

DGML TO MINE TAILING DUMPS

Deccan Chronicle, Hyderabad, 20 July 2004

Hyderabad: Deccan Gold Mines Limited, the first publicly listed gold mining company in India, is negotiating with the public sector Bharat Gold Mines Ltd. for permission to mine the yellow metal from the tailing dumps of BGML's gold mining sites in Anantapur district of Andhra Pradesh, a senior company official said.

"We have submitted a proposal to BGML to mine the tailing dumps at Jibutil and at the Kolar Gold Fields. We estimated that there could be half a million ounces of gold in both the tailing dumps, which can be extracted profitably," said DGML managing director Sandeep Lakhwara.

Lakhwara said DGML, which is majority-owned by an Australian Company, Australian Indian Resources Pty, had yet to decide on the mode of payment for mining the tailing dumps. "It could be a license fee, or a royalty payment to BGML," he told Deccan Chronicle on Tuesday.

BGML has stopped its mining operations since 2000.