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## LETTER FROM CHAIRMAN

Dear Shareholder,

Another year has passed and I thank you all for your support and patience. We have not been idle and I am glad to note that after meetings with the Government of Karnataka, our Prospecting Licence for Ganajur has been signed off and is now awaiting final execution.

The Ganajur Project is shaping up very well and the latest results point to the potential of this prospect being developed into a mine.

We have been informed that the new mining legislation will be taken up in the Winter Session of Parliament. Whilst the New Mineral Policy, 2008 certainly has some plus points with respect to security of tenure for the licence holder and will speed up the granting process, other aspects of the legislation tabled recently need clarity and their impact on Deccan Gold's future operations carefully analysed. We shall keep our shareholders fully informed of developments in this respect.

Our team of geologists have been busy in various parts of the world acting as geological consultants for companies like Tata and Reliance and major iron ore producers. We are also acting for a number of companies exploring for gold in Africa. The acknowledgement by the industry of our high standard of professional skills brings a good feeling of confidence to our team and also experience to our young geologists who are able to experience working away from India.

It is important for Deccan Gold to recognize its corporate social responsibilities and in this respect the company plans to use the services of Tushar Gandhi, the Great Grandson of Mahatma Gandhi to assist us on the social front at village level upon confirmation of development of mining activities. In the meanwhile, as an exploration company, Deccan Gold has, in a very small way, contributed to various schools in some of the areas where its prospects are located by gifting computers, water filters, and books.

I would like to thank all our people for their efforts during the year and equally importantly thank our shareholders for being patient and supporting us in our endeavours. I do feel confident that you will soon be rewarded for your patience.

Best wishes,

**Charles E E Devenish**  
Chairman