilling and sampling data relating to the Surda mine will require thorough evaluation as an early part of IRL's pre-production planning phase. SRK's scope was limited to commenting on whether the Surda Project represents an opportunity to IRL that is worthy of further evaluation at the budgetary levels proposed by IRL.

As an indication of the potential for remaining mineralisation, IRL compiled a series of cross sections across the Surda deposit. Two such representative sections located 150m and 300m south of the main (No 3) Shaft are shown in Figure 4 and Figure 5.

The first section (Figure 4) demonstrates that mineralisation has not been mined between Level 6 and Level 7 although the widths in this position are fairly narrow, for example 2m @ 2.4% Cu. Of greater interest, is the potential for mineralisation at depth beyond Level 10. A vertical hole drilled from Level 10, intersected three ~4m zones grading at about 1% Cu and while these are separated by zones of lower grade material, limited sampling has been conducted in the vicinity of this drill hole and mineralisation remains open at depth.

The second section (Figure 5) also shows mineralisation remaining between Level 6 and Level 7 and in this case mineralisation widths are typically greater (4 to 5m) but grades lower (<2% Cu). Mining and drilling beyond Level 10 has not been conducted again demonstrating mineralisation potential at depth.

As previously mentioned, IRL is at an early stage of data compilation and interpretation for Surda and it remains unclear as to the extent of exploration undertaken previously by HCL. Thorough assessment, review and re-interpretation of this data are required and IRL plans to focus on developing an improved structural understanding of the deposit which should assist in targeting specific high-grade zones. Despite this, the project area is inherently prospective, as demonstrated by its production history, and along strike and depth extent to reported mineralization.

SRK is of the opinion that the Surda Project offers high prospectivity for copper mineralisation, but is not able to comment further on the likely success of a mining operation. IRL has put forward a program and budget of $900,000 to cover only a pre-production planning phase with further expenditure dependent on the outcome of this phase.

The MOU that Monarch's special purpose vehicle, IRL has obtained with HCL is also likely to identify further opportunities for advanced copper exploration projects.

2.5 SRK Comment on Exploration Potential of the Area

Continued

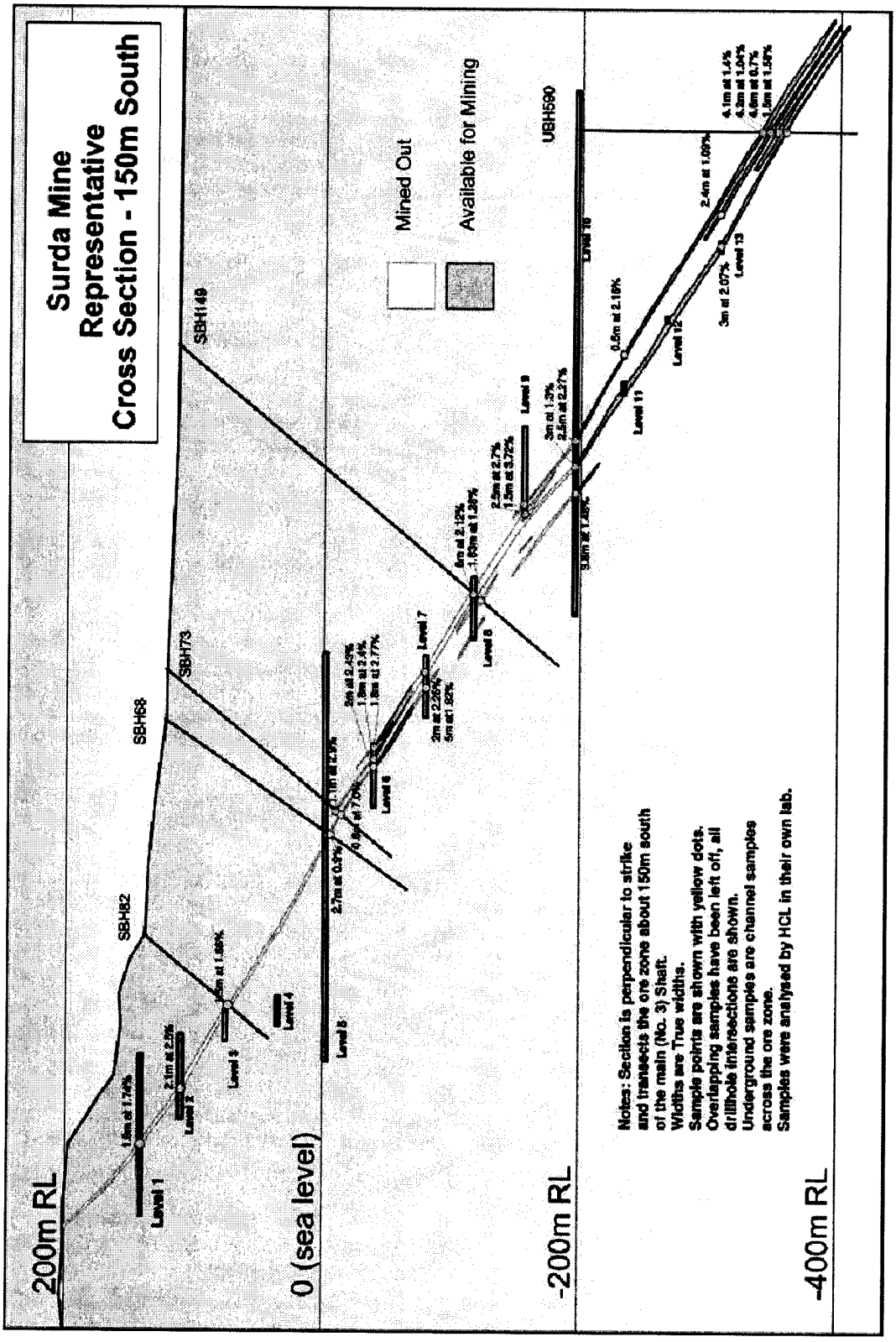


Figure 4: Surda Mine Representative Cross Section located 150m south of Main (No. 3) Shaft

2.5 SRK Comment on Exploration Potential of the Area

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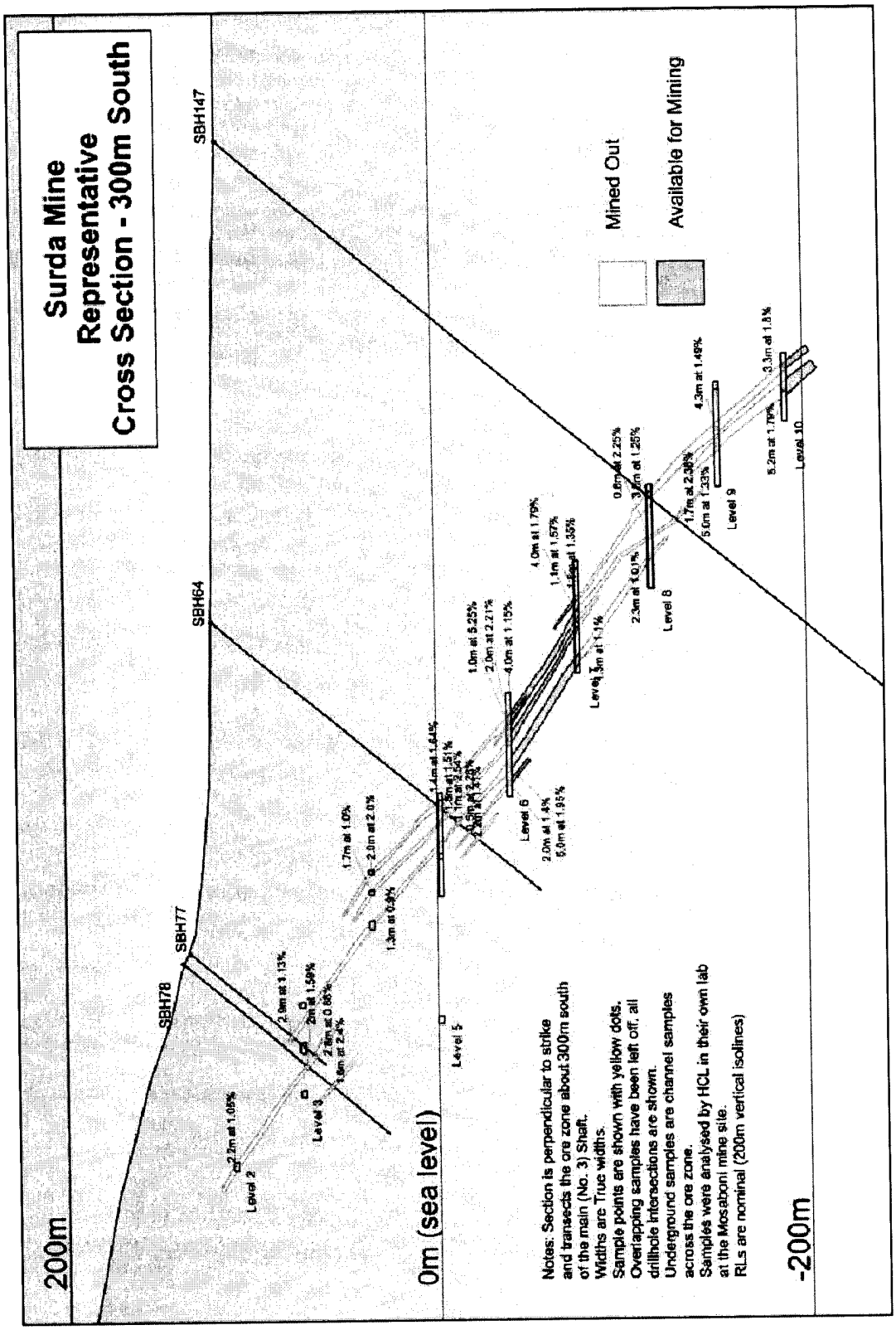


Figure 5: Surda Mine Representative Cross Section located 300m south of Main (No. 3) Shaft

3 Aravalli Project

3.1 Location, Tenure and Access

The Relmagra and Nasirabad tenements are located in Rajasthan State within the Aravalli Archean-Proterozoic Province of western India (Figure 6). This Province constitutes the most important metallogenic setting for base metals deposits in India, hosting some 130 Mt of lead-zinc reserves (Porwal et al. 2006), as well as substantial copper production (Sugden et al. 1990). One of the most significant deposits, the Rajpura-Dariba underground mine, is located in an excised area within the Relmagra RP. Other deposits in the Aravalli Province include the world-class zinc-lead Rampura-Agucha and the Zawar group of deposits; all are further described below.

The Relmagra Reconnaissance Permit (RP-1/2004) covers 1905km^2 and the Nasirabad Reconnaissance Permit (RP-2/2004) extends over 672 km^2. Both RP's were granted on 20 October 2005, for a tenure period of three years. The leases are held by Crown Mining Pvt. Ltd, a company 100% owned by IRL. The Relmagra RP contains three excised mining leases owned by HZL, and the combined area of these leases is 21.5 km^2.

Relmagra is located 50 km northeast of Udaipur and near the Relmagra Township with good access related to proximity to mining infrastructure of Rajpura-Dariba. Nasirabad is situated 20 km southeast of Ajmer, again with good access via the main highway connecting Jaipur with Udaipur.

3.2 Geological Setting & Mineralisation Styles

3.2.1 Regional Geological Setting

The Archean-Proterozoic Aravalli metallogenic Province of western India comprises Archean basement overlain by thick successions of intensely deformed and metamorphosed Proterozoic volcano-sedimentary units (Porwal et al 2006). Based on the analysis of multi-disciplinary datasets, particularly geophysical work, (Porwal et al 2006) defined three major tectono-stratigraphic units as follows;

- The Bhilwara Supergroup comprises the Archean basement of the province and consists predominantly of granitic gneiss complexes with large metavolcano-sedimentary rock enclaves.
- The Aravalli Supergroup; made up of a number of Paleo- to Mesoproterozoic metsedimentary sequences, which in the central part of the province hosts some of the largest Pb-Zn deposits of India.
- The Delhi Supergroup; consists of Meso- to Neoproterozoic metasedimentary assemblages with metavolcanic units also present.

In addition to these major divisions, undeformed and unmetamorphosed sedimentary sequences of Neoproterozoic to Lower Cambrian age (the Vindhyan and Marwar Supergroups), and the extensive Neoproterozoic Malani Igneous Suite, are also described (Porwal et al 2006).

The region is also frequently referred to as the Aravalli-Delhi orogenic belt (eg Deb and Thorpe, 2004 Abu-Hamatteh 2002; Sugden et al 1990). Pioneering work by the Geological Survey of India from the pre-1950s period established the broad tectonostratigraphic framework, and since then many workers have refined this framework considerably. However, the limited amount of reliable geochronological data available to constrain geological units and events within this complex terrane is a recognised limitation to the current understanding (Deb and Thorpe 2004). The most useful regional geological maps of the region relate to the work of (Sugden et al 1990) which SRK have used as the basis of our understanding of the area.

The Proterozoic Aravalli-Delhi orogenic belt of northwest India (Figure 6) comprises a 30-200km wide belt extending for 700km in a northeast-southwest orientation (Sugden et al 1990). The orogen is bisected along its length by a major structure termed the Rakhabdev lineament (Sugden et al 1990), which divides the orogen into two distinct assemblages. To the east, Archean basement is overlain by Mesoproterozoic Aravalli or Bhilwara supracrustal belts or by the Neoproterozoic Vindhyan Supergoup. On the west of the structure, the Jharol and Delhi metasedimentary / metavolcanic belts are extensively intruded by granitoid suites. (Sugden et al 1990) note that the Rakhabdev lineament appears to be a significant tectonic feature as it separates belts with contrasting geological histories.

According to (Sugden et al 1990) the Bhilwara belt comprises metasedimentary units which show a range of compositions in different parts of the orogen, and often host mineralisation. For example, in the Sawar area, sillimanite-bearing pelitic schists host Cu and Pb-Zn mineralisation, and in the Pur-Banera mineralised zone, metavolcanic rocks are relatively common within an otherwise repetitive sequence of argillaceous, arenaceous and calcareous metasediments of amphibolite facies grade. Further south, the Rajpura-Dariba mineralised belt is characterised by amphibolitic basic sills, dolomitic marbles, kyanite/staurolite bearing graphitic mica schists and bedded cherts. Whilst at Rampura-Agucha transitional amphibolite to granulite metamorphic grade schists and gneisses host mineralisation.

3.2.1 Regional Geological Setting
Continued

The Aravalli belt consists of a dominantly argillaceous sequence that lies unconformably on the Archean basement, with the base commonly marked by an aluminous pyrophyllite-muscovite-sericite horizon. The basal sequence consists mainly of fuchsite-bearing quartzites, overlain by a 500m to 3km thick unit of greenschists and amphibolites showing komatiitic affinity. These are in turn overlaid by carbonate units which give way to clastic depositional units reflecting interpreted rapid uplift of basinal margins. Finally, the Raialo limestone units mark the end of the Aravalli sedimentation, according to (Sugden et al 1990).

The Rakhabdev lineament reportedly marks the western edge of the Aravalli belt with the Jharol and Delhi belts located within the terrane to the west, although the exact position of this lineament is not apparent on published geological maps such as (Sugden et al 1990).

A number of structural / tectonic studies of the orogen have been undertaken. (Sugden et al 1990) interpret that the Aravalli, Bhilwara and Jharol belts record similar tectonic histories, with an early east-west stretching phase resulting in F1 folds being drawn into parallelism with associated mylonitisation of basement-supracrustal contacts. They further infer that the supracrustal belts have been thrust over the basement units and support an allochthonous nature of these belts relative to the basement. Subsequent second generation (D2) deformation involved rotation of D1 fabrics into subvertical orientations with F2 fold hinges, noted to trend consistently north-south. A third deformation period (D3) was dominated by subhorizontal shear parallel to the trend of the orogen (Sugden et al 1990). The Delhi belt is considered to be somewhat similar and (Sugden et al 1990), with the major difference being the orientation of F1 folds.

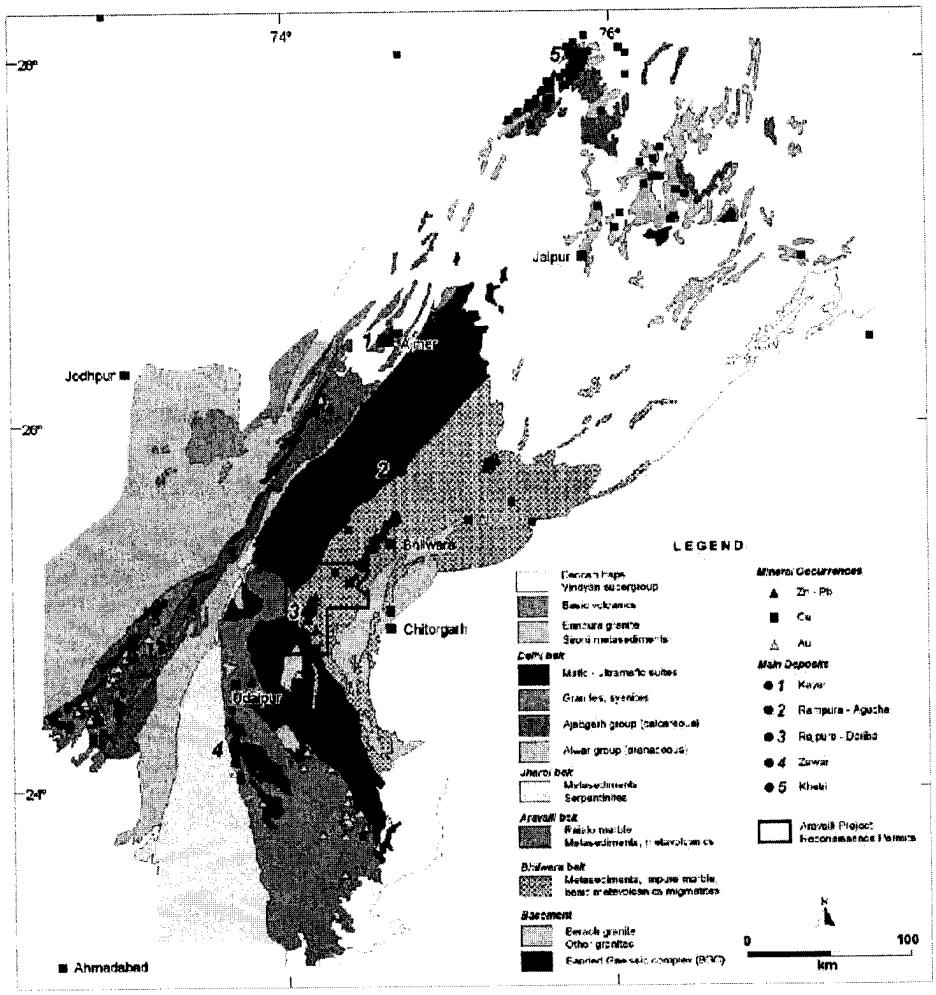


Figure 6: Geological map of the Aravalli-Delhi orogenic belt, Rajasthan (after Sugden et al 1990)

The principal base metal sulphide deposits are shown (black circles) in relation to the Aravalli Project Reconnaissance Permits. Zn-Pb, Cu and Au mineral occurrences are also noted.

3.2.2 Geological models of ore genesis

Sediment-hosted Pb-Zn deposits are a major source of base metals worldwide and particularly in India. However considerable controversy exists over the classification of the Aravalli base metal deposits.

In their recent paper, Porwal et al., (2006), note that the base-metal mineralisation in the Aravalli metallogenic province shows systematic variation in space and time. They describe an oldest phase of Cu (-Pb-Zn) deposits / prospects in the basal sequences of the Aravalli domain at ca. 2100Ma. A second phase of mineralisation at ca. 1800Ma represented by large sedimentary exhalative-type (SEDEX) deposits, and a third phase of mineralisation around 1000Ma with volcanogenic-hosted massive sulphide (VHMS) affinities.

Many authors consider Rampura-Agucha and Rajpura-Dariba as SEDEX-style deposits (eg Haldar 2004 Roy et al, 2004; Shah, 2004 Deb and Pal 2004) and parallels have been drawn with the giant Paleoproterozoic SEDEX Pb-Zn deposits such as Mt Isa, McArthur River and Broken Hill in Australia (Shah, 2004). Some workers consider deposits of the Zawar group as volcanogenic hosted massive sulphide (VHMS)-style (eg Haldar 2004) and other papers consider some deposits more akin to Mississippi Valley type (MVT), particularly the 'Irish sub-type' (eg Sakar and Banerjee 2004).

Classic examples of many of these deposit styles (particularly VHMS and MVT types) often occur in rocks younger than the Proterozoic and with relatively little post-mineralisation deformation and metamorphism, so that many of the primary textures and associations remain intact. However, as further described below, the Indian sediment-hosted base metal deposits are usually highly deformed, metamorphosed to high metamorphic grade (to upper amphibolite) with extensive remobilisation. Because of this, most primary textures have been obliterated or at least highly obscured.

Their current distribution and orientation is therefore more likely to be related to these metamorphic and deformational events, and attempting to understand the structural environment is considered by IRL a better approach as an exploration model than applying a definitive genetic model for mineralisation.

A recent paper by the Geological Survey of Canada has attempted to break down some of these deposit classes and compare sediment-hosted base-metal deposits across the world. Goodfellow and Lydon (in press, 2007) propose that there is a continuum of characteristics between SEDEX, VHMS and MVT deposits and describe the environment of formation as follows;

- SEDEX and MVT deposits occur within or in the platforms to a thick sedimentary basin and result from the migration of basinal saline fluids.
- VHMS deposits originate in submarine volcanic-sedimentary belts and form by convection of hydrothermal fluids and / or magmatic fluids from a sub-volcanic intrusion.
- Both SEDEX and VHMS deposits result from the venting of fluids onto the seafloor, so that the age difference between the mineralisation and host rock is nominal.
- In contrast, MVT deposits form in the subsurface, so that the age difference between mineralisation and host rock can be greater.

3.2.3 Mineralisation styles and major deposits

Goodfellow and Lydon (in press, 2007) compiled the 'metal endowment' of the world's largest SEDEX deposits, with several of the Indian deposits being represented in the largest twenty or thirty deposits. Some of the larger deposits are comparable in size to Australian examples as summarised in Table 3. Note that these "Geological resources" have not been verified by SRK and are intended only to provide an indication of the metal endowment of Aravalli deposits against other major deposits of the world.

3.2.3 Mineralisation styles and major deposits

Continued

Table 3: Metal endowment of major global SEDEX deposits (after Goodfellow and Lydon *in press*, 2007)

Deposit	%Zn	%Pb	%Cu	Ag (g/t)	Au (g/t)	Resource (Mt)	Age
AUSTRALIA							
Broken Hill	11.0	10.0	0.10	180.0	0.10	280	Paleoproterozoic
HYC (McArthur River)	9.2	4.1	0.20	41.0	-	237	Neoproterozoic
Mt Isa	6.8	5.9	-	148.0	-	124	Neoproterozoic
Menninnie Dam	8.0	5.0	1.30	100.0	-	122	Paleoproterozoic
Century	10.2	1.5	-	36.0	-	118	Mesoproterozoic
Hilton	9.3	6.5	-	151.0	-	49	Mesoproterozoic
Cannington	4.3	10.9	-	493.0	-	47	Paleoproterozoic
Dugald River	13.28	2.1	-	42.0	-	43	Mesoproterozoic
INDIA							
Sindesar Kalan East	2.1	0.5	-	-	-	70	Paleoproterozoic
Rampura-Agucha	13.6	1.9	-	45.0	-	64	Paleoproterozoic
Rajpura-Dariba	2.0	2.8	0.15	113.9	0.28	56	Paleoproterozoic
Mokanpura North	2.4	0.6	-	-	-	40	Paleoproterozoic

Note: Goodfellow and Lydon (*in press*, 2007) define Geological resources = production + economic reserves + sub-economic reserves to give a 'maximum size'.

The Aravalli-Delhi orogen hosts many important base metal sulphide mineral deposits (Pb-Zn-Cu) as well as occurrences of gold, tungsten, tin, uranium, minor manganese and sedimentary phosphate deposits. IRL will primarily focus on the base metal potential of the district. The four principal deposits in the vicinity of the Aravalli project area are (from north to south) the Kayar, Rampura-Agucha, Rajpura-Dariba and Zawar group of deposits (Figure 6). Metal endowment from several of these deposits is presented in Table 4, as sourced from (Haldar 2004). Note that the "Reserves" and "Resources" presented in Table 4 have not been reviewed or verified by SRK and are intended only to provide an indication of the metal endowment of this highly prospective region.

Table 4: Metal endowment of selected Zn-Pb deposits in the Aravalli-Delhi orogen

Deposit	Reserve (Mt)	Resource (Mt)	Total (Mt)	%Zn	%Pb	%TMC C	Metal (Mt)
Rampura-Agucha	48	11	59	13.5	2.0	15.5	9.2
Rajpura-Dariba	15	3	18	8.0	2.2	10.2	1.8
Kayar	10	0	10	13.1	2.2	15.3	1.5
Sindesar Khurd	9	5	14	6.7	3.2	9.8	1.4
Balaria	14	2	16	5.9	1.2	7.0	1.1
Mochia Magra	13	4	17	4.3	1.8	6.0	1.0
Zawarmala	6	1	7	5.0	2.2	7.2	0.5
Bamnia Kalan	4	1	5	5.7	2.5	8.2	0.4

(After Haldar 2004)

Three zinc-lead mines are currently in production in the region (Figure 6), and are operated by HZL.

3.2.3 Mineralisation styles and major deposits
Continued

Rampura-Agucha: is the largest and richest single orebody in India that was mined historically and commenced modern operations in 1991 as an open pit zinc-lead mine. It is situated around 55 km southeast of Ajmer, with reported resources of 33.6 million tonnes at 13.2% Zn, 2.0% Pb and reserves of 48.6 million tonnes at 12.5% Zn, 2.0% Pb (Vedanta 2006). The mineralisation is hosted by graphite-mica-sillimanite schists, metamorphosed to upper amphibolite facies, which form part of the Paleoproterozoic Bhilwara supracrustal belt. The orebody forms a long lens-shaped body extending over a strike-length of 1.6km and dipping steeply 60-70° to the southeast (Haldar 2004).

Rajpura-Dariba: is an underground zinc-lead mine that was also originally discovered in historic times, but has been in modern operation since 1983. According to (Deb and Pal 2004), it possibly 'represents the oldest mining and smelting operations in the world for the extraction of zinc metal'. It is situated approximately 80 km NE of Udaipur, and as mentioned previously, the mining lease forms an excised area within the Relmagra RP. Its reported resources are 46.3 million tonnes at 6.3% Zn, 2.3% Pb (Vedanta 2006). The Sindesar Khurd deposit is north of Rajpura-Dariba and within the middle excision block of the Relmagra RP, occurring from a depth of 130m (Haldar 2004). A third deposit Bamnia Kalan is located within the northern excision block, but has yet to be developed due to its deep extents and lower grades (Haldar 2004). Additional areas of mineralisation are also known and a more detailed review of the local geology and mineralisation controls in the Aravalli project area is discussed further below.

Zawar Group: Also historical workings, the Zawar complex of four underground zinc-lead mines situated around 30 km SW of Udaipur, has reportedly been in continuous operation since 1945 (GSI, 1994). Its reported resources are 36.4 million tones at 4.4% Zn, 2.4% Pb and reserves are 5.8 million tonnes at 4.4% Zn, 1.8% Pb (Vedanta 2006). Sulphide mineralisation at Zawar occurs along a 20 km mineralised zone. It is hosted by carbonate rocks of Paleoproterozoic Aravalli supracrustal belt, and consists of both stratiform as well as discordant veins and associated massive ore shoots (Talluri et al 2000).

3.2.4 Local Geological Setting

Relmagra RP

The Relmagra RP lies within the Bhilwara belt (Sugden et al 1990) and comprises a sequence of metsedimentary units interlayered with minor felsic tuffaceous components and mafic sills, all metamorphosed to amphibolite facies grade (Mishra 2006; Deb and Pal 2004) (Figure 7). Lead-zinc deposits occur throughout the belt, hosted by calc-silicate bearing dolostones and graphite-mica schist horizons, the latter often containing large volumes of low-grade disseminated sulphides (Deb and Pal 2004). The IRL lease surrounds the Rajpura-Dariba mine which occurs on a HZL mining lease that is excised. This deposit is the most significant in the belt locally, although a number of other zones of mineralisation are known. Two additional excised mining leases owned by HZL occur along strike to the northeast covering the Sindesar Khurd and Bamnia Khalan occurrences.

Additional zones of mineralisation are evident to the east of this line within the Relmagra RP, such as Mokanpura, Sindesar Kalan East and Bethumni (Figure 7), although the precise location of these in relation to the excised blocks is difficult to determine, particularly as several are noted to occur at depth as mentioned above. Nonetheless, these numerous occurrences demonstrate the continuity of mineralisation along strike, which is confirmed by State Government mineral occurrence data and geology, as well as geochemical anomalism (see Section 3.3). The Rewara occurrence is also noted within the Relmagra RP (Rothery 2007) and is reported to occur within the Pur-Banera zone (GSI 2001) also part of the Bhilwara belt, within which both copper and zinc-lead occurrences appear to be associated with calc silicate rocks.

3.2.4 Local Geological Setting
Continued

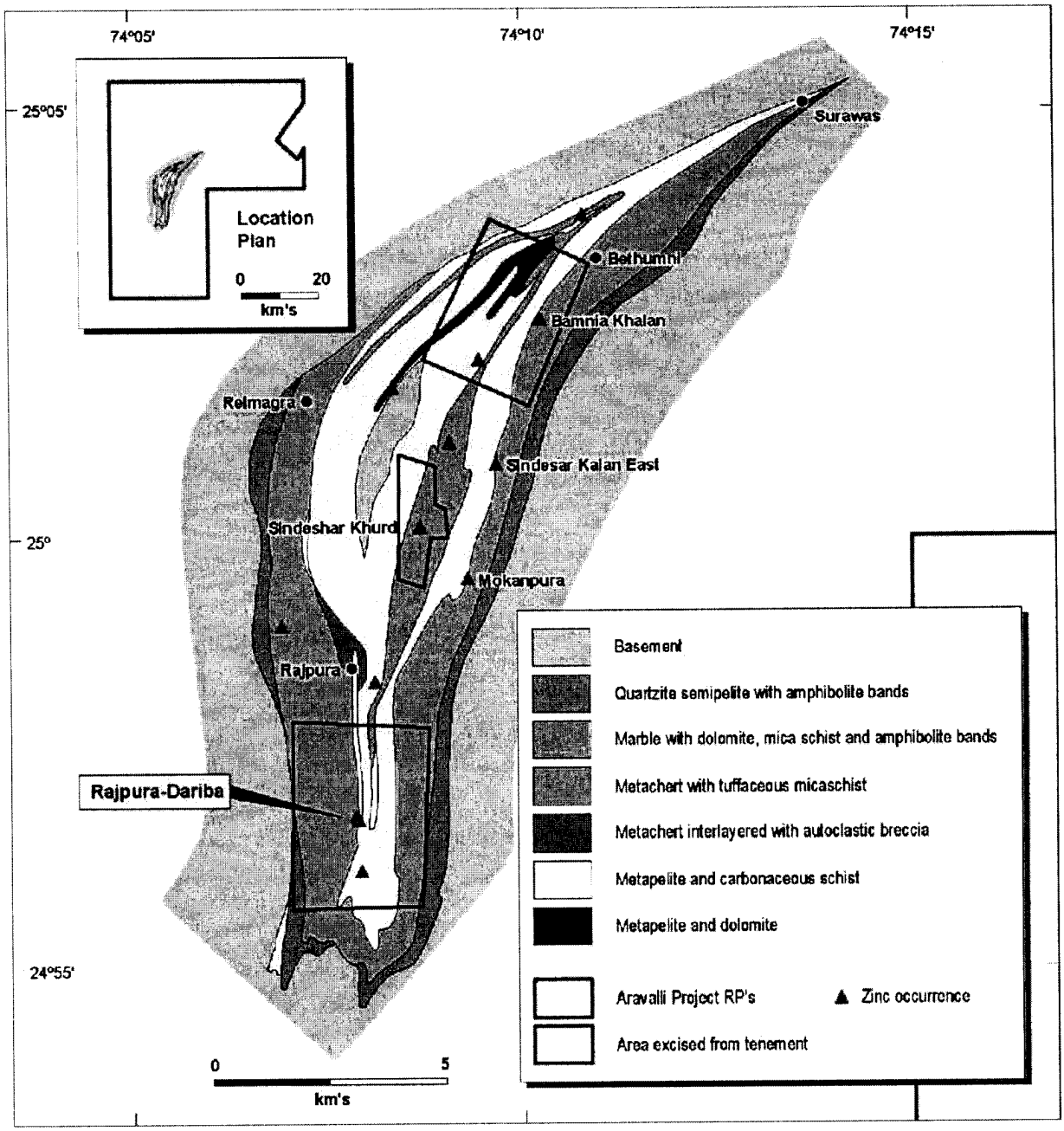


Figure 7: Local geology of the Relmagra RP, showing excision blocks and located of known areas of mineralisation (after Deb and Pal, 2004)

Nasirabad RP

The Nasirabad RP lies within the Delhi belt (Sugden et al 1990) with the major mines of Kayar and Rampura-Agucha located 20km northeast and 40km south of the RP, respectively. These are Zn-Pb mines and do not occur along strike of IRL tenement. Instead it appears the main potential may be Cu-related as there are several known occurrences in close proximity, all appearing to be associated with the major shear zone that separates the Delhi belt in the northwest from the Bhilwara belt to the southeast (Rothery 2007).

3.3 Previous Exploration

Relmagra RP

The area comprising the Aravalli Project has been subject to a number of previous exploration programs by companies including Anglo American, Phelps Dodge, BHP Billiton, Rio Tinto and Pasminco (Rothery 2007). These companies have undertaken aeromagnetic and electromagnetic (EM) geophysical surveys, geological mapping and geochemical sampling and in some cases drilling.

The GSI and the Government of India's Mineral Exploration Corporation Limited (MECL) have also carried out extensive work in the area, including prospecting, sampling and substantial drilling. Reports covering this exploration are not readily accessible but it is likely that several detailed reports exist and will be reviewed by IRL as an early part of their program.

One such report has been obtained by IRL and relates to a small area around the middle excision block of the Relmagra RP, Sindesar Khurd. The GSI completed diamond drilling close to the ML boundary which intersected zinc mineralisation within 150m of the lease edge. Eleven holes were drilled on six sections over a strike length of 1100m; nine of those intersected mineralisation of at least 5m at 2% combined Zn+Pb. One hole, SKE2 intersected 19m at 10.9% Zn, 4.7% Pb at a depth of 366.25m as well as 128.9m at 8.8% Zn and 3.7% Pb from 420.2m. While it is not certain whether these zones might project into the Relmagra RP, the drilling results do provide some indication of the potential of the area.

A report on exploration within Relmagra by previous owners (Anglo American), operating locally as Inglewood Minerals Pvt. Ltd (Inglewood or IMPL), has been sourced by IRL. This report, by (Moharana 2002), describes exploration carried out by Inglewood during the period January to December 2001 across five prospecting licences Figure 8. Inglewood held the leases from January 2000, with a three year tenure period, and the (Moharana 2002) report only covers exploration within the second year of tenure. During the first year regional aeromagnetic surveying and reconnaissance soil and stream sampling programs were completed, but data relating to these could not be reviewed in detail as the relating report is unavailable. (Moharana 2002) describes geological and regolith mapping, in-fill soil sampling, ground magnetic / electromagnetic / gravity surveys and two phases of percussion drilling with 33 holes completed for 6,281m across the five prospecting licences.

Within the Relmagra RP, Moharana (2002) shows extensive geochemical anomalism (the exact nature of which is not known) and describes fourteen holes that were drilled in the lease area. Most drilling related to the Anjanikhera prospect, located 15km south of the Rajpura-Dariba mine (Figure 8) originally a soil anomaly as well as a number of other aeromagnetic and soil anomalies. Results were available for only the first phase of drilling, including two holes at Anjanikhera with a best intersection of 6m @ 2.7% Zn, 1.2% Pb from 32m depth in hole AKP001. Inglewood drilled an additional five holes at Anjanikhera during the second phase of drilling, one of which contained traces of galena and sphalerite. Inglewood recommended ongoing exploration of the project, but no later reports are available at this time.

IRL has commenced compilation of this previous data from the government agencies and Ingelwood, which suggests there is considerable copper potential. (Rothery 2007) notes a prominent north-northeast trending Landsat and topographical feature, about 7km to the east of Rajpura-Dariba which is associated with anomalous geochemistry and aeromagnetic anomalies (Figure 8). Along this zone, GSI drilling has revealed considerable copper anomalism under old workings that show malachite, azurite and chalcopyrite with prospects outlined at Wari, Rewatia and Pari (Rothery 2007).

3.3 Previous Exploration

Continued

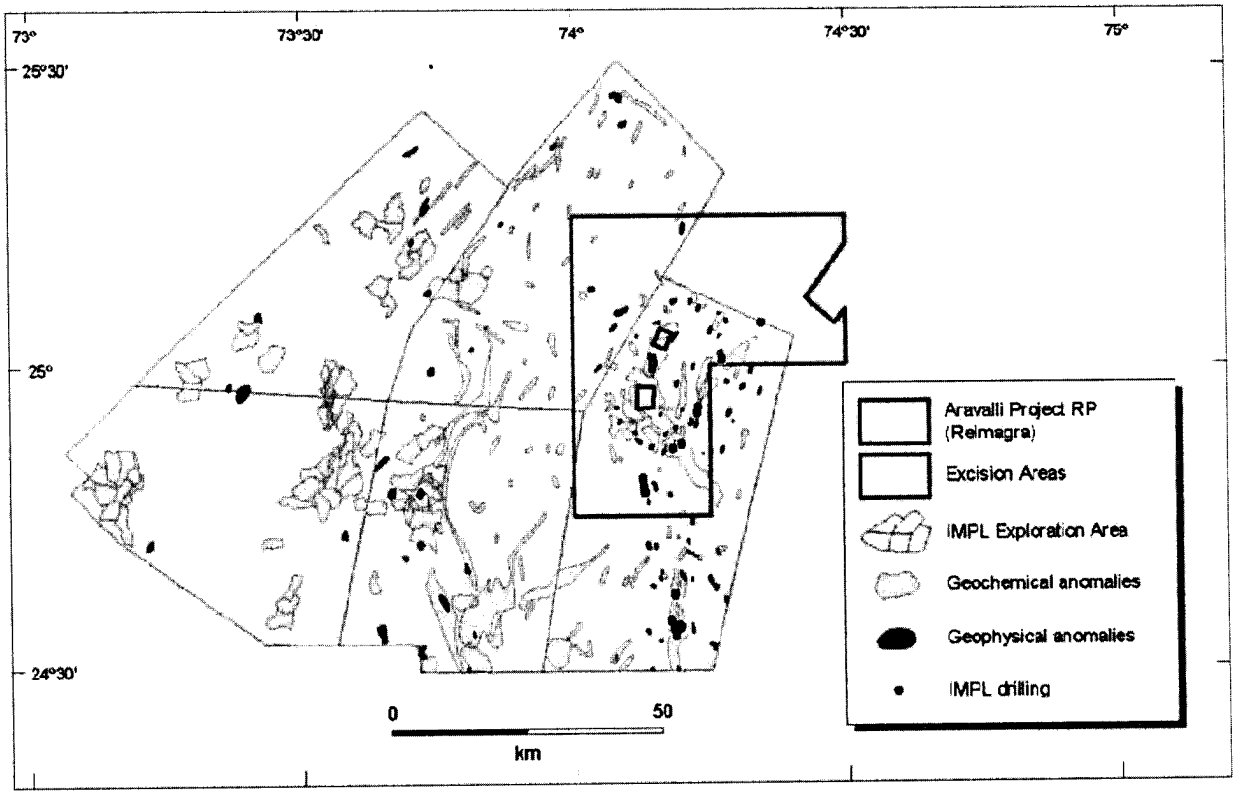


Figure 8: Map showing area of Inglewood (IMPL) prospecting licences in relation to the Relmagra RP. Inglewood geochemical anomalies are shown in green, geophysical anomalies in purple and drill holes are black circles

Nasirabad RP

Reports of previous exploration at Nasirabad are confined to work by government agencies. Five small Cu occurrences are noted and the DMG was drilling at the northernmost, Hathibatta in late 2006 (Rothery 2007). Thin stringers of chalcopyrite are reported, developed parallel to the schistosity over several metres in deep (200-400m) diamond holes. Again, IRL are working to compile and interpret any previous work in their tenement areas and note a prominent northeast-trending Landsat feature that would form a target in future exploration.

The other Cu occurrences include Chenpura where three holes were drilled by GSI under an 800m long, 5-30m wide, gossan zone with surface grab sample values of copper in the range 750ppm – 1000 ppm. No anomalous results were reported. Other occurrences are named Kiriap, Anarkhera (or Nayakheda) and Hanotia. The latter corresponds to historical workings up to 5m deep developed along a 400m strike length of gossan. GSI drilling has intersected a 375m long lensoid body of mineralisation, 3-24m wide, to a depth of 200m below surface containing copper to a grade of 1.4% (Rothery 2007).

3.4 Proposed Exploration Program and Budget

There is currently insufficient information to thoroughly evaluate the Relmagra RP, but initial data compilation by IRL to date provides an indication of the prospectivity of the Aravalli region. Gathering additional reports by state agencies will be a high priority, with confirmation of the previous geochemical anomalies and detailed geological mapping to identify targets, strikes and dips within the anomalous areas. The portable XRF (NITON) tool has proved a valuable technique in similar terrain at Broken Hill, and will be trialled here.

Previous workers appear to have paid little attention to structural controls on mineralisation and IRL plan to emphasise this aspect noting that copper mineralisation in particular may have a structural rather than stratigraphic control. Careful interpretation of available aeromagnetic and EM data will be undertaken and should also help understand the structural setting. Remote sensing data (Landsat Aster) will also be purchased and analysed. Trial IP or EM lines will be run across the anomalous trends to further refine drill targets. Once all the data has been compiled in a GIS environment, drill targets will be selected.

3.4 Proposed Exploration Program and Budget
Continued

Initially wide-spaced lines will be placed across the anomalous trends at spacing's in excess of 2km. Trial lines will also be drilled in the areas between, and along strike to north and south of, the excised mining leases. Any anomalous intersections will be followed up as appropriate. Table 5 outlines a proposed budget for work over the next two years for a maximum raising scenario.

Table 5: Proposed two-year exploration budget for the Aravalli Project

Type	Year 1	Year 2
Data compilation and evaluation	$250,000	$100,000
Geology	$150,000	$150,000
Geochemistry	$100,000	$100,000
Geophysics (inc. IP)	$100,000	$100,000
Drilling	$1,000,000	$1,950,000
Total	**$1,600,000**	**$2,400,000**

3.5 SRK Comment on Exploration Potential of the Area

The Aravalli Project covers a considerable lease area (>2,500 km^2) in the highly prospective Aravalli metallogenic province which hosts world-class Zn-Pb deposits. IRL's Relmagra RP has high potential for Zn-Pb-Cu mineralisation as demonstrated by the known deposits within three excised tenements (with total area of only 21.5 km^2) such as Rajpura-Dariba, Sindesar Khurd and Bamnia Kalan. These known deposits indicate that mineralisation continues along strike within the Rajpura-Dariba belt and additional areas of mineralisation are also known to the east. The eastern Mokanpura, Sindesar Kalan East and Bethumni zones of mineralisation may in fact occur within IRL's permit, however the precise location of these in relation to the excision areas has not yet been determined.

IRL is at an early stage in the compilation of the previous exploration history of the Aravalli Project with the reports obtained to date clearly demonstrating significant potential for Zn-Pb-Cu and Au mineralisation. A substantial amount of exploration may have been undertaken previously, particularly by the GSI and possibly also by international mining companies, and IRL plan to obtain and analyse this data as a priority. Despite this exploration maturity, there is good potential for IRL to generate new exploration targets as they propose to employ a structural model for ongoing exploration which is not likely to have been widely applied in the past. An improved structural understanding may also have application to areas of known mineralisation and assist in targeting specific high-grade zones.

The Nasirabad RP has potential primarily for Cu mineralisation. Again there has been some previous exploration by the DMG, but this appears to be fairly limited.

SRK is of the opinion that the Aravalli Project offers high to moderate prospectivity for base metal mineralisation and that IRL has put forward an appropriate exploration program and budget to advance the project over the next two years.

4 Diamond Projects

4.1 Location and Tenure

The diamond exploration properties of IRL are held in the name of AMIL Mining India Pvt Limited (AMIL) and were until recently part of the BHP Billiton and Dwyka Diamonds alliance in India that was initiated in November 2002. Under an option agreement dated December 2006 with SP Singh, owner of Kohinoor Mining International Limited (Kohinoor) and its subsidiary, AMIL, IRL has the right to conduct due diligence and field exploration. On exercise of the option, a 2.5% gross royalty is payable to Dwyka from any future diamond mining venture within the tenements. The reader should refer to the Solicitor's Report Schedule B to establish the basis on which IRL may acquire the diamond exploration properties, which is expected to take place during 2007 pending formal termination of a framework agreement between BHP Billiton and Dwyka Diamonds.

Known as Bhandara, Bundelkhand and Dharwar, the three projects occupy an overall area of 16,019km^2 in the States of Orissa, Chhattisgarh, Madhya Pradesh and Andhra Pradesh; however, only those reconnaissance permits in Orissa have to-date been granted. All projects lie in favourable geological terrain for the generation and intrusion of kimberlite, as substantiated by known diamond-bearing kimberlite provinces in the vicinity. The projects are speculative in nature yet with their geographic credentials, potential exists for economic kimberlite discoveries.

Note that technical background to most exploration areas previously secured by the BHP Billiton and Dwyka Diamonds Joint Venture has not been made available for appraisal to IRL.

Table 6: Tenement details for IRL diamond exploration properties

Tenement Type	Lease N°	Area (km^2)	State	Application Date	Approval Date
Reconnaissance Permit	68	1,930	Orissa	08/03/2001	04/07/2006
Reconnaissance Permit	70	1,870	Orissa	08/03/2001	04/07/2006
Reconnaissance Permit	71	631.8	Orissa	08/03/2001	04/07/2006
Reconnaissance Permit	75	63.4	Orissa	15/09/2001	12/03/2002
Reconnaissance Permit	76	550	Orissa	18/09/2001	04/07/2006
Reconnaissance Permit	80	2,000	Orissa	24/12/2001	04/07/2006
Reconnaissance Permit	81	999.2	Orissa	24/12/2001	18/10/2004
Reconnaissance Permit	1	1,011	Chhattisgarh	09/09/2005	Not yet granted
Reconnaissance Permit	2	1,987	Chhattisgarh	09/09/2005	Not yet granted
Reconnaissance Permit	3	3,072	Chhattisgarh	09/09/2005	Not yet granted
Reconnaissance Permit	2	793	Madhya Pradesh	21/03/2006	Not yet granted
Reconnaissance Permit	57	1,087	Madhya Pradesh	13/09/2005	Not yet granted
Prospecting Licence		6.87	Andhra Pradesh	07/05/2004	Not yet granted
Prospecting Licence		0.95	Andhra Pradesh	07/05/2004	Not yet granted
Prospecting Licence		6.99	Andhra Pradesh	07/05/2004	Not yet granted
Prospecting Licence		2.73	Andhra Pradesh	07/05/2004	Not yet granted
Prospecting Licence		7.33	Andhra Pradesh	07/05/2004	Not yet granted

4.2 History of Diamonds in India

India's diamond past delves way back into ancient history, perhaps to the Indus Valley civilisation more than 4,000 years ago as inferred by Vedic literature, particularly the Mahabharata and the Puranas. Arthasastra, the first written account of diamond mining, locations of mines and properties of diamond dates to the 4th Century BCE by which stage diamond ornaments were in vogue amongst the ruling elite. Such detail supports the likelihood that knowledge and mining of diamonds extended back in time many centuries before. At the beginning diamonds were prestige gems fit only for gods and kings and were revered for their shape, size and hardness. This perceived invincibility resulted in the use of gem imagery in early Buddhism where diamond symbolised religious virtue and enlightenment, with the power to destroy illusion.

4.2 History of Diamonds in India

Continued

Exporting of luxury items such as diamond by sea and land routes may have originated before trade with Greece became well established in the 3rd Century BCE but was thriving by the time the Romans with their voracious appetite for Indian merchandise became active participants in the 1st Century CE. Most diamonds sold were probably small, inferior and for industrial applications. Only with the advent of the Portuguese from 1498 onwards, heralding the start of the colonial era, did diamond trading to overseas destinations increase noticeably in volume and coincided with improvements in cutting technology, the growth in European ateliers and a return in demand for diamond as a talisman and status symbol.

Other than Kalimantan where diamond mining was initiated by Hindu migrants probably in the 7th Century CE, India was the sole producer of diamonds to world markets until the discovery of diamonds in Brazil in 1725 and from thereon its output waned. Nevertheless, historic diamonds such as the Hope, Regent and Great Mogul kept the legends alive and while the British East India Company remained in power, diamonds continued to represent mobile wealth and added income for some of its officers.The adorning of deities and storage of royal treasure commonly meant that India's ancient temples were the prime target for the invader. All large diamonds were appropriated by local kings and others were donated as gifts and tribute to treasuries. Much of early history revolved around the politics of plunder, prestige and gift-giving. The spread of Islam and Moslem incursions, commencing from 711 CE, culminated with the Mughal Empire during which diamond and jewellery production reached its zenith not just in output but also as an art form. Not so well known are the Hindu dynasties, like the Maurya, Gupta and Satavahana, that played major roles in fostering international trade, the prolific use of diamonds and gemstones in adornment, art and architecture.

As cradle of the diamond industry, India possesses a fascinating and enduring saga of propaganda myths, spectacular stones, immense hoards of diamonds, overseas trade and colourful characters. Now with its foreign investment initiatives and the growth of modern day diamond exploration in the country, India may in the future experience resurgence in diamond mining to compete with revenues generated from its cutting and retail sector.

4.3 Potential for Economic Kimberlite in India

Largely alluvial, historical diamond production was extensive, spread over seven States, namely Andhra Pradesh, Karnataka, Chhattisgarh, Orissa, Jharkhand, Maharashtra and Madhya Pradesh. Alluvial diamonds were derived from a variety of geological environments ranging from Early Proterozoic conglomerates to Tertiary palaeochannels, terrace deposits and recent colluvium. In some provinces the high level of erosion, for example an estimated 3 km at the 19 hectare Wajrakarur Pipe 1 in Andhra Pradesh, helps to explain the widespread distribution of diamonds and the historical focus on alluvial diamonds. The discovery of crater facies kimberlite at Tokapal in Chhattisgarh over an area of 550 hectares, however, illustrates the magnitude of some of these volcanic events and that in certain regions they have possibly been subjected to significantly less erosion.

Much of India is comprised of stable, ancient cratonic blocks that are geologically and structurally prospective for kimberlite emplacement and diamond formation and preservation. The distribution of alluvial diamonds as well as their recorded size and quality is obvious evidence of suitable mantle conditions for the development and preservation of diamonds within kimberlite in the Dharwar, Bastar, Singhbhum and Bundelkhand Cratons. Many alluvial diamond occurrences have unexplained source provenances. Favoured criteria in target selection for economic kimberlite are:

- Precambrian basement that has been stable for more than 1,500 Ma.
- Thick (35-50 km) continental crust to provide a low geothermal gradient.
- Deep mantle lithospheric root (>150 km) to access the diamond stability field.
- Deep-seated, mantle-tapping faults as conduits for kimberlite.
- Crustal uplift and basement doming.
- Associated alkaline and flood basalt volcanism.
- Absence of mantle metasomatism provoking carbonization and resorption of diamond.

The only producing kimberlite mine in India is at Majghawan, part of the 80 km long Panna diamond field in Madhya Pradesh and operated by the National Mineral Development Corporation. Although detected in 1827 prior to the first kimberlite discovery in South Africa, the mine has been producing since 1965 and is currently a 90 metre deep open pit with design capacity of 80,000 carats per year. The 6 hectare payable portion of the pipe has an in-situ value of approximately US$13 per tonne and a 42% gem content. The adjacent, diamond-bearing but sub-economic Hinota pipe is the only other known kimberlite in the cluster, suggesting that more related intrusions have yet to be located and evaluated.

4.3 Potential for Economic Kimberlite in India

Continued

Host rocks in India are often neither archetypical kimberlite nor classic lamproite, leading to controversy in their classification and the coining of kimberlite clan rock (KCR) instead to encompass both facies types. Kimberlite emplacement seems to be predominantly related to the one Proterozoic event, from 1,000 Ma to 1,400 Ma, though the diamond-bearing conglomerates at Wairagarh in Maharashtra imply an older Archean kimberlite episode as well. More than 75 kimberlites and lamproites have been reported to-date with the majority concentrated within the Wajrakarur, Raichur and Narayanpet fields in Andhra Pradesh and neighbouring Karnataka.

The Wajrakarur field is part of a north-east trending kimberlite corridor that includes the Mainpur, Tokapal and Nuapada fields in Chhattisgarh and Orissa, linking the Dharwar and Bastar cratons over a distance of 1,500 km. Commonly kimberlite loci display strong tectonic control, sited close to the intersection of ENE and NW lineaments and often related to crustal doming. This structural association, aided by topography and climate that facilitates effective, traditional indicator mineral sampling, has proven beneficial in targeting kimberlite.

Rio Tinto discovered 26 kimberlites between 2001 and 2005, most of them diamond-bearing. Their Bunder Project, 80 km south west from Panna in Madhya Pradesh, hosts at least eight kimberlite bodies, the largest 15 hectares in size on which bulk sampling is planned. Actively exploring in India since 2001 as well, De Beers has a similar strike rate, claiming to have located 32 new kimberlites. In 2005 it was announced that Hindustan Diamond Company, an equal joint venture between the Government of India and De Beers, had become a 26% shareholder of De Beers India Pvt Ltd.

With such geological prospectivity, augmented by the widespread extent of alluvial diamonds and favourable craton acreage, it is reasonable to assume that sustained exploration and continuing foreign investment in future will unearth many more diamond-bearing kimberlites and some will likely prove economic.

4.4 Bhandara Diamond Project

4.4.1 Tenement Location and Regional Geology

The majority of project permit abuts or is in close proximity to the Orissa-Chhattisgarh border and the eastern margin of the Bhandara (Bastar) Craton. As five discrete tenement blocks totalling 14,114km^2 (of which 8,044km^2 is granted and 6,070km^2 in Chhattisgarh is currently pending) and spread over 350km of craton edge, the Bhandara Project is situated within a north-east trending, diamond-bearing kimberlite corridor that hosts the nearby Tokapal, Mainpur and Nuapada fields (Figure 9). With historical accounts of alluvial diamond mining dating back to 1799, Orissa has been credited with many discoveries of large diamonds, notably from Sambalpur (810 carats) and Hirakud (210 carats) on the upper reaches of the Mahanadi River. Diamonds have been recovered from a 175km stretch of the Mahanadi River as far downstream as Baudh and from several tributaries such as the Ib and Tel that drain the craton hinterland.

The Mainpur kimberlite field south-east of Raipur in Chhattisgarh was discovered in the early 1990s and at present comprises seven kimberlites, three of which are diamond-bearing. Apart from limited pitting and drilling by the Geological Survey of India, little systematic evaluation of the pipes has been undertaken to date. Local diggers report that diamonds of 137 carats and 202 carats have been found. All known kimberlites occur along a major northwest-trending lineament and related splay faults. The Nuapada Field, currently under investigation by De Beers, was first identified in 2001 by the Orissa Directorate of Geology and limited bulk sampling of what was claimed as olivine lamproite initially produced diamonds up to 1.1 carat in size. Host rocks are Proterozoic platform sediments overlying Bhandara Craton.

The eastern margin of the Bhandara Craton is overlapped by Paleo- to Mesoproterozoic granulites of the Eastern Ghats Mobile Zone and as is the case at Nuapada, is also overlain by series of Neoproterozoic sedimentary basins. The craton edge, whether as exposed Archean granite gneiss or as platform sediments, is demonstrated as prospective for diamond-bearing kimberlite and lamproite. Structural controls to emplacement are again pronounced with northwest, northeast and east-northeast lineaments of particular interest. Fracture patterns affecting the Nuapada Field also extend into the adjacent Reconnaissance Permits 71A, 71B and 75.

4.4.2 Diamond Exploration

The only exploration data made available to IRL concerning the granted reconnaissance permits in Orissa relate to regional drainage and loam sampling for kimberlitic indicator minerals in RP 81. Since approval of the permit in late 2004, Dwyka Diamonds (Dwyka) collected 84 stream sediment samples and one loam sample representing an overall sample density of 1:30 km^2. Of these, mostly 30 kg samples of minus 2mm material, 25% were positive with mineral indicators. No laboratory records of grain counts, mineral geochemistry or surface textures were made available to IRL, so no comment is possible with respect to the prospectivity of the tenement to host primary source rocks.

4.4.2 Diamond Exploration
Continued

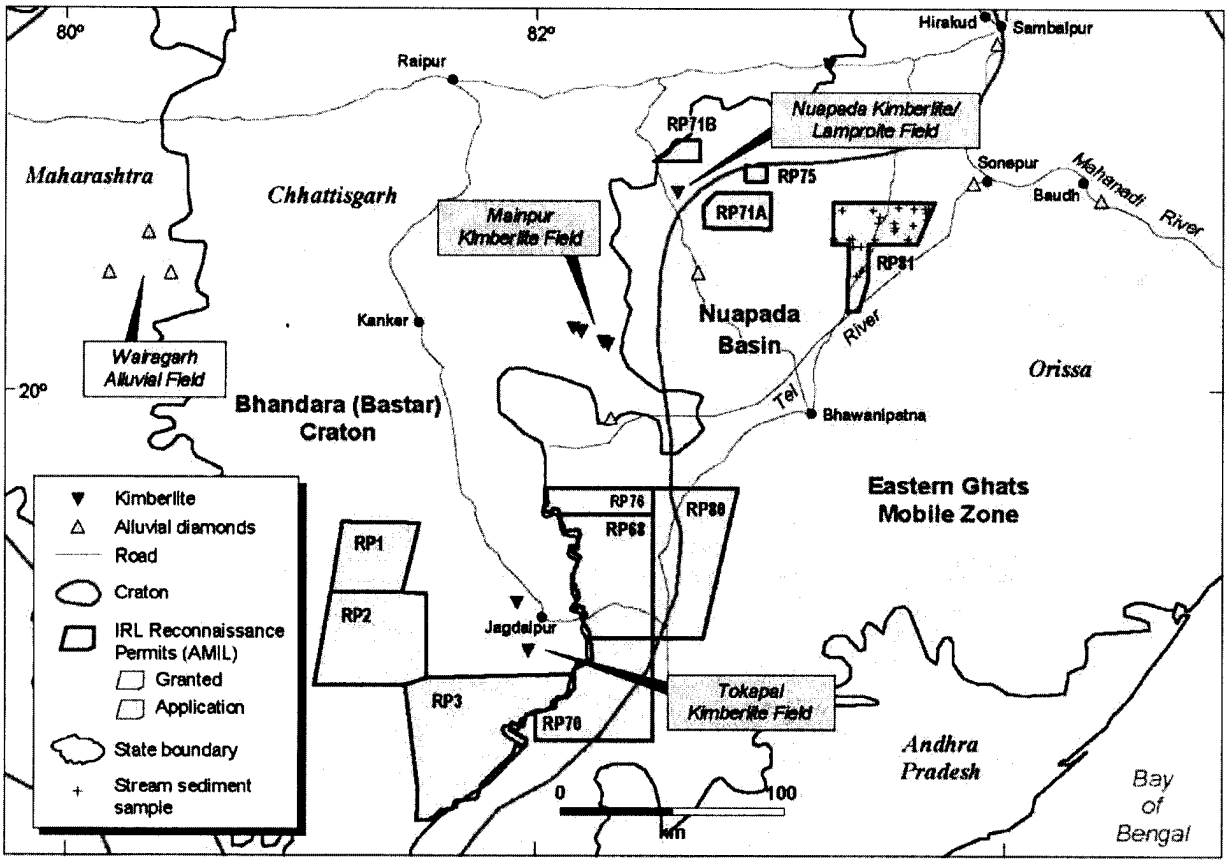


Figure 9: Location plan of the Bhandara Diamond Project showing tenement locations in relation to craton boundary (red) and position of known kimberlite / lamproite fields

4.5 Dharwar Diamond Project

4.5.1 Tenement Location and Regional Geology

The five prospecting licence applications total 24.9km^2 and target geophysical and indicator mineral anomalies within the Chigicherla kimberlite cluster south of Wajrakarur in Andhra Pradesh (Figure 10). Wajrakarur has a long history of diamond mining, not only associated with the Vijayanagar Empire as far back as the 14th Century but also recorded on a nearby rock edict of Emperor Ashoka dating to 245 BCE at Jongiri.

The Wajrakarur kimberlite field comprises three discrete clusters of 21 kimberlites (Figure 10) over a 7,200 km^2 area of granite-greenstone terrain, part of the Dharwar Craton. To its east lies the Cuddapah Basin, repository for the Neoproterozoic Banaganapalle Conglomerate, a popular source of alluvial diamonds for early miners over its length of 250 km. Recent government studies of this conglomerate confirmed that diamond distribution was erratic but estimated an overall 2 to 3 cpht grade and 76% gem content.

At least two thirds of the kimberlites within the Wajrakarur field are diamond-bearing. Evaluation from 1980 to 1987 as part of the National Diamond Project, a consortium of government agencies including the Geological Survey of India and the Department of Mines and Geology, revealed the largest pipe as 66 hectares (Kimberlite P10) and a best grade of 7.89 cpht from 1,515 tonnes excavated from Kimberlite P7. More recently bulk sampling of the 1.2 km long Venkatampalle dyke returned 3,980 diamonds weighing 660 carats, one stone in particular of 16.30 carats, rating this kimberlite as the most diamond-prospective to-date.

4.5.1 Tenement Location and Regional Geology

Continued

The three kimberlite clusters, namely Wajrakarur-Lattavaram, Chigicherla and Kalyandurg, are spaced approximately 50 km apart and are drained by tributaries of the Pennar and Hagari Rivers, both known for alluvial diamonds. Other than the occasional east-northeast trending dyke, most of the kimberlites have elongate and irregular outlines. The five Chigicherla kimberlites vary in size up to 5.8 hectares and of the four tested during the National Diamond Project, Pipe CC4 yielded the best result of 2.26 cpht from 88 tonnes treated. The influence of specific structural trends on kimberlite localisation is well displayed in the Wajrakarur field with a concentration of intersecting east-northeast and northwest fractures. Crustal up-warping, evidenced by the Cherlapalle, Katrimala and Marutia topographic domes (Figure 10), is also likely to have played a role in triggering and focusing kimberlite emplacement.

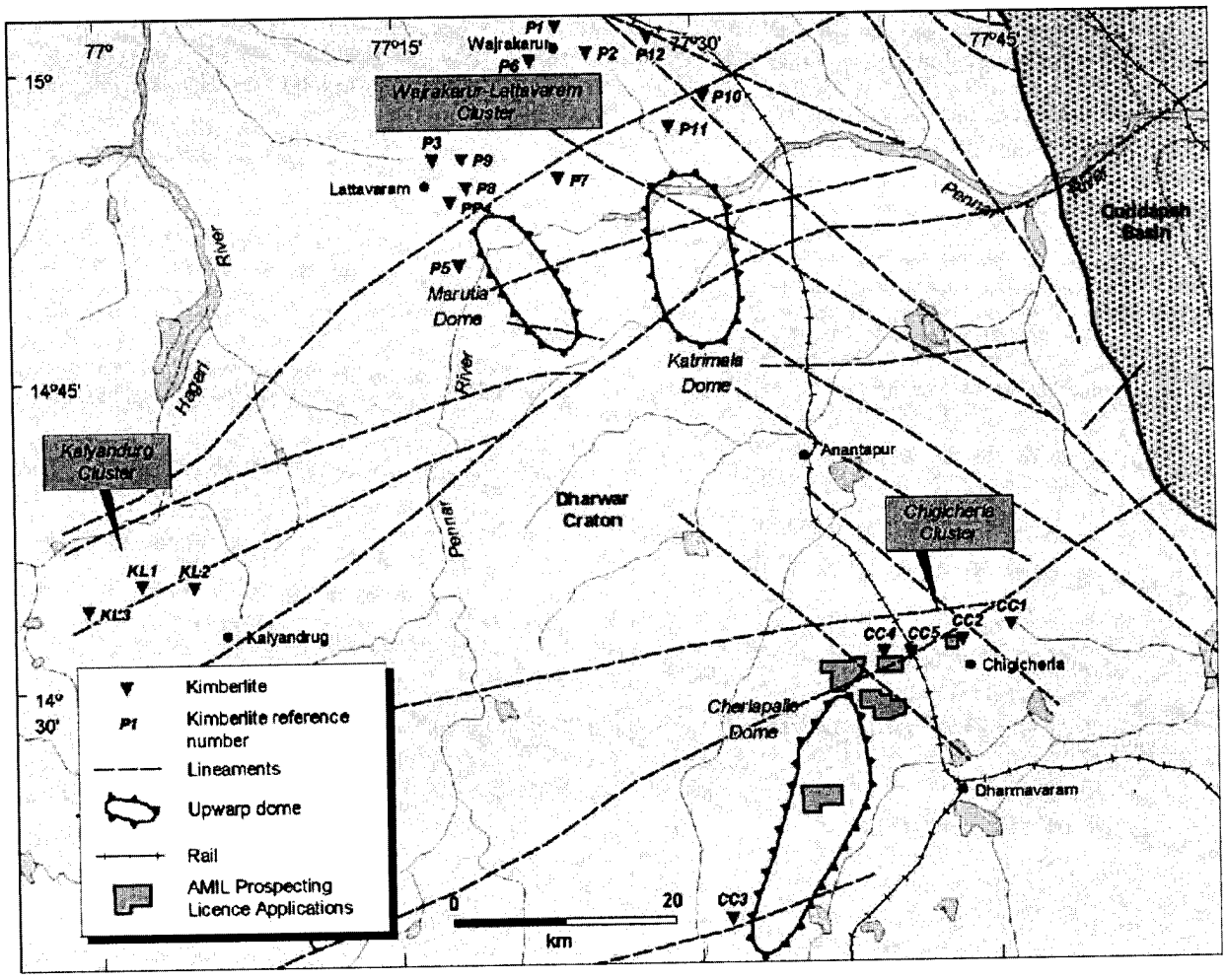


Figure 10: Location plan of the Dharwar Diamond Project showing tenement applications in relation to Cuddapah basin (red), position of known kimberlite clusters and domes of crustal up-warping

4.5.2 Diamond Exploration

Dwyka conducted drilling of the Chigicherla kimberlites CC1 to CC4 in 2002 for orientation purposes and reported micro diamond grades up to 35 cpht from the 1.3 hectare Kimberlite CC4 as well as a high percentage of G10 harzburgitic pyrope. After local drainage sampling had identified a number of chromite predominant mineral anomalies, believed to be unrelated to the known kimberlites, Dwyka followed up with detailed magnetic and EM ground surveys in 2003 revealing several targets with signatures similar to Pipe CC4. These results led to application of the five prospecting licences in May 2004.

Both the structural framework and kimberlite distribution at Chigicherla imply opportunity for new kimberlite discoveries and given the diamond content and size of known occurrences, justify a systematic, skilled exploration program to test licence areas when granted and the likelihood of extensions to the Chigicherla kimberlite cluster.

4.6 Bundelkhand Diamond Project

4.6.1 Tenement Location and Regional Geology

The two adjoining reconnaissance permit applications, 1,880km^2 in area, are situated on the eastern portion of the Bundelkhand Craton in Madhya Pradesh within 70 km of the diamond-bearing kimberlites at Panna and Bunder (Figure 11). A further kimberlite field at Angor to the west of the tenements has been identified but apart from associated alluvial diamonds being reported from nearby Janakpur, public information of the discovery is minimal.

The Panna diamond field has dimensions of 80km by 50km, an extensive alluvial spread reflecting erosion of more than the two kimberlites currently known. Alluvial mining was recorded during the Mughal Empire in the 16th Century and continues to-day as small scale enterprises, exploiting both conglomerate and gravel. The Majhgawan and Hinota pipes at the western end of the placer belt intrude platform sediments of the Vindhyan Basin along the upwarped craton margin and are related to the intersection of deep-seated ENE and NNW fault structures. Both diatremes share petrological, geochemical and isotope characteristics of kimberlite, orangeite and lamproite and are therefore considered in a transitional class of their own with a complex genetic origin.

4.6.2 Diamond Exploration

No information of previous diamond exploration is available to IRL. However, the permit applications occupy prospective geological, structural and cratonic terrain for intrusion of diamond-bearing kimberlite. The project area is traversed by series of east-west lineaments in close proximity to major northwest and north-northwest fractures, a combination that has been shown at Panna to be instrumental in tapping and guiding kimberlite magma.

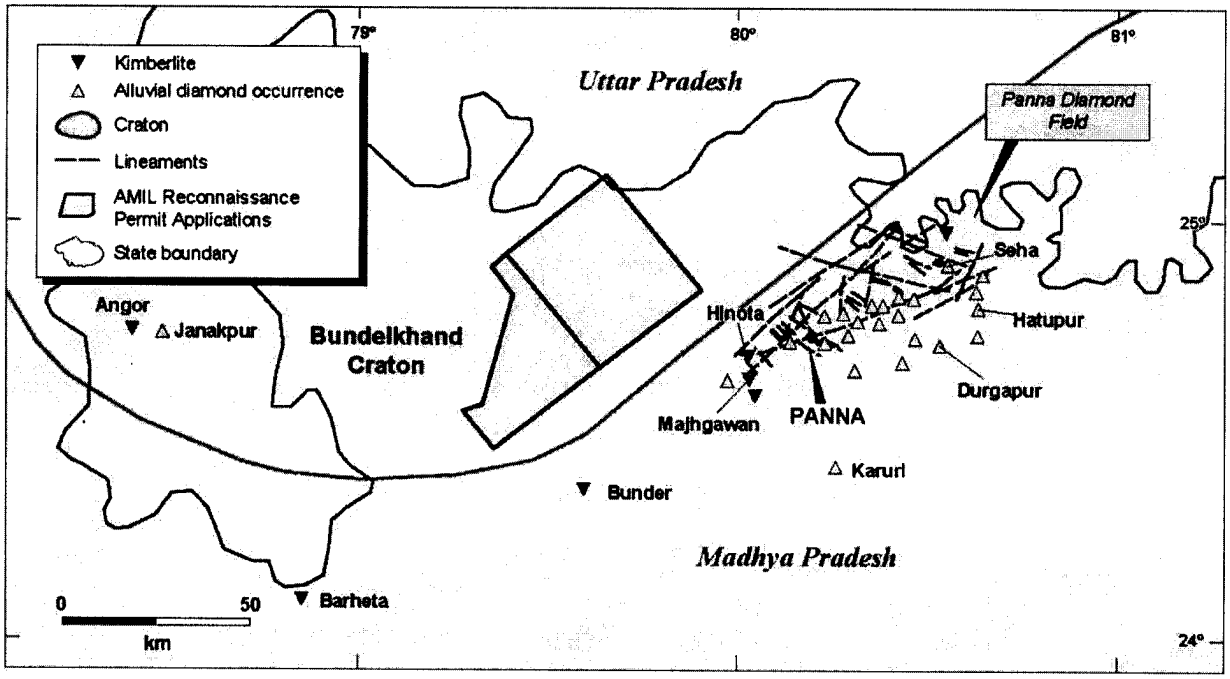


Figure 11: Location plan of the Bundelkhand Diamond Project showing tenement applications in relation to Bundelkhand craton margin (red) and known kimberlite occurrences

4.7 Proposed Exploration Program and Budget

As described above, it is anticipated that IRL will acquire the diamond projects in mid to late 2007 at which time the initial exploration focus will be directed at the current seven reconnaissance permits in Orissa. Priority will be given to those tenements in close proximity and with similar structural traits as characterizing the diamond-bearing Nuapada kimberlite-lamproite field. Exploration methods employed to locate and rate the diamond potential of any kimberlite present will include drainage and loam sampling for indicator mineral recovery, structural and photo targeting of specific anomalies, geological mapping, ground geophysical surveys and first pass probe drilling. If results warrant more detailed evaluation and advancing to resource definition with additional drilling and bulk sampling, application for prospecting licences will be required to ensure appropriate practices and work programmes are fulfilled.

Although remaining reconnaissance permit applications in Chhattisgarh and Madhya Pradesh were submitted in late 2005 and early 2006, it is reasonable to assume that most if not all of these tenements will be granted within the next year or so and will demand their share of exploration funding. The use of grain geochemistry of kimberlite indicator minerals, assisted by micro diamond analysis, enables prioritizing of kimberlite targets and will facilitate the effective management of exploration funds. As soon as access to the prospecting licences at Chigicherla is approved, the geophysical and mineral anomalies will be re-evaluated and if kimberlites present demonstrate economic potential, drill testing will initially be undertaken.

IRL has put forward a budget of $1.2 million for diamonds exploration over two years. Funding will identify kimberlites present, rank their diamond prospectivity and for those with economic potential, outline their size, geology and possible diamond content. In accordance with ASX listing requirements, no funds have been allocated for Year 1 to Orissa, and no funds have been allocated to the tenement application areas outside Orissa. However, IRL may apply its' surplus working capital to these areas.

5 Conclusions

The mineral assets of IRL that are the subject of this Report present the investor with exploration exposure to the significant potential of the emerging Indian resources industry.

The Surda Project represents an opportunity for IRL to potentially access a copper operation in India, clearly with significant potential based on historical production figures of 8,986,348 tonnes at 0.95% Cu (Markandey 2004). Although the availability of data for review of this project was limited at the time of writing, historic production figures and the continuity of prospective geological units along strike and at depth of the historic mine, demonstrate the prospectivity of the Project area. IRL is commencing a pre-production planning stage on the project and is currently gathering and compiling the substantial information available in relation to Surda. IRL plans to develop an improved structural understanding of the deposit, which will assist in local and district-scale exploration of the tenement.

The Aravalli Project covers a considerable lease area (>2,500km^2) in the highly prospective Aravalli metallogenic Province and has high potential for Zn-Pb-Cu mineralisation. Several deposits on excised leases (of 21.5km^2) within the Relmagra RP including Rajpura-Dariba, Sindesar Khurd and Bamnia Kalan demonstrate the prospectivity of the belt. IRL is at an early stage in compiling and understanding the geological setting and previous exploration history of the Aravalli Project, and a significant amount of exploration may have been undertaken previously. However, there remains good potential to generate new exploration targets by application of a structural model for mineralisation.

The diamond assets that form the remainder of IRL exploration portfolio represent highly speculative exploration projects. Each of the three diamond project areas contain favourable geological, structural and cratonic elements for the potential intrusion of diamond-bearing kimberlite. SRK note that only leases within the Orissa State have been granted at the time of writing, and leases under application inherently attract additional risk.

While all the properties above represent exploration projects which are by nature highly speculative involving varying degrees of moderate to high exploration and financial risk, SRK is of the opinion that the projects are sufficiently prospective to warrant exploration at the budgetary levels indicated by IRL. The portfolio offers investors the opportunity for early exposure to the emerging Indian and surrounding South East Asian resources industry. IRL currently has access to the Aravalli Project with high potential for discovery of base metals, as well as exposure to more conceptual diamond exploration plays. IRL intends to commence a pre-production planning phase at the Surda copper mine which along with the Memorandum of Understanding with HCL, demonstrates that IRL has a commitment to continued exploration within India and identification of further opportunities.

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7 Glossary

Aeolian	Relating to wind-formed surficial deposits, typically composed of fine sand and sediment.
Aeromagnetic Survey	Surveys flown by helicopter or fixed wing aircraft in traverses carried out along equally spaced lines that measure the strength of the earth's magnetic field.
Ag	Symbol for the chemical element silver.
Airborne Magnetic Surveys	See Aeromagnetic Survey
Aircore Drilling	Rotary drilling technique employed to drill in poorly consolidated rocks, where the sample is returned to surface inside the drill rods under the influence of applied air pressure.
Alkaline Rocks	Rocks containing an excess of sodium and or potassium.
Alluvial Deposit	Deposit resulting from erosion and weathering of primary occurrence or previous sediment and later transported, re-located and concentrated by a river.
Amphibolite	A metamorphic crystalline rock consisting mainly of the minerals amphibole, typically hornblende and plagioclase.
Amphibolite facies	A degree of metamorphism at moderate to high pressures and temperatures from 450 to 700°C.
Anomaly	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
Anorthosite	A group of essentially monomineralic plutonic rocks composed almost entirely of plagioclase feldspar and little or no dark-coloured minerals.
Archean	A geological period of time before 2500 Ma.
Au	Symbol for the chemical element gold.
AusIMM	The Australasian Institute of Mining and Metallurgy.
Basalt	A dark, fine-grained volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
Basement	The igneous or metamorphic rocks that exist below the oldest sedimentary cover. In some areas such as shields the basement rocks may be exposed at surface.
Basic	A descriptive term applied to igneous rocks (basalt and gabbro) with silica (SiO_2) between 44% and 52%.
Biotite	A mineral with the general formula $K(Mg,Fe^{2+})_3(Al,Fe^{3+})Si_3O_{10}(OH,F)_2$
Breccia	A coarse-grained clastic rock composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.
Brecciated	Condition applied to an intensely fractured body of rock.
Bulk Sample	A large sample for more representative and reliable grade and diamond data.
Cainozoic	The era in geological time from 64 Ma to the present, encompassing the Tertiary and the Quaternary Periods.
Calc-silicate	Metamorphic rock in which calcium and silicon are the dominant constituents
Cambrian	The oldest of the systems into which the Palaeozoic stratified rocks are divided 545 to 490 million years ago.
Carat	Unit of measure for gemstones, one metric carat = 0.2 gram
Chert	A hard, extremely dense or compact, dull to semi-vitreous, microcrystalline or cryptocrystalline rock consisting of interlocking crystals of quartz less than about 30 microns in diameter.
Chromite	An oxide of chromium, $(Mg,Fe)Cr_2O_4$, some varieties of which can represent an indicator of diamonds.
Cleavage	The breaking of a mineral along crystallographic planes, that reflects a crystal structure.
Colluvium	Loose, heterogeneous, incoherent mass of soil and rock fragments, usually deposited at the base of a slope.

Glossary
Continued

Conglomerate	Rounded gravel clasts cemented together and deposited by the action of water.
Continental Crust	Thicker and less dense crust underlying continents.
Country Rocks	The rock intruded by and surrounding an igneous intrusion.
Cpht	Diamond grade expressed as carats per hundred tonnes.
Crater Facies	Original surface deposit of kimberlite as lava and pyroclastic material and as crater or epiclastic sediments.
Craton	Large, and usually ancient, stable mass of the Earth's crust comprised of various crustal blocks amalgamated by tectonic processes. A cratonic nucleus is an older, core region embedded within a larger craton.
Cretaceous	Time period, approximately 136 to 64 million years ago.
Cts / m^3 and Cts / m^2	Grade reported as carats per cubic metre and per square metre.
Cu	Symbol for the chemical element copper.
Diamond (Core) Drilling	The most expensive method of drilling. It is designed for resource exploration drilling, its main benefit being that it provides core of the strata for accurate assessments and gives the most accurate indication of depth from which the sample is derived.
Diatreme	A volcanic vent or pipe created by gaseous magma sourced from the mantle.
Dipolar Anomaly	A magnetic dipole created by a magnetic source with a roughly cylindrical shape and considerable depth extent.
Disseminated sulphide	Sulphide mineralisation where sulphide grains are dispersed widely between other mineral grains in the rock.
Dolostone	A sedimentary rock comprising dolomite ($CaMg(CO_3)_2$)
Dyke	A sheet like body of igneous rock that cuts across layering or contacts in the rock into which it intrudes.
Electromagnetic Survey	Traverses carried out along equally spaced lines that input an electrical field to the ground, and measure the changes in the earth's magnetic field at different times after the application of the electrical field.
EM	Electromagnetic – a geophysical technique whereby transmitted electromagnetic fields are used to energise and detect conductive material beneath the earth's surface
Epigenetic	(of mineral deposit) formed in pre-existing rock formations
Facies	Geological zone or rock type.
Fault	A crack or fracture in the earth's surface. Movement along the fault can cause earthquakes or, in the process of mountain-building, can release underlying magma and permit it to rise to the surface.
Fe	Symbol for the chemical element iron.
Felsic volcanics	A generally finely crystalline or glassy igneous rock having abundant light-coloured minerals (quartz, feldspar, muscovite) resulting from volcanic action at or near the surface of the earth.
Fluvial	Of or pertaining to rivers or produced by river action.
Formation	A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.
Gabbro	A group of dark-coloured, basic intrusive igneous rocks composed principally of basic plagioclase and clinopyroxene with or without olivine and orthopyroxene.
Geochronologic	Relating to geochronology - or measurement of time on geological time frames
Gneiss	Granite or sedimentary rock that has been metamorphosed.
Gossan	Oxidised or leached near- or above-surface portion of a mineral deposit containing sulphides.
Graben	Rift valley.

Glossary
Continued

Granite	A plutonic rock in which quartz constitutes 10 to 50 percent of the felsic components and in which the alkali feldspar / total feldspar ratio is generally restricted to the range of 65 to 90%.
Granulite	Coarse granular metamorphic rock of granulite facies (temperatures exceeding 650°C).
Hematite	An iron oxide mineral with the general formula alpha Fe_2O_3
Hg	Symbol for the chemical element mercury.
Horst	Plateau or ridge area raised from surrounding terrain by faulting.
Igneous	Rocks or minerals crystallized from molten magma and pertaining to related processes.
Indicator Mineral	One of several relatively resistant mineral varieties with an origin and mode of occurrence similar to diamond, that can be indicative of the presence of primary diamond deposits.
Induced Polarization	The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.
Intermediate	A descriptive term applied to igneous rocks that are transitional between basic and acidic with silica (SiO_2) between 54% and 65%.
Intrusion	The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.
Kimberlite	Silica-poor (ultramafic), intrusive, igneous rock, normally formed as pipes, the most common primary source of diamonds.
Kimberlite Field	Relatively large group of kimberlite intrusions, usually containing several clusters, spread over a broad region.
Lamproite	Highly alkaline, silica-poor volcanic rock characterised by the presence of potassium, titanium and magnesium minerals and with similarities to kimberlite.
Landsat	A series of unmanned satellites orbiting at about 706 km (438 miles) above the surface of the earth. The satellites carry cameras similar to video cameras and take images showing features as small as 30m or 80m wide, depending on which camera is used. Landsat Imagery Photographs of the Earth's surface, collected by satellite, and taken at different wave-lengths of light, processed to enhance particular features.
Late Archean	A geological period of time from 3000 Ma - 2500 Ma.
Laterite	Strongly leached, iron and aluminium-rich rock, formed at the surface by weathering and water table fluctuation under tropical conditions.
Lineament	A significant linear feature of the Earth's crust.
Lithic	Of or pertaining to stone.
Lithosphere	Mass of the mantle attached to the base of the crust that has a geological history related to that of the overlying crust, and that is cold and rigid relative to the deeper parts of the mantle.
Ma	A symbol for millions of years before the present time.
Mafic volcanic	A volcanic rock composed chiefly of one or more ferromagnesian, dark-coloured minerals.
Magma	Naturally occurring molten and mobile rock material, generated within the Earth and capable of intrusion or extrusion, from which igneous rocks are thought to have been derived through solidification and related processes.
Magnetite	A naturally occurring oxide of iron (Fe_3O_4) which produces a strong magnetic response.
Mantle	The layer of the Earth between the crust and the core. The upper mantle, which lies between depths of 50 and 650 km beneath continents, is the principal region where diamonds are created and stored in the Earth.
Massive sulphide	Sulphide mineralisation where a large number of sulphide grains are in contact with each other.
Matrix	The solid matter in which a fossil or crystal is embedded. Also, a binding substance (eg cement in concrete).

Glossary
Continued

Metamorphism	The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.
Micro Diamond	A tiny diamond, commonly classed as less than 0.5 mm.
Mineral Resource	Concentration or occurrence of material of intrinsic economic interest in such form and quantity that there are reasonable prospects for eventual economic extraction.
Mo	Symbol for the chemical element molybdenum.
Mobile Zone	Elongate crustal region characterised by deformed rocks that typically border ancient cratonic nuclei.
Ni	Symbol for the chemical element nickel.
Octahedron	Normal habit of diamond. With flat, smooth faces and straight edges, octahedra are known in the trade as "glassies" but more commonly, crystals have rounded edges and corners.
Olivine	A mineral with the chemical formula $(Mg, Fe)_2SiO_4$.
Orangeite	Micaceous kimberlite, formerly Group 2 type. Clan of ultrapotassic, peralkaline, volatile-rich rocks. Ore ReserveEconomically mineable part of a measured or indicated mineral resource. It includes diluting materials and allowances for losses that may occur when the material is mined.
Overburden	Waste horizon that lies on top of an ore deposit.
Palaeochannel	A fossil channel belonging to an ancient river system.
Pb	Symbol for the chemical element lead.
PGE	Platinum Group Element (eg platinum, palladium, etc.)
Picroilmenite	A magnesium-rich variety of ilmenite, commonly indicative of the presence of diamonds.
Pluton	A large igneous intrusion formed at great depth in the crust.
PreCambrian	All geologic time from the beginning of Earth history to 545 million years ago.
Proterozoic	A geological period of time from 2500 Ma – 545 Ma.
Pyrope Garnet	A ruby-coloured garnet, $Mg_3Al_2(SiO_4)^3$, common in deep-seated ultramafic intrusive rocks and a common indicator of the presence of diamonds.
RAB Drilling	Rotary Airblast Drilling is a method employed when a quick representative sample of strata is required, usually engaged when probing for bedrock. This is the lowest cost drill method.
RC Drilling	Reverse circulation is achieved by blowing air down the drill rods, the differential pressure pushing the water and cuttings up the inner tube inside each rod. When the water and cuttings reach the top of the hole, they are passed through a sample hose which is attached to the top of a cyclone. The drill cuttings travel around the inside of the cyclone until they fall through an opening at the bottom and are collected in a sample bag. RC drilling is slower and costlier but achieves better penetration than RAB or air core drilling and is cheaper than diamond drilling.
REE	Rare Earth Elements
Regolith	All the material at the earth's surface that lies above fresh, unweathered rocks.
Rifting	The fracturing of the Earth's crust along two parallel faults forming an elongated topographic depression.
Sb	Symbol for the chemical element antimony.
S-C fabric	Rock fabric developed through brittle-ductile deformation displaying a s-fabric along the line of displacement and a c-fabric perpendicular to the compression direction. These fabrics are typically rotated during deformation.

Glossary
Continued

Schist	A strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit (eg. muscovite).
Schistosity	Rock fabric associated with schist metamorphic rocks
Sedimentary Basin	A low area in the earth's crust, of tectonic origin, in which sediments have accumulated.
Sericite	A mineral with the general formula $KAl_2[]AlSi_3O_{10}(OH)_2$
Shear zone	A tabular zone of rock that has been crushed and brecciated by many parallel fractures due to shear strain.
Shears	Type of fault displaying limited to pervasive ductile fabrics and often associated with development of local cleavages
Silica	A chemical combination of silicon and oxygen.
Sill	A tabular body of intrusive igneous rock, parallel to the layering of the rocks into which it intrudes.
Spinel	A group of oxide minerals of various compositions, (Mg,Fe,Mn)(Al,Fe,Cr)2O4, commonly occurring as an accessory in basic igneous rocks.
Stratiform	Having the configuration of a layer or bed.
Stratigraphic	The study of rock strata, especially of their distribution, deposition, and age.
Stream Sediment Sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements and indicator mineral recovery.
Strike-slip fault	A fracture or a zone of fractures along which there has been displacement of the sides relative to one another and parallel to the strike trend of the fault.
Stringers	Narrow, often non-planar veins, typically containing mineralisation
Strip Ratio	Ratio between overburden and ore (mineralisation) thickness.
Te	Symbol for the chemical element tellurium.
Tectonic	Pertaining to the forces involved in or the resulting structures of movement in the Earth's crust.
Terrace	Preserved alluvial deposit from previous river or transporting system, often occurring in series or valley steps.
Tertiary	Period of the Cainozoic Era covering the time span from 64 to 1.5 million years ago.
Thrust fault	A fault with a dip of 45 degrees or less over much of its extent with overriding movement of one crustal unit over another.
U	Symbol for the chemical element uranium.
Ultramafic	Igneous rocks consisting essentially of ferro-magnesium minerals with trace quartz and feldspar.
Unconformity	A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.
VHMS	Volcanogenic Hosted Massive Sulphides
VMS	Volcanogenic Massive Sulphide - Class of sulphide orebody formed through interaction of volcanic rocks and hydrothermal fluids.
Volcanic Complex	A persistent volcanic vent area that has built a complex combination of volcanic landforms.
Weathering	The process of alteration of fresh rock at the earth's surface.
Xenocryst	Applies to mineral crystals in igneous rocks that are foreign to the body of rock in which they occur.
Zn	Symbol for the chemical element zinc.

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Section 6 Solicitor's Report

19 April 2007

The Board of Directors
India Resources Limited
Level 2, 23 Ventnor Ave
WEST PERTH WA 6005

Dear Sirs,

SOLICITOR'S REPORT

1 INTRODUCTION

This Report is prepared for inclusion in a Prospectus to be issued by India Resources Limited ("**Company**") to be dated on or about 23 April 2007 ("**Prospectus**").

This Report relates to tenements in India controlled by the Company, and contractual rights over mining tenements in India ("**Tenement Rights**"). A schedule of the Tenement Rights is contained in **Schedule A**. A summary of the material contracts by which the Company is entitled to the Tenement Rights is contained in **Schedule B** ("**Material Contracts**").

A summary of other material contracts not directly relating to the Tenement Rights is contained in **Schedule C**.

2 PURPOSE OF REPORT

The purpose of this Report is to establish what the Company's legal rights and obligations are in relation to the Tenement Rights.

3 OPINION

As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are satisfied that the details of the Tenement Rights included in this Report are accurate as to their status, being held in good standing, and the Company's interest. The legal representatives engaged in India have examined the status of the tenements the subject of the Tenement Rights and concluded that the legally registered holders are shown in **Schedule A**, and that there are no third party rights or encumbrances affecting them.

4 ASSUMPTIONS AND QUALIFICATIONS

In this Report:

(a) we have engaged legal representatives in India to carry out investigations into the title status and good standing of the Tenement Rights. We have assumed the accuracy and completeness of the information and professional legal advice given to the Company by those lawyers;

(b) we have assumed the accuracy and completeness of any instructions, documents, tenement searches and information given to us by the Company or any of its officers, agents or representatives;

(c) we have assumed the authenticity of all seals and signatures; and

(d) the references in Schedule A are taken from reports provided to us by the legal representatives in March and April 2007.

5 GENERAL INFORMATION ABOUT MINING TENEMENTS IN INDIA

Based on information received from our legal representatives, the following is an overview of the system of tenure in India as it relates to the Tenement Rights.

In India, the Mines and Minerals (Regulation and Development) Act 1957 ("**Act**") lays down the legal framework for the regulation of mines and development of all minerals other than petroleum and natural gas. The Mineral Concession Rules 1960 and Mineral Conservation and Development Rules 1988 also exist to regulate the grant of prospecting licences and mining leases, and to conserve and ensure systematic development of minerals in India, including the use of mandatory minimum expenditure requirements.

The State Government is required to maintain registers of applications for, and granted, reconnaissance permits, prospecting licences and mining leases.

Your Ref:
Our Ref: HM:MD
Matter No: 70433

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Continued

A reconnaissance permit is a permit granted for the purpose of undertaking reconnaissance operations, which allows the holder to undertake any operations for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping.

If a reconnaissance permit holder wishes to continue beyond the term of the reconnaissance permit, the holder must apply for the grant of a prospecting licence within three months after the expiry of the reconnaissance permit or within such further period as may be extended by the Government. It is not possible to renew a reconnaissance permit.

A reconnaissance permit for any mineral or a prescribed group of associated minerals is granted for three years, and for a maximum area of 5,000km^2, to be relinquished progressively. After two years, the reconnaissance permit area is reduced to 1,000km^2, or 50% of the area granted, whichever is less. At the end of three years, the area held under a reconnaissance permit reduces to 25km^2.

Minimum expenditure commitments apply to reconnaissance permits which need to be adhered to strictly, failing which the reconnaissance permit may be cancelled. The security lodged by the reconnaissance permit holder would be forfeited in such circumstances.

A prospecting licence is a licence granted for the purpose of undertaking prospecting operations. A prospecting licence allows the undertaking of operations for the purpose of exploring, locating or proving any mineral deposits. A prospecting licence is granted for a maximum period of three years and for a maximum area of 25km^2. It is possible to renew the term of a prospecting licence up to a total of 5 years in aggregate. The holder of a prospecting licence has a preferential right for grant of a mining lease only in some circumstances, depending on whether or not the government has invited applications by notification in the Official Gazette. Such notification is mandatory in the case of regrant of a prospecting licence (or mining lease), in which case, all applications are treated on the same basis, without priority.

If a prospecting licence holder wishes to continue beyond the five year term, the licencee must apply for a grant of a mining lease within three months after the expiry of the prospecting licences, or within such further period as may be extended by the Government. Delays of over 9 months in deciding an application for a prospecting licence must be explained in writing and in the case of rejection, there is a right to be heard.

A mining lease is a lease granted for the purpose of undertaking mining operations, and includes a sub-lease granted for the purpose of mining any minerals. A mining lease for any mineral or prescribed group of associated minerals is granted for a minimum period of 20 years up to a maximum of 30 years, for a maximum area of 10km^2. It is possible to renew a mining lease for periods not exceeding 20 years. In order to renew a mining lease, an application for renewal must be made 12 months before the date of expiry of the subsisting mining lease. A mining lease will lapse if mining operations do not commence within two years of grant.

When a mining lease has expired, the holder is permitted to continue operations pending an application lodged for renewal within the last 12 months before expiry. In the case of expiry of a reconnaissance permit or a prospecting licence, operations cease when the permit or licence ends.

6 CONSENTS

This Report is provided solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document without our prior written consent.

Pullinger Readhead Lucas consents to being named in this Prospectus as the authors of this Report.

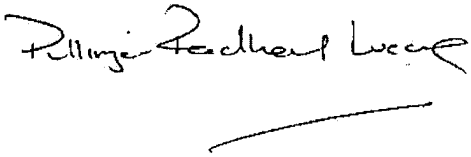
Pullinger Readhead Lucas have given, and have not before the lodgement of this Prospectus, withdrawn their consent to the inclusion of this Report in the Prospectus.

7 DISCLOSURE OF INTEREST

Pullinger Readhead Lucas will be paid normal and usual professional fees for the preparation of this Report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully

PULLINGER READHEAD LUCAS



SCHEDULE A -TENEMENT RIGHTS

Description of Tenement or rights relating to tenements	Registered Holder of relevant tenement	Application or Granted Status	Expiry Date	Annual Minimum Expenditure Commitment of Tenement	Tenement Notes
1. Surda Project					
Licence dated 26 March 2007 granted to IRL as Monarch's special purpose vehicle, to bring into operation, mine and beneficiate ore to produce copper concentrate for sale to Hindustan Copper Limited.	Hindustan Copper Limited holds mining lease	Licence dated 26 March 2007	14 June 2014	N/A	1
2. Memorandum of Understanding					
Memorandum of Understanding with Hindustan Copper Limited dated 19 December 2006 to collaborate in future copper exploration and exploitation	N/A	N/A	N/A	N/A	1
3. Aravalli Project					
Reconnaissance Permits for lead, zinc, copper, gold, cadmium, germanium, precious stones and associated minerals:	Crown Mining Pvt Ltd				
1/2004		Granted on 20 October 2005	19 October 2008	US$250,000	2, 4
2/2004				US$250,000	2, 4
4. Diamond Projects Bhandara					
Reconnaissance Permits in Orissa:	AMIL Mining India Private Limited				3, 4,7
68		Granted on 26 September 2006	25 September 2009	US$250,000	3, 4,7
70		Granted on 26 September 2006	25 September 2009	US$250,000	3, 4,7
71		Granted on 26 September 2006	25 September 2009	US$250,000	3, 4,7
75		Granted on 19 February 2005	18 February 2008		3, 4,5, 7
76		Granted on 26 September 2006	25 September 2009	US$250,000	3, 4,7
80		Granted on 26 September 2006	25 September 2009	US$250,000	3, 4,7
81		Granted on 19 February 2005	18 February 2008		3, 4,5, 7
Reconnaissance Permits in Chhattisgarh: 1 2 3	AMIL Mining India Private Limited	Applications made on 9 September 2005	N/A	N/A	3, 7
Dharwar Diamond Project					
Prospecting licences in Andhra Pradesh: 1337 1338 1339 1340 1341	AMIL Mining India Private Limited	Applications made on 7 May 2004	N/A	N/A	3, 7
Bundelkhand Diamond Project					
Reconnaissance Permits in Madhya Pradesh:	AMIL Mining India Private Limited		N/A	N/A	3
3186		Application made on 13 September 2005	N/A	N/A	3,6,7
2		Application made on 21 March 2006	N/A	N/A	3,7

1. The licence bid and the MOU were entered into by Monarch Gold Mining Limited on the basis that it intended to nominate a special purpose vehicle to implement the Surda licence and the MOU. Refer to Schedule B.
2. IRL acquired control of Crown Mining Pvt Ltd on or about 20 April 2007.
3. IRL has acquired the option to purchase the parent company of the registered holder AMIL Mining India Private Limited. See Schedule B for more information as to when the option is exercisable and other material terms.
4. Application can be made to convert a Reconnaissance Permit which is due to expire, to a prospecting licence.
5. Legal representatives in India were unable to confirm the minimum expenditure commitment for this tenement despite manual searches of the relevant tenements.
6. This also has the number "57" in addition to references to "3186".
7. A royalty of 2.5% of sales value of all saleable minerals will apply. See Schedule B for more information.

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Continued

SCHEDULE B

SUMMARY OF MATERIAL CONTRACTS CREATING OR AFFECTING THE TENEMENT RIGHTS

1 ARAVALLI PROJECT

By a Share Sale Agreement dated 19 March 2007, the Company has acquired from Track Investments Limited ("**Track**") and India Minerals PLC ("**India Minerals**") all the issued shares in Crown Mining Pvt Ltd ("**Crown**"). Completion of the share sale agreement took place on or about 20 April 2007. Crown's assets are two granted Reconnaissance Permits. The consideration paid for the acquisition of Crown is $250,000, 2,500,000 fully paid ordinary Shares in IRL, and deferred consideration upon the listing of IRL on ASX of $250,000.

2 SURDA PROJECT

On 26 March 2007 Hindustan Copper limited ("**HCL**") granted a licence ("**Licence**") to Monarch Gold Mining Limited (Special Purpose Vehicle India Resources Limited) ("**Contractor**") to:

(a) recommission and bring into operation at the Contractor's cost, the Surda Mine; and

(b) bring into operation at the Contractor's cost, the Concentrator Plant at Masaboni, and to mine and beneficiate the ore to produce copper concentrate, at optimum capacity of the mine, to be delivered 12km away at HCL's Maubhandar smelter. The Contractor is not granted any interest or right in the site or plant, and the Licence can be terminated at any time.

HCL accepted the bid by Monarch Gold Mining Limited ("**Monarch**") which was made expressly on the basis that the contract, if granted, would be implemented by a special purpose vehicle. HCL has formally acknowledged in writing that IRL is Monarch's special purpose vehicle.

In India, a special purpose vehicle is usually specifically incorporated and used by a bidding company to fulfil the bidding party's obligations under a contract.

By a Deed of Appointment dated 5 April 2007 effective from 2 January 2007, ("**Deed of Appointment**") Monarch appointed IRL as its special purpose vehicle in India. IRL will implement the contractual obligations entered into by Monarch, is entitled to the benefits flowing from that performance, and agrees to indemnify Monarch for all liabilities arising out of such contractual arrangements. In addition, Monarch agreed to hold the rights secured by Monarch under the MOU with HCL, on trust for IRL, and to act as attorney for IRL to perfect any documents required.

As IRL has no direct contractual relationship with HCL, enforcement of the rights and obligations arising out of the Licence, between HCL and IRL, must occur through Monarch. HCL has acknowledged the appointment of IRL as Monarch's special purpose vehicle and IRL therefore considers that Monarch has observed the terms of the Licence.

The Licence includes the following material terms:

1. The Contractor has guaranteed a copper concentrate production target of 340 tonnes per month metal in concentrate by June 2008, at an agreed specification.
2. Failure to meet guaranteed production results in a penalty reduction of the price paid, and liquidated damages.
3. The parties have agreed an action plan of initial activities for the first six months, to 26 September 2007, leading up to an initial production plan with production at the mine intended to commence in November 2007 with production of 18,400 tonnes to be achieved, and in December, production of 24,400 to be achieved (75% of the original capacity of the mine). Original 100% capacity of the mine has been agreed to be reached within 14 months of grant of the Licence.

The parties have also agreed a four year annual production of concentrates plan.

4. The Licence will expire on 14 June 2014 unless terminated earlier. This coincides with the expiry of HCL's mining lease.
5. The parties will agree and establish a joint management structure to control mining operations.
6. In addition to HCL's ability to terminate the Licence at any time, the Licence may be terminated if 80% of the agreed production schedule is not performed for three months or more in aggregate a year. HCL is entitled to excess costs resulting from termination of the Licence, in addition to liquidated damages and invoking the 10 million rupees security deposit currently in place.
7. If there is a substantial breach of the Licence, the Contractor has a 30 day period to rectify the breach.
8. Disputes will be referred to arbitration in India.

Section 6 Solicitor's Report

Continued

SCHEDULE B *Continued*

3 MEMORANDUM OF UNDERSTANDING

On 19 December 2006 Monarch entered into a memorandum of understanding with HCL ("**MOU**"). Pursuant to the Deed of Appointment referred to above, Monarch appointed IRL as its special purpose vehicle in India.

Under the MOU, Monarch and HCL express an interest in cooperation and collaboration for the exploration and exploitation of copper resources in India. HCL agrees to provide access to data relating to projects for which HCL is seeking a partner. The parties will agree what exploration activities are to be undertaken in specified areas. There are confidentiality restrictions and the arrangement covers a two year period unless extended by mutual consent or to allow for a period of execution of work which may be agreed to be undertaken pursuant to the terms of the MOU.

No agreements have been entered into to date with HCL pursuant to the MOU.

4 DIAMOND PROJECTS

On 11 December 2006 the Company was granted an assignment ("Assignment") of all the rights under a Put and Call Option Agreement dated 11 December 2006 ("Agreement") of SP Singh ("Singh") and Dwyka Diamonds Limited (now Dwyka Resources Limited) ("Dwyka"). The assignment was notified to Dwyka on 11 December 2006. The Agreement granted Singh put and call options over all the issued shares in Kohinoor Mining International Limited ("Kohinoor Shares"), which are currently owned by Dwyka. Kohinoor is the parent company of AMIL Mining India Private Limited ("AMIL").

AMIL is the registered holder of the applications for prospecting licences and reconnaissance permits, and the granted reconnaissance permits as set out in **Schedule A**.

By virtue of the Assignment, the Company can exercise the option to purchase the Kohinoor Shares within a 21 day option period.

On 6 November 2002, Dwyka entered into a Framework Agreement with BHP Minerals India Pvt. Limited, and BHP Khanij Anveshana Pvt. Limited (together "**BHP India**"), both companies incorporated in India ("**Framework Agreement**").

The Framework Agreement is at an end but has not yet been formally terminated by the parties. When that occurs, the 21 day option period referred to above begins and IRL may exercise its option and acquire control of AMIL and its' tenements and tenement applications. When the option period begins, the Company has the right to enter the tenements and carry out exploration activities at its own cost, indemnifying Dwyka and reporting to Dwyka on those activities. At completion of the acquisition of Kohinoor Mining International Ltd, IRL will enter into a royalty deed agreeing to pay Dwyka Diamonds Limited a gross overriding royalty equal to 2.5% of the sales value of all saleable minerals produced and recovered from the tenements in AMIL's name. The royalty will be calculated net of selling costs, sales commissions and royalties and taxes payable to the Indian government.

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Continued

SCHEDULE C

SUMMARY OF MATERIAL CONTRACTS NOT DIRECTLY RELATING TO THE TENEMENT RIGHTS

1 EMPLOYMENT CONTRACT – EOIN ROTHERY

Eoin Rothery has entered into an employment contract with the Company as Managing Director.

Under the terms of the contract, Mr Rothery will be paid a salary of $250,000 per annum inclusive of superannuation and will be granted 5,000,000 options under the Employee Option Scheme detailed elsewhere in the Prospectus subject to shareholder approval at the general meeting of the Company on 17 May 2007.

The contract may be terminated immediately if Mr Rothery is guilty of serious misconduct. A notice period of 6 months otherwise applies for termination of the contract, except where redundancy applies, in which case a notice period of 12 months applies.

2 DIRECTORS ACCESS AND PROTECTION DEEDS

The Company has entered into Director and Officer Protection Deeds ("**Deed**") with each Director and the Company Secretary ("**Officers**"). Under the Deed, the Company indemnifies the relevant Officer to the maximum extent permitted by law against legal proceedings, damage, loss, liability, cost, charge, exchange, outgoing or payment suffered, paid or incurred by the officer in connection with the Officer being an officer of the Company, the employment of the Officer with the Company or a breach by the Company of its obligations under the Deed.

Subject to the Company listing on ASX, the Company is required to insure the Officers against liability arising from any claim against the Officers in their capacity as officers of the Company. The Company will pay insurance premiums in respect of the above insurance.

3 LEAD MANAGER MANDATE

The Company has entered into an agreement with Carmichael Capital Markets Pty Limited ("**Carmichael**") whereby Carmichael has been appointed joint sponsoring broker and lead manager of the Offer.

Under the terms of the appointment, Carmichael will be paid a 5% capital raising fee on funds raised by Carmichael. Carmichael will also be entitled to receive a corporate advisory fee of $250,000, payable in equal retainer amounts over a 12 month period post IPO.

The Company has agreed to grant to Carmichael the first right of refusal in relation to any future equity capital raisings for a period of 12 months after the completion of the Offer.

Carmichael will pay a split fee to be negotiated in respect of public Applications lodged by any member organisation of ASX, licensed securities dealer, or the holder of an Australian Financial Services License and accepted by the Company provided the relevant stamp of the organisation is on the Application Form.

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Section 7 Independent Accountant's Report

19 April 2007

The Directors
India Resources Limited
Level 2, 23 Ventnor Avenue
WEST PERTH WA 6005

Dear Sirs,

INDEPENDENT ACCOUNTANT'S REPORT

1. Introduction

We have prepared this Independent Accountant's report ("Report") at the request of the Directors of India Resources Limited ("Company") and its controlled entities hereafter referred to as the Company for inclusion in a Prospectus to be dated on or about 19 April 2007 relating to the placement of 50,000,000 ordinary shares at an issue price of 20 cents per share to raise $10,000,000 before capital raising costs plus 12,500,000 free attaching options exercisable at $0.20 each ("Capital Raising"). The offer is not underwritten.

This report covers the Historical Financial Information and Proforma Financial Information set out in Section 8 of the Prospectus.

Expressions defined in the Prospectus have the same meaning in this report.

2. Scope

We have been requested to prepare an Independent Accountant's Report covering the following financial information:

- Historical Financial Information comprising the consolidated historical Balance Sheet as at 28 February 2007 and the consolidated historical Income Statement, Statement of Changes in Equity and Cash Flow Statement for the period ended 28 February 2007 as set out in Section 8.1 of the Prospectus; and
- Proforma Financial Information comprising the consolidated proforma Balance Sheet as at 28 February 2007 which assumes completion of the following contemplated transactions as at that date as set out in Section 8.5.7 of the Prospectus:

  Proforma Minimum subscription

  - the issue of 30,000,000 ordinary shares at 20 cents per shares and 7,500,000 free attaching options exercisable at $0.20 pursuant to this Prospectus to raise $6,000,000;
  - the payment and recognition directly in equity of costs incurred by the company in relation to capital raising estimated to be $545,000;
  - the acquisition of the remaining 25% interest in Consolidated Exploration and Mining India Private Limited for the issue of 2,500,000 ordinary shares at $0.20 each recognised as project evaluation expense;
  - the issue of 375,000 ordinary shares of $0.20 each to Monarch Gold Mining Limited pursuant to the Deed of Appointment in relation to Surda Mine and Mosaboni concentrator plant recognised as project evaluation expense; and
  - the completion of the acquisition of Crown Mining Pvt Ltd through the issue of 2,500,000 ordinary shares at 20 cents each plus the payment in cash of $500,000 with the full consideration recognised in deferred exploration expenditure.

  Proforma $10 million subscription

  - the issue of 50,000,000 ordinary shares at 20 cents per share and 12,500,000 free attaching options exercisable at $0.20 to raise $10,000,000;
  - the payment and recognition directly in equity of costs incurred by the Company in relation to the capital raising estimated to be $750,000;
  - the acquisition of the remaining 25% interest in Consolidated Exploration and Mining India Private Limited for the issue of 2,500,000 ordinary shares at $0.20 each recognised as project evaluation expense;
  - the issue of 375,000 ordinary shares of $0.20 each to Monarch Gold Mining Limited pursuant to the Deed of Appointment in relation to Surda Mine and Mosaboni concentrator plant recognised as project evaluation expense; and
  - the completion of the acquisition of Crown Mining Pvt Ltd through the issue of 2,500,000 ordinary shares at 20 cents each plus the payment in cash of $500,000 with the full consideration recognised in deferred exploration expenditure.

Section 7 Independent Accountant's Report

Continued

The Historical and Proforma Financial Information set out in Section 8 of the Prospectus have been prepared in accordance with the recognition and measurement of Australian Accounting Standards. Not all of the annual financial report disclosure requirements of Australian Accounting Standards, or the Corporations Act 2001 have been provided.

The Historical Financial Information has been extracted from the half year financial report of the Company which was reviewed by Ernst & Young and on which an unqualified review opinion was issued. Notwithstanding this, the conclusion made the following reference to the company's ability to continue as a going concern:

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As a result of the matters described in Section 8.5.1 "Going Concern" of the Historical and Proforma Financial Information, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

The Directors have prepared and are responsible for the historical and proforma financial information. We disclaim any responsibility for any reliance on this report or on the financial information to which it relates for any purposes other than that for which it was prepared. This report should be read in conjunction with the full Prospectus.

Review of Historical Financial Information

We have conducted a review of the Historical Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Historical Financial Information is not presented fairly in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, inquiries of management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Review of Proforma Financial Information

We have conducted a review of the Proforma Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Proforma Financial Information has not been prepared in accordance with the basis of preparation set out in Section 8.5.7 of the prospectus and is not in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, as if the proforma transactions set out above had occurred at 28 February 2007.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, reading of contracts and other legal documents, inquiries of management personnel and analytical procedures applied to the financial data. We have also determined whether the proforma transactions form a reasonable basis for the preparation of the Proforma Financial Information. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Proforma Financial Information.

3. Review Statements

Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Historical Financial Information of the Company as set out in Section 8 of the Prospectus is not prepared in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements, to present, the consolidated financial position of Company as at 28 February 2007 and its performance as represented by the consolidated results of its operations and its consolidated cash flows for the period ended 28 February 2007.

Section 7 Independent Accountant's Report

Continued

Proforma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the consolidated proforma financial information as set out in Section 8 of the Prospectus:

(a) has not been prepared in accordance with the basis ofpreparation as set out in Section 8.5.7 of the Prospectus; and

(b) is not applying the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the proforma transactions set out in Section 8.5.7 had occurred on that date.

5. Inherent Uncertainty Regarding Going Concern

Without qualification to the conclusions expressed above, attention is drawn to the following matter. As a result of the matters described in Section 8.5.1 "Going Concern" of the Historical and Proforma Financial Information, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

6. Subsequent Events

Apart from the matters dealt with in this Report and having regard to the scope of our Report, to the best of our knowledge and belief, there have been no material transactions or events outside the ordinary business of the Company subsequent 28 February 2007 have come to our attention which require comment on or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Disclosure

Ernst & Young does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. Ernst & Young provides audit services to the Company, and will receive a professional fee for the preparation of this Report.

The Company has agreed to indemnify and hold harmless Ernst & Young and its employees from any claims arising out of misstatement or omission in any material or information supplied by the Company.

Consent to the inclusion of the Independent Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

Ernst & Young

Ernst & Young

Section 8 Financial Information

8.1 HISTORICAL CONSOLIDATED INCOME STATEMENT

Period from 21 August 2006 to 28 February 2007

	$
Revenue from continuing operations	
Interest income	11,793
Expenses	
Project evaluation	(1,079,078)
Occupancy expenses	(43,333)
Employee expenses	(179,107)
Other expenses	(225,368)
Loss from ordinary activities before income tax expense	(1,515,093)
Income tax expense	-
Net loss for the period	(1,515,093)

8.2 BALANCE SHEET

	Note	Historical Consolidated As at 28 Feb 2007	Pro-forma Consolidated Minimum Subscription As at 28 Feb 2007	Pro-forma Consolidated $10m Offer As at 28 Feb 2007
Current Assets				
Cash and cash equivalents	8.5.3	374,632	5,329,632	9,124,632
Trade and other receivables		91,003	91,003	91,003
Prepayments		184,460	184,460	184,460
Total Current Assets		650,095	5,605,095	9,400,095
Non-Current Assets				
Deferred Exploration Expenditure		-	1,000,000	1,000,000
Property, plant & equipment		46,535	46,535	46,535
Total Non-Current Assets		46,535	1,046,535	1,046,535
Total Assets		696,630	6,651,630	10,446,630
Current Liabilities				
Trade and other payables		110,138	110,138	110,138
Provisions		4,235	4,235	4,235
Total Current Liabilities		114,373	114,373	114,373
Net Assets		582,257	6,537,257	10,332,257
Equity				
Issued capital	8.5.4	2,097,350	8,627,350	12,422,350
Accumulated losses		(1,515,093)	(2,090,093)	(2,090,093)
Total Equity		582,257	6,537,257	10,332,257

Section 8 Financial Information

Continued

8.3 HISTORICAL CONSOLIDATED CASH FLOW STATEMENT

	Note	Period from 21 Aug 2006 to 28 Feb 2007
Cash flows from operating activities		
Payments to suppliers and employees		(1,703,921)
Interest received		11,793
Net cash from operating activities		(1,692,128)
Cash flows from investing activities		
Payment for purchase of property, plant & equipment		(30,590)
Net cash from investing activities		(30,590)
Cash flows from financing activities		
Payments for share issue costs		(102,651)
Proceeds from issue of shares		2,200,001
Net cash from financing activities		2,097,350
Net increase / (decrease) in cash held		374,632
Cash at beginning of the financial period		-
Cash at the end of the financial period	8.5.3	374,632

8.4 HISTORICAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital $	Accumulated losses $	Total equity $
At 21 August 2006	-	-	-
Loss for the period	-	(1,515,093)	(1,515,093)
Share placement at date of incorporation	1	-	1
Seed capital subscriptions	500,000	-	500,000
Prospectus offering	1,600,000	-	1,600,000
Share placement	100,000	-	100,000
Share issue expenses	(102,651)	-	(102,651)
At 28 February 2007	2,097,350	(1,515,093)	582,257

8.5 Notes to the Historical and Pro-forma Financial Information

8.5.1 Going Concern

The Company and the consolidated entity (**Group**) recorded a loss of $1,515,093, for the period from incorporation on 21 August 2006 to 28 February 2007. The ability of the Group to continue its mineral project evaluation activities, and hence the continued adoption of the going concern assumption, is dependent on the Company raising additional funding as and when required. In the forthcoming period, the Group expects to continue its mineral project evaluation activities and will be required to meet expenditure commitments associated with the operation of the Group.

The financial statements have been prepared on a going concern basis which assumes that the Company and the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. In arriving at this position, the directors have considered the following pertinent matters:

- The company is planning to raise funds by this Prospectus offer to the public in April 2007, which is expected to raise additional equity capital of $10,000,000 before costs.

Section 8 Financial Information

Continued

The directors believe that at the date of signing the Prospectus there are reasonable grounds to believe that having regard to the matters set out above, the Company will be able to raise sufficient funds to fund its operations for the next 12 months and meet its obligations as and when they fall due.

Should the Company not achieve the matters set out above there is significant uncertainty whether the Company and the Group will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at amounts stated in the financial report

8.5.2 Statement of Significant Accounting Policies

The significant policies, which have been adopted in the preparation of the historical and pro-forma consolidated financial information, are shown below:

(a) Basis of preparation of financial information

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards. The financial information has also been prepared on a historical cost basis. The income statement and cash flow statement are for the period from the Company's date of incorporation on 21 August 2006 to 28 February 2007. Not all of the disclosure requirements required by Accounting Standards and other mandatory professional reporting requirements in Australia in an annual financial report or the Corporations Act 2001 have been provided.

The pro-forma financial information includes pro-forma balance sheets assuming the capital raising had taken place on 28 February 2007. Separate pro-forma balance sheets have been prepared on the basis of the capital raising being fully subscribed and on the basis that the minimum subscription level is achieved.

(b) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of change in value.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest
Revenue is recognised as the interest accrues using the effective interest rate method (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(d) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Section 8 Financial Information

Continued

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(e) Recoverable amount

At each reporting date, the entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances dictate that the impairment may be reversed.

(f) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition. They represent liabilities for goods and services provided to the group prior to the end of the reporting period that are unpaid and arise when the group becomes obliged to make payments in respect of purchase of the goods and services.

Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable is included as a current asset or liability in the balance sheet. Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

Section 8 Financial Information

Continued

(g) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(h) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt.

(i) Property, plant and equipment

All assets acquired, including property, plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

All plant and equipment is included at cost less provision for depreciation and any impairment in value and depreciated on a straight-line basis commencing as follows from the time the asset is held ready for use.

Office Equipment 2-5 years

(j) Employee benefits

Provision for employee entitlements represents the amount which the Company has a present obligation to pay resulting from employees' service provided up to the balance date.

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the balance date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the balance date.

(k) Foreign Currency Translation

(i) Functional and presentation currency

Both the functional and presentation currency of India Resources Limited and its subsidiary is Australian dollars ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(l) Provisions and employee leave benefits

Provision are recognised when the group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. It the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Provision for employee entitlements represents the amount which the group has a present obligation to pay resulting from employees' service provided up to the balance date.

Section 8 Financial Information

Continued

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the balance date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the balance date.

(m) Principles of Consolidation

The half-year consolidated financial statements comprise the financial statements of India Resources Ltd and its 75% owned subsidiary, Consolidated Exploration and Mining India Private Limited, as at 28 February 2007 (the **"Group"** or **"Consolidated Entity"**).

The consolidated financial statements are prepared as of a reporting date different from that of the subsidiary. The statements of the subsidiary have a financial year end date of 31 March. Adjustments are made for the effects of significant transactions or events that occur between that date and the date of the parent's financial statements. The financial statements of the subsidiary are prepared using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(n) Exploration and evaluation expenditure

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Accumulated costs in relation to an abandoned area are written off to the income statement in the period in which the decision to abandon the area is made. The Directors review the carrying value of each area of interest at balance date and exploration expenditure which no longer satisfies the above policy is written off.

Once an area of interest enters development phase, all capitalised acquisition, exploration and evaluation expenditure is transferred to mining assets.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable is included as a current asset or liability in the balance sheet. Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

8.5.3 Cash Assets

	As at 28 Feb 2007	Pro-forma Minimum Subscription As at 28 Feb 2007	Pro-forma $10m Offer As at 28 Feb 2007
Cash Assets			
Cash	374,632	5,329,632	9,124,632
	374,632	5,329,632	9,124,632

Section 8 Financial Information

Continued

8.5.4 Reconciliation of Issued Capital

	As at 28 Feb 2007		Pro-forma Minimum Subscription As at 28 Feb 2007		Pro-forma $10m Offer As at 28 Feb 2007	
	#	$	#	$	#	$
Issued for cash on incorporation at $1 each	1	1	1	1	1	1
Seed capital issued at 5 cents each	10,000,000	500,000	10,000,000	500,000	10,000,000	500,000
Capital raising at 16 cents each	10,000,000	1,600,000	10,000,000	1,600,000	10,000,000	1,600,000
Capital raising at 16 cents each	625,000	100,000	625,000	100,000	625,000	100,000
Share issue costs	-	(102,651)	-	(102,651)	-	(102,651)
	20,625,001	2,097,350	20,625,001	2,097,350	20,625,001	2,097,350
IPO capital raising at 20 cents each	-	-	30,000,000	6,000,000	50,000,000	10,000,000
Shares issued on acquisition of 25% of Consolidated Exploration and Mining India Pvt Ltd	-	-	2,500,000	500,000	2,500,000	500,000
Shares issued to Monarch	-	-	375,000	75,000	375,000	75,000
Shares issued on acquisition of Crown Mining India Pvt Ltd	-	-	2,500,000	500,000	2,500,000	500,000
Estimated cost of IPO capital raising	-	-	-	(545,000)	-	(750,000)
Total	**20,625,001**	**2,097,350**	**56,000,001**	**8,627,350**	**76,000,001**	**12,422,350**

Options	As at 28 Feb 2007 #
Seed capital issued at 5 cents each	22,500,000
Capital raising at 16 cents each	2,500,000
Capital raising at 16 cents each	156,250
Total	**25,156,250**

10,000,000 Options are proposed to be issued to Directors subject to the approval of shareholders at a general meeting of the Company to be held on 17 May 2007.

Terms and conditions of contributed equity:

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Section 8 Financial Information

Continued

8.5.5 Expenditure Commitments

In order to maintain current rights of tenure to its exploration permits, the Company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programmes form the exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programmes may also be undertaken.

8.5.6 Contingent liabilities

There are no contingent liabilities to report at 28 February 2007 or at the date of this Prospectus.

8.5.7 Basis on which the Pro-forma Balance Sheets have been prepared

The pro-forma balance sheets of the company following the capital raising have been prepared for illustrative purposes only to show the effect of the transactions set out below. Separate pro-forma balance sheets have been prepared on the basis of the capital raising being fully subscribed and on the basis that the minimum subscription level is achieved.

The pro-forma balance sheets, because of their nature, may not give a true picture of the financial position of the Company. It is based on the historical financial information as contained in this prospectus and adjusted for the transactions as described below.

(a) Pro-Forma $10m Offer

	Balance Sheet		
	Historical Consolidated As at 28 Feb 2007	Consolidated Pro-forma adjustments	Pro-forma Consolidated $10m Offer As at 28 Feb 2007
Current Assets			
Cash and cash equivalents	374,632	8,750,000	9,124,632
Trade and other receivables	91,003	-	91,003
Prepayments	184,460	-	184,460
Total Current Assets	650,095	8,750,000	9,400,095
Non-Current Assets			
Deferred Exploration Expenditure	-	1,000,000	1,000,000
Property, plant & equipment	46,535	-	46,535
Total Non-Current Assets	46,535	1,000,000	1,046,535
Total Assets	696,630	9,750,000	10,446,630
Current Liabilities			
Trade and other payables	110,138	-	110,138
Provisions	4,235	-	4,235
Total Current Liabilities	114,373	-	114,373
Total Liabilities	114,373	-	114,373
Net Assets	582,257	9,750,000	10,332,257
Equity			
Issued capital	2,097,350	10,325,000	12,422,350
Accumulated losses	(1,515,093)	(575,000)	(2,090,093)
Total Equity	582,257	9,750,000	10,332,257

Section 8 Financial Information

Continued

This Pro-forma balance sheet has been prepared as if the following transactions had taken place on 28 February 2007:

- the issue of 50,000,000 shares at 20 cents per share pursuant to this Prospectus to raise $10,000,000; and
- the payment and recognition directly in equity of costs incurred by the Company in relation to the capital raising estimated to be $750,000.
- The acquisition of the remaining 25% interest in Consolidated Exploration and Mining India Private Limited for the issue of 2,500,000 shares at 20 cents per share and 2,500,000 options, recognised as project evaluation expense;
- The acquisition of 100% of Crown Mining India Private Limited for the payment of $500,000 and the issue of 2,500,000 shares at 20 cents per share with full consideration recognised as deferred exploration expenditure; and
- The issue of 375,000 shares at 20 cents per share to Monarch Gold Mining Company Limited pursuant to the Deed of Appointment in relation to the tender for the Surda mine and Mosaboni concentrator plant recognised as project evaluation expense.

Save for the matters described above, no adjustment has been made for events or transactions that have taken place since 28 February 2007.

(a) Reconciliation of adjustments to Cash	**$**
Balance as at 28 February 2007	374,632
Adjustments:	
Proceeds from the issue of 50 million ordinary shares at 20 cents	10,000,000
Expected cash cost of issue	(750,000)
Acquisition of Crown Mining India Pvt Ltd	(500,000)
Pro-forma cash balance as at 28 February 2007	**9,124,632**

(b) Reconciliation of Issued Capital	**$**
Balance as at 28 February 2007	2,097,350
Adjustments:	
Issue of 50,000,000 ordinary shares at 20 cents	10,000,000
Expected cash costs of issue	(750,000)
Acquisition of Crown Mining India Pvt Ltd	500,000
Acquisition of 25% of Consolidated Exploration and Mining India Private Limited	500,000
Issued to Monarch re: Surda Mine	75,000
Pro-forma issued capital as at 28 February 2007	**12,422,350**

(c) Reconciliation of Deferred Exploration Expenditure	**$**
Balance as at 28 February 2007	-
Adjustments:	
Acquisition of Crown Mining India Pvt Ltd	1,000,000
Pro-forma Deferred Exploration Expenditure as at 28 February 2007	**1,000,000**

Section 8 Financial Information

Continued

(b) Pro-Forma Minimum Subscription

	Balance Sheet		
	Historical Consolidated	Consolidated	Pro-forma Consolidated Minimum Subscription
	As at 28 Feb 2007	Pro-forma adjustments	As at 28 Feb 2007
Current Assets			
Cash and cash equivalents	374,632	4,955,000	5,329,632
Trade and other receivables	91,003	-	91,003
Prepayments	184,460	-	184,460
Total Current Assets	650,095	4,955,000	5,605,095
Non-Current Assets			
Deferred Exploration Expenditure	-	1,000,000	1,000,000
Property, plant & equipment	46,535	-	46,535
Total Non-Current Assets	46,535	1,000,000	1,046,535
Total Assets	696,630	5,955,000	6,651,630
Current Liabilities			
Trade and other payables	110,138	-	110,138
Provisions	4,235	-	4,235
Total Current Liabilities	114,373	-	114,373
Total Liabilities	114,373	-	114,373
Net Assets	582,257	5,955,000	6,537,257
Equity			
Issued capital	2,097,350	6,530,000	8,627,350
Accumulated losses	(1,515,093)	(575,000)	(2,090,093)
Total Equity	582,257	5,955,000	6,537,257

This Pro-forma balance sheet has been prepared as if the following transactions had taken place on 28 February 2007:

- the issue of 30,000,000 shares at 20 cents per share pursuant to this Prospectus to raise $6,000,000;
- the payment and recognition directly in equity of costs incurred by the Company in relation to the capital raising estimated to be $545,000;
- The acquisition of the remaining 25% interest in Consolidated Exploration and Mining India Private Limited for the issue of 2,500,000 shares at 20 cents per share and 2,500,000 options, recognised as project evaluation expense;
- The acquisition of 100% of Crown Mining India Private Limited for the payment of $500,000 and the issue of 2,500,000 shares at 20 cents per share with full consideration recognised as deferred exploration expenditure; and
- The issue of 375,000 shares at 20 cents per share to Monarch Gold Mining Company Limited pursuant to the Deed of Appointment in relation to the tender for the Surda mine and Mosaboni concentrator plant recognised as project evaluation expense.

Save for the matters described above, no adjustment has been made for events or transactions that have taken place since 28 February 2007.

Section 8 Financial Information

Continued

(a) Reconciliation of adjustments to Cash	$
Balance as at 28 February 2007	374,632
Adjustments:	
Proceeds from the issue of 30 million ordinary shares at 20 cents	6,000,000
Expected cash cost of issue	(545,000)
Acquisition of Crown Mining India Pvt Ltd	(500,000)
Pro-forma cash balance as at 28 February 2007	**5,329,632**

(b) Reconciliation of Issued Capital	$
Balance as at 28 February 2007	2,097,350
Adjustments:	
Issue of 30,000,000 ordinary shares at 20 cents	6,000,000
Expected cash costs of issue	(545,000)
Acquisition of Crown Mining India Pvt Ltd	500,000
Acquisition of 25% of Consolidated Exploration and Mining India Private Limited	500,000
Issued to Monarch re: Surda Mine	75,000
Pro-forma issued capital as at 28 February 2007	**8,627,350**

(c) Reconciliation of Deferred Exploration Expenditure	$
Balance as at 28 February 2007	-
Adjustments:	
Acquisition of Crown Mining India Pvt Ltd	1,000,000
Pro-forma Deferred Exploration Expenditure as at 28 February 2007	**1,000,000**

8.5.8 Related Party Transactions

During the period some expenses of the Company were paid on behalf of the Company by Monarch Gold Mining Company Ltd, a Company of which Messrs Kiernan, Quadrio and Humann are Directors. The total of these amounts ($644,820) was repaid to Monarch Gold Mining Company Limited in January 2007.

8.5.9 Subsequent Events

The Company has secured various areas for exploration (reconnaissance permits) in Rajasthan by the acquisition of 100% of Crown Mining India Pvt. Ltd. for the amount of $A500,000, half payable on sale completion and half payable upon the listing of the Company on ASX, plus 2,500,000 fully paid ordinary shares.

The Company acquired the remaining 25% interest in Consolidated Exploration and Mining India Private Limited for the issue of 2,500,000 shares at 20 cents per share and 2,500,000 options.

10,000,000 Options are proposed to be issued to Directors subject to the approval of shareholders at a general meeting of the Company to be held on 17 May 2007.

On 26 March 2007 Hindustan Copper limited ("**HCL**") granted a licence to Monarch Gold Mining Company Limited ("**Monarch**") to recommission and bring into operation the Surda Mine and bring into operation the Concentrator plant at Mosaboni, to mine and beneficiate the ore to produce copper concentrate.

HCL accepted the bid by Monarch which was made expressly on the basis that the contract, if granted, would be implemented by a special purpose vehicle. HCL has formally acknowledged in writing that India Resources Limited is Monarch's special purpose vehicle. By a Deed of Appointment dated 5 April 2007 effective from 2 January 2007 Monarch appointed India Resources Limited as its special purpose vehicle in India. Monarch received 375,000 shares as consideration of the appointment.

There have been no other material subsequent events of the Company since the reporting period end.

All of the above subsequent events except for options have been recognised in the pro-forma.

Section 9 Risk Factors

The Securities offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors commend the Offer, potential investors should consider whether the Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

9.1 General Economic Risks and Business Climate

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as general economic outlook; movements in or outlook on interest rates and inflation rates; currency fluctuations; commodity prices; changes in investor sentiment towards particular market sectors; and the demand and supply for capital. Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest.

9.2 Exploration, Development, Mining and Processing Risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Success of these activities for IRL in India is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful outcomes of bankable feasibility studies;
- access to adequate capital for project development, in particular in relation to working capital requirements for the Surda project. Once the pre-production planning and evaluation objectives for the Surda project, as identified in this Prospectus, have been completed, additional capital is expected to be required for the refurbishment of the plant and to re-commence copper production (Refer Section 3.7(b));
- securing and maintaining title to tenements and compliance with the terms of those tenements, refer to Schedule A of the Solicitors Report for information concerning the expiry dates of the reconnaissance permits, and note that once a reconnaissance permit has expired there is no right to continue working, and there is no certainty that any prospecting licence which may be applied for within the requisite timeframe will be granted, or granted within a reasonable timeframe;
- obtaining regulatory consents and approvals necessary for the conduct of exploration and mining;
- retaining contractual entitlement to carry out the Company's objectives; for example, under the terms of the licence granted to the Company for the operation of the Surda project, HCL has the right to terminate the project licence, in addition to the consequences of any default by IRL;
- due to its size and stage of development, the Company is reliant upon a number of Directors and key senior management. The loss of any of these key personnel may have an impact on the operations of the Company;
- adverse weather conditions over a prolonged period can affect exploration and mining operations and the timing of revenues;
- whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations; and
- mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of the Company.

Section 9 Risk Factors

Continued

9.3 Risks Specific to the Company Projects

The Company's projects represent the main business activity and focus of the Company. Risks specific to these projects include the following:

Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- alterations to joint venture programs and budgets;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment; adverse weather conditions, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- industrial action, disputation or disruptions;
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals.

Political Risk in India

India has maintained a democratic framework since its Independence. Although political conditions in India are generally stable, changes may occur in its political, fiscal and legal systems which might affect the ownership or operation of the Company's interests, including inter alia, changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

The Indian Government since 1991 has pursued a policy of economic liberalisation, including the relaxation of private sector involvement in certain sectors, such as mining. However, the rate of economic liberalisation could change, and laws and policies affecting the mining sector, foreign investment, exchange rates and other matters affecting investment in India could change as well.

South Asia has from time to time experienced civil unrest and hostilities among neighbouring countries, including India and Pakistan. Events such as clashes between India and Pakistan over the disputed Kashmir region and terrorist attacks within India itself could adversely affect the market price of the Securities.

Government Regulations

The Company's future operations will be regulated by the national, state and local authorities in India. Numerous governmental permits, approvals and licences will be required for the Company's future operations. The costs, liabilities and regulations applicable to the Company or to comply with changes to these laws and regulations or the manner in which they are applied may be substantial and time-consuming and may delay the commencement or continuation of exploration, mining or production activities.

Failure to comply with these laws or regulations or to obtain or renew the permits, approvals and licences required may have a material adverse effect on the results of the operations and financial condition of the Company.

Industry Risks

Preliminary studies have been undertaken by the Directors which confirms that India has a substantial amount of undeveloped resource projects. However, the Company will need to contend with a mining industry that traditionally has been government owned and controlled and that has often resulted in inefficient mining practises that in turn result in high cost operations. The Board of Directors believe that they have the relevant experience to overcome the mining inefficiencies.

Environment

The operations and proposed activities of the Company are subject to Indian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Section 10 Additional Information

10.1 Incorporation

The Company was incorporated on 21 August 2006 as a limited company.

10.2 Rights Attaching To Shares

(a) General

The Shares to be issued pursuant to this Prospectus are ordinary shares and will as from their allotment rank equally in all respects with all ordinary fully paid shares in the Company.

The rights attaching to the Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Company's Constitution is available for inspection during business hours at its registered office.

A summary of the more significant rights is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's shareholders.

(b) Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid Share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that Share. In the case of an equality of votes, the chairperson has a casting vote.

(c) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

(d) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company in proportion which the amount paid on the Shares bears to the total amount paid and payable on the shares of all Shareholders of the Company.

(e) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASTC Rules, the ACH Clearing Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASTC Rules, the ACH Clearing Rules or under the Company's Constitution.

(f) Calls on Shares

Subject to the Corporations Act and the terms of issue of a Share, the Company may, at any time, make calls on the Shareholders of a Share for all, or any part of, the amount unpaid on the Share. If a Shareholder fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and ASX Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the Share in respect of which the call was made or forfeit the Share in respect of which the call was made.

(g) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Rules and the ACH Clearing Rules and any rights attached to a class of shares, the Company (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

(h) Variation of Rights Attaching to Shares

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Rules and the ACH Clearing Rules and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

Section 10 Additional Information

Continued

(i) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

10.3 Rights Attaching to Listed Options

Each Listed Option shall entitle the holder to subscribe for one Share upon payment of $0.20 per Listed Option to the Company, on the following terms:

(a) The Listed Options are exercisable wholly or in part at any time on or before 5.00 pm WST on 31 December 2009 ("Expiry Date"). Listed Options not exercised by that date shall lapse.

(b) Listed Options may be exercised by notice in writing to the Company at any time before the Expiry Date. Any notice of exercise of a Listed Option received by the Company with payment in full of the exercise price will be deemed to be a notice of the exercise of that Listed Option as at the date of receipt. Within 14 days from the date the optionholder properly exercises Listed Options, the Company shall issue and allot to the optionholder that number of Shares so subscribed for by the optionholder.

(c) Each Share allotted as a result of the exercise of a Listed Option will, subject to the Constitution, rank in all respects pari passu with the existing Shares on issue at the date of allotment.

(d) Application will be made for official quotation of the Shares issued upon exercise of Listed Options. Subject to ASX Listing Rules the options are freely transferable in whole or part at any time prior to the Expiry Date.

(e) There are no participating rights or entitlements inherent in the Listed Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Expiry Date unless and until the Listed Options are exercised. The Company will ensure that during the exercise period of the Listed Options, the record date for the purposes of determining entitlements to any such issue, will be at least 9 business days after the issue is announced so as to give optionholders the opportunity to exercise their Listed Options before the date for determining entitlements to participate in any issue.

(f) In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the optionholder shall be reconstructed in accordance with the ASX Listing Rules.

(g) If, from time to time, before the Expiry Date the Company makes a pro rata issue of Shares to shareholders for no consideration, the number of Shares over which a Listed Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Listed Option had been exercised before the date for calculating entitlements to the pro rata issue.

10.4 Rights Attaching to Other Options

At the date of this Prospectus, there are 8,156,250 Options on issue, which are on identical terms to the Listed Options offered under this Prospectus (the terms of which are set out in Section 10.3 above) and for which application will be made to ASX for listing.

At the date of this Prospectus, there are 12,500,000 and 5,000,000 Options beneficially held by the Chairman of the Company, Michael Kiernan, (refer to Section 2.8) which are on identical terms to the Listed Options, except that the exercise price is 30 cents and 60 cents respectively.

The remaining 14,750,000 Options which are referred to in Section 2.8 are issued to Directors (or to be issued subject to shareholder approval) and other persons, are subject to the following terms:

(a) The Options are exercisable wholly or in part after a vesting period of 12 months from the date of issue of the Options and thereafter at any time on or before 5.00 pm WST on 30 June 2010. Options not exercised by that date shall lapse.

(b) Each Option shall entitle the optionholder to acquire one fully paid ordinary Share upon payment of the sum of $0.30 per Option to the Company.

(c) Each Option may be exercised by notice in writing to the Company at any time after the 12 month vesting period and before their date of expiry. Any notice of exercise of an Option received by the Company with payment in full of the exercise price will be deemed to be a notice of the exercise of that Option as at the date of receipt.

Section 10 Additional Information

Continued

(d) 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. The Options are transferable as the optionholder thinks fit.

(e) There are no participating rights or entitlements inherent in the Options and optionholders 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 so as to give optionholders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

(f) 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 issued Shares.

(g) In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the optionholder shall be reconstructed in accordance with the ASX Listing Rules.

(h) 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 optionholder would have received if the Option had been exercised before the date for calculating entitlements to the pro rata issue.

10.5 Employee Share Option Plan

Under the terms of the Company's employee share option plan adopted by the Board, ("**Plan**"), the Board may offer free options ("**Plan Options**") to persons ("**Eligible Persons**") who are full-time or part-time employees (including a person engaged by the Company under a consultancy agreement), or Directors, based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

- Upon receipt of such an offer, the Eligible Person may nominate an associate to be issued with the Plan Options.
- The maximum number of Plan Options issued under the Plan at any one time is 5% of the total number of Shares on issue in the Company provided that the Board may increase this percentage, subject to the Corporations Act and the ASX Listing Rules.
- Each Plan Option entitles the holder, on exercise, to one ordinary fully paid share in the Company.
- Options shall be issued to Eligible Persons at an issue price that the Board considers to be appropriate, but in any case must be for no more than nominal consideration.
- The exercise price for the Plan Options will be such price as determined by the Board (in its discretion) on or before the date of issue provided that in no event shall the exercise price be less than is permitted under the ASX Listing Rules.
- Shares issued on exercise of Plan Options will rank equally with other ordinary shares of the Company.
- Plan Options may not be transferred other than to an associate of the holder. Quotation of Plan Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Plan Options.
- A Plan Option may only be exercised after that Plan Option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period (if any). A Plan Option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, or the holder is otherwise in breach of his material obligations to the Company.
- Under current taxation laws any taxation liability in relation to the Plan Options, or the Shares issued on exercise of the Plan Options, will fall on the participants. The Company will not be liable to fringe benefits tax in relation to Plan Options or Shares issued under the Plan.
- Although Directors are eligible to be offered Plan Options under the Plan, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.

Section 10 Additional Information

Continued

10.6 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director holds, or held at any time during the 2 years before lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer; and

no amounts, whether cash or shares or otherwise, have been paid or agreed to be paid, and no benefits have been given or agreed to be given:

(d) to any Director, either to induce them to become, or to qualify as, a Director of the Company; and

(e) for services provided by a Director in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

Remuneration of Directors

In accordance with the Constitution, the maximum directors' remuneration as at the date of this Prospectus is $100,000 per annum. Subject to the approval of shareholders at a general meeting to be held on 17 May 2007, it is proposed to increase the maximum aggregate amount of directors' remuneration to $500,000 per annum.

The Company proposes to issue the following Options exercisable at 30 cents each on or before 30 June 2010, to the following Directors, subject to Shareholder approval at a general meeting of the Company to be held on 17 May 2007:

Director	Number of Options
Eoin Rothery	5,000,000
Andrew Simpson	1,250,000
Allan Quadrio	1,250,000
Craig Readhead	1,250,000
David Humann	1,250,000

Other Payments

Craig Readhead is a principal of Pullinger Readhead Lucas which has incurred legal fees in the past two years, including work relating to this Prospectus, of approximately $84,000.

Eoin Rothery will receive a salary of $250,000 per annum inclusive of superannuation pursuant to a contract of employment with the Company dated 23 August 2006 in addition to the Options mentioned above. Subject to Shareholder approval at the Company's general meeting to be held on 17 May 2007, he will also be entitled to a loan from the Company to purchase Shares offered by this Prospectus. The loan advance of $100,000 will be repayable within five years with interest accruing at 5% per annum. The amount to be repaid will be reduced commensurate with the value of the Shares, if the value of the Shares at the time of repayment is less than 20 cents a Share. The loan will be secured by a share mortgage in favour of the Company.

Following the Company being admitted to the official list of the ASX, it is intended that each non-executive director will receive fees of $30,000 per annum (plus superannuation) and the Chairman of the Board of Directors will receive $50,000 per annum (plus superannuation). Payments of Director's fees will be in addition to any payments to directors in any employment capacity.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Section 10 Additional Information

Continued

Directors' Holdings

Under the Constitution, the Directors are not required to hold any Shares in the Company.

The Directors will have interests in the following Shares and Options, including those following the issue of all Shares and Options the subject of the resolutions to be put to the general meeting of shareholders of the Company to be on 17 May 2007:

Director	Shares	Options
Michael Kiernan	5,000,000	20,000,000
Eoin Rothery	500,000	5,000,000
David Humann	-	1,250,000
Allan Quadrio	-	1,250,000
Craig Readhead	-	1,250,000
Andrew Simpson	62,500	1,265,625

10.7 Consents

Each of the parties referred to in this section:

(a) does not make, or purport to make any statement in this Prospectus other than those referred to in this section;

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and

(c) has not authorised or caused the issue of this Prospectus and any electronic version of the Prospectus.

Pullinger Readhead Lucas has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named as solicitor to the Offer and as the solicitor reporting on tenements, and to the inclusion of the Solicitor's Report, in the form and context in which it is named.

Carmichael Capital Markets Pty Limited has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named as Lead Manager to the Offer in the form and context in which it is named.

Steffen Robertson & Kirsten (Australasia) Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named as the independent geologist in the form and context in which it is named and to the inclusion of the Independent Consulting Geologists Report included in Section 5 of the Prospectus in the form and context in which it is included.

Ernst & Young has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named as the investigating accountant and auditor of the Company in the form and context in which it is named and to the inclusion of the Independent Accountant's Report included in Section 7 of the Prospectus in the form and context in which it is included.

Captain Shailendra Pratap Singh has given and has not, before lodgement of this Prospectus, withdrawn his consent to being named as an advisor to the Board and as Vice President Business Development.

Cook's Construction Pty Ltd have not been involved in the preparation of this Prospectus, and references to Cook's Construction Pty Ltd appear for information purposes only.

Hindustan Copper Limited have not been involved in the preparation of this Prospectus and references to Hindustan Copper Limited appear for information purposes only.

Swick Mining Services Limited have not been involved in the preparation of this Prospectus, and references to Swick Mining Services Limited appear for information purposes only.

Monarch Gold Mining Company Limited have not been involved in the preparation of this Prospectus, and references to Monarch Gold Mining Company Limited appear for information purposes only.

Computershare Investor Services Pty Ltd have not been involved in the preparation of this Prospectus and references to Computershare Investor Services Pty Ltd appear for information purposes only.

Section 10 Additional Information

Continued

10.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus:

(a) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, any promoter of the Company or broker to the Issue, holds, or held at any time during the 2 years before lodgement of this Prospectus with the ASIC, any interest in:

(i) the formation or promotion of the Company;

(ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or

(iii) the Offer; and

(b) no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given, to any of those persons in connection with the formation or promotion of the Company or the Offer.

Pullinger Readhead Lucas has acted as solicitor to the Offer and provided advice and assistance in relation to certain aspects of this Prospectus, preparation of the Solicitor's Report, and the Company's due diligence regime and enquiries. In respect of these services, Pullinger Readhead Lucas will be paid $45,000 (plus GST). In addition in the previous two years, the Company has incurred fees of $39,000 (plus GST) for legal services.

Carmichael Capital Markets Pty Limited has acted as Lead Manager to the Offer and provided advice and assistance in relation to certain aspects of this Prospectus. In respect of these services, Carmichael Capital Markets Pty Limited has been paid $30,000 plus GST to date and will receive a placement fee of 5% on money raised by Carmichael Capital Markets Pty Limited (plus GST). The Company will also pay a monthly retainer of $20,833 (plus GST) for 12 months post IPO for corporate advisory services provided by Carmichael Capital Markets Pty Limited. In addition in the previous two years, the Company has paid fees of $65,450 (plus GST) for work undertaken in relation to the formation of the Company and seed capital raisings.

Steffen Robertson & Kirsten (Australasia) Pty Ltd has acted as the independent geologist and has prepared the Independent Consulting Geologist's Report included in Section 5 of this Prospectus. Steffen Robertson & Kirsten (Australasia) Pty Ltd will be paid $45,000 (plus GST) in respect of these services.

Ernst & Young has acted as the investigating accountant to the Offer and prepared the Investigating Accountant's Report included in Section 8 of this Prospectus. Ernst & Young will be paid $15,000 (plus GST) in respect of these services. Ernst & Young has agreed to act as auditor to the Company and will be receive fees for rendering these services in accordance with its normal time based charges.

10.9 Corporate Governance

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the spirit of corporate governance commensurate with the Company's needs.

Further information about the Company's corporate governance policies and practices is set out on the Company's website at www.indiaresources.com.au.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

10.10 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. So far as the Directors are aware, there are no legal proceedings pending or threatened against the Company.

10.11 Expenses of the Offer

The total expenses connected with the Offer are estimated to be approximately $545,000 (assuming the minimum subscription is raised and that brokerage commissions are payable on all applications received), or $750,000 (assuming the Offer is fully subscribed to $10,000,000 and that brokerage commissions are payable on all applications received). Expenses of the Offer comprise brokers commissions; ASIC fee; ASX fees; legal, accounting, consulting geologists and other advisory fees; share registry expenses; printing and mailing costs; and miscellaneous costs.

Section 10 Additional Information

Continued

10.12 Restricted Securities

ASX may classify certain existing Shares on issue before the date of the Prospectus as being subject to the restricted securities provisions of the ASX Listing Rules. If so classified, such Shares would be required to be held in escrow for a period determined by ASX and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX.

No assets have been acquired from related parties of the Company.

10.13 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-register System ("**CHESS**"). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd ("**ASTC**"), a wholly owned subsidiary of ASX, in accordance with the ASX Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

10.14 Taxation Consideration

Investors should seek and rely on their own professional taxation advice in relation to an investment in the Company.

10.15 Distribution of Prospectus

The Prospectus has been prepared by the Company. In preparing the Prospectus, the Company has taken reasonable steps to ensure that the information in the Prospectus is not false or misleading. In doing so, the Company has had regard to the prospectus requirements of the Corporations Act.

Prospective investors should read the full text of the Prospectus as the information contained in individual sections is not intended to and does not provide a comprehensive review of the business and financial affairs of the Company nor the Securities offered pursuant to the Prospectus.

No person is authorised to give any information in relation to or to make any representation in connection with the Offer described in the Prospectus that is not contained in the Prospectus. Any such information or representation may not be relied upon as having been authorised by the Company in connection with the Offer.

The Prospectus provides information to assist investors in deciding whether they wish to invest in the Company and should be read in its entirety. If you have any questions about its contents or investing in the Company you should contact your stockbroker, accountant or other financial adviser.

10.16 Non-Resident Investors

The Prospectus does not constitute an offer in any country or place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of the Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities law. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed to enable them to subscribe for the Securities.

Intending investors resident outside Australia should first consult their professional advisers as to whether or not governmental or other consents are required, or whether formalities need to be observed to enable them to invest. Intending non-resident investors should also seek advice in respect of the taxation effect of an investment in the Company and dividends that the Company may distribute in the future.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

No action has been taken to register or qualify the Securities or the Offer, or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia.

10.17 Privacy

The Application Form accompanying this Prospectus requires you to provide information that may be personal information for the purposes of the *Privacy Act 1988 (Cth) (as amended)*. The Company (and its share registry on behalf of the Company) may collect, hold and use that personal information in order to assess your Application, service your needs as a Shareholder and provide facilities and services that you request and to administer the Company.

Access to information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

If you do not provide the information requested of you in the Application Form, the Company's share registry may not be able to process your Application or administer your holding of Shares appropriately. Under the *Privacy Act 1988 (Cth) (as amended)*, you may request access to your personal information held by (or on behalf of) the Company. You can request access to your personal information by telephoning or writing to the Company's share registry.

Section 11 Directors' Statements

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

23 April 2007

Michael Kiernan
Chairman
For and on behalf of
India Resources Limited

Glossary

The following defined terms apply throughout this Prospectus unless the context requires otherwise:

"**$**" means Australian dollars unless otherwise specified;

"**ACH** Clearing Rules" means the operating rules of Australian Clearing House Pty Limited ACN 001 314 503;

"**Applicant**" means a person who completes and lodges an Application Form;

"**Application**" means an application for Securities pursuant to this Prospectus;

"**Application Form**" means the application form attached to this Prospectus;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASTC Rules**" means the settlement rules of Australian Settlement and Transfer Corporation Pty Ltd;

"**ASX**" means ASX Limited (ACN 008 624 691);

"**ASX Listing Rules**" means the Listing Rules of ASX as amended from time to time;

"**Closing Date**" means the last date on which Application Forms may be submitted;

"**Company**" or "**IRL**" means **India Resources Limited** (ABN 77 121 339 704);

"**Constitution**" means the Constitution of the Company;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" or "**Board**" means the directors of the Company as at the date of this Prospectus;

"**Exposure Period**" means the period of 7 days after the date of lodgment of this Prospectus with the ASIC, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act;

"**Issue**" means the issue of 50,000,000 Shares and 12,500,000 Listed Options (with the right to accept a further 5,000,000 Shares and 1,250,000 Listed Options as oversubscriptions) under this Prospectus;

"**Listed Options**" means the free attaching Options offered by this Prospectus on the basis of one Option for every four Shares subscribed for, exercisable at 20 cents each on or before 31 December 2009;

"**Offer**" means the offer of Securities in this Prospectus;

"**Official List**" means the official list of ASX;

"**Options**" means an option to subscribe for a Share;

"**Opening Date**" means the first date on which Application Forms can be received;

"**Plan Options**" means an Option offered by the Company's employee share option plan adopted by the Board prior to the date of this Prospectus;

"**Prospectus**" means this prospectus dated 23 April 2007;

"**Securities**" means Shares and Listed Options;

"**Shares**" means fully paid ordinary shares in the capital of the Company;

"**Shareholder**" means a holder of a Share(s);

"**Share Registry**" means Computershare Investor Services Pty Ltd and

"**WST**" means Western Standard Time.

India Resources Limited

ABN 77 121 339 704

Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

Registry Use Only

Broker Code

Adviser Code

A I/we apply for

Number of Shares in India Resources Limited at A$0.20 per Share (plus one free attaching Option for every four shares) or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

A$

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name | Given Name(s) | Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter your postal address - Include State and Postcode**

Unit | Street Number | Street Name or PO Box /Other Information

City / Suburb / Town | State | Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours / After Hours

( )

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the Offer will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to India Resources Limited - Share Application Account

G

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$
				A$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines

IRL

052692

How to complete this form

A **Shares Applied for**

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. Applications for greater than 10,000 Shares must be in multiples of 1,000 Shares.

B **Application Monies**

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the price per Share.

C **Applicant Name(s)**

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F **CHESS**

India Resources Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Securities allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Securities allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G **Payment**

Make your cheque or bank draft payable to India Resources Limited - Share Application Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this Prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Securities in India Resources Limited is upon and subject to the terms of the Prospectus and the Constitution of India Resources Limited, agrees to take any number of Securities that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received at the Perth office of Computershare Investor Services Pty Limited by no later than 5.00pm WST on 18 May 2007.
Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

OR

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact Computershare Investor Services Pty Limited on 1300 557 010.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Securities. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

IPO

IRL