

## **DECCAN GOLD MINES LIMITED SIGNS MEMORANDUM OF UNDERSTANDING (MoU) WITH JB MINING HOLDINGS LIMITED, HONGKONG (JB)**

Deccan Gold Mines Limited – “DGML” (BSE Scrip Code : 512068) announces the signing of a Memorandum of Understanding (MoU) with JB whereby DGML shall carry out the entire gold exploration, resource estimation and planning for feasibility studies to facilitate mining activities for Projects held by JB in the Republic of Djibouti, North East Africa.

The salient features of the MoU are as under:

- a) JB has entered into a Joint Venture (JV) with the Government of Republic of Djibouti to undertake gold exploration activities in certain mineral prospects in Djibouti.
- b) The mineral prospects proposed to be explored are the blocks of Hesdaba, Asaleyta, Garrabayis and V.GPS41 respectively. The area covered by each one of these 4 prospective blocks is 100 sq., kms.
- c) The exploration strategy for the aforesaid gold prospects would include remote sensing studies, geological mapping, systematic channel sampling followed by planning of boreholes and core drilling, core logging and analysis of cores and fire assay for gold and silver.
- d) JB has appointed DGML as the Project Manager to carry out the entire exploration work and ascertain feasibility of the Projects to commence commercial production.
- e) JB proposes to execute the Projects through an SPV (JV Co.) to be incorporated in an off shore jurisdiction. The JV Co., shall be primarily responsible for execution of the Projects in Djibouti.
- f) DGML shall be entitled to a Professional Fee, equivalent to 10% of the total operational & management cost of the Project over and above getting reimbursed for all its direct and indirect costs in undertaking its role as Project Manager
- g) Further, DGML would get free carried equity in the JV Co., equivalent to 5% of JB's equity stake in the JV. Further, DGML has the right to take up an additional equity stake in the JV Co., equivalent to 20% of JB's stake in the JV at a 50% discount to the Market Value of the Project. DGML plans to exercise this right should exploration activities result in the successful discovery of mineable deposits.

### **About JB**

Established as a diamond cutting and polishing unit four decades ago in India, the JB Group has positioned itself as an Energy and Properties conglomerate. The Group operates through several segments viz., diamonds, jewelry manufacturing, mining, oil & gas etc., The Group has a strong operational presence in Greater China, Hongkong, Indonesia, Thailand, UAE, Africa and USA.

Details about JB Group, its portfolio and the services offered can be accessed from [www.jbgroupworldwide.com](http://www.jbgroupworldwide.com).