Deccan Exploration Services Pty Ltd

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1 RESOURCE SUMMARY

Snowden Mining Industry Consultants (Snowden) carried out the Mineral Resource estimate for the Ganajur project during August 2016.

The August 2016 Ganajur Mineral Resource estimate was classified and reported in accordance with the 2012 JORC Code. Snowden's assessment of the Table 1 criteria that were considered when classifying the Ganajur Mineral Resource estimate in accordance with the 2012 JORC Code guidelines are detailed in Appendix A.

The Mineral Resource has been classified as a combination of Measured, Indicated and Inferred Resources using the following criteria:

- Measured Resources – Restricted to within the mineralised wireframe where drilling is approximately 20 mN by 20 mE or better, geological and grade continuity is confirmed and the mineralised body is at its thickest, typically 20 m to 50 m.
- Indicated Resource – Restricted to within the mineralised wireframe where drilling is approximately 20 mN by 20 mE or better, geological and grade continuity is assumed. This has been restricted to areas where the mineralised body is typically less than 20 m thick.
- Inferred Resource – Mineralisation with low geological and grade continuity or which is defined by drilling on a grid greater than 20 mE by 20 mN.

Reporting has been restricted to within the lease boundary. Any mineralisation that has been interpreted as being outside of the lease is "unclassified" and excluded from the Mineral Resource. Classification is based on the confidence in the gold grade estimate. The Measured classification assumes that mining will be at around a 0.8 g/t Au cut-off and hence will mine the majority of the mineralisation, non-selectively.

The total Measured and Indicated Mineral Resource for the Ganajur gold deposit, reported above a 0.8 g/t Au cut-off grade, is estimated to be 2,700 kt grading at 3.40 g/t Au as detailed below in Table 1.1.The cut-off is based on preliminary results from the Feasibility Study.

Table 1.1 Ganajur Mineral Resource as at August 2016, reported above 0.8 g/t Au cut-off

Classification	Deposit	Tonnes (kt)	Au (g/t)
Measured	Oxide	580	2.8
	Sulphide	1,700	4.0
	Total Measured	2,300	3.7
Indicated	Oxide	130	1.9
	Sulphide	320	2.1
	Total Indicated	450	2.1
Measured + Indicated	**Total Measured and Indicated**	**2,700**	**3.4**
Inferred	Oxide	100	2.3
	Sulphide	110	2.3
	Total Inferred	210	2.3

Note: Small discrepancies may occur due to rounding

The gold mineralisation in the Ganajur Main deposit is associated with a deformed iron formation hosted in a polydeformed greywacke sequence. The gold mineralisation is characterised by strong sulphide mineralisation, silica breccia and minor quartz veining developed within a sulphidic chert unit.

The gold mineralisation is epigenetic in nature but strata-bound because it is confined to the cherty iron formation. The main gold zones form a moderately to steeply dipping tabular body trending northwest to north-northwest and dipping northeast. Deccan carried out the geological interpretation using the geological logging of the chert domain and the Au assays at a nominal 0.3 g/t cut-off to define the mineralised envelopes. The mineralised domain is typically restricted to the chert with 1 m to 2 m of halo mineralisation in places, and occasional small areas of unmineralised chert.

Estimation of Au, As, Cu, Pb, sulphide sulphur (SS), and Zn was completed using ordinary block kriging with hard domain boundaries. Top cuts were not applied to Au due to the low coefficient of variation (CV) of 1.05 and 1.08 for the oxide and sulphide ore domains, respectively, and lack of outliers. Top cuts were applied to SS in the oxide mineralised domain and As in the sulphide mineralised domain. Grade estimation was completed using Datamine Studio 3 (Datamine) software.

A block model was constructed using a parent block size of 10 mE by 10 mN by 5 mRL based on half the nominal drillhole spacing along with an assessment of the grade continuity. The search ellipse orientation and radius was based on the results of the grade continuity analysis, with the same search neighbourhood parameters used for all elements to maintain the metal balance and correlations between elements.

Grade estimates were validated against the input drillhole composites (globally and using grade trend plots) and show a good comparison.

Extensive bulk density measurements were taken from diamond core with 264 taken in the oxide mineralised domain and 749 taken in the sulphide mineralised domain. Measurements were taken using the water immersion method. Bulk density was estimated into the model blocks by ordinary kriging in the oxide and sulphide mineralised domains. Where estimates were not possible, an average of 2.75 t/m^3 and 3.08 t/m^3 was used for the oxide and sulphide mineralised domains, respectively.

2 COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Ganajur Mineral Resource estimate is based on information compiled by Lynn Olssen who is a Chartered Professional (Geology) and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM(CP)) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Lynn Olssen is a full-time employee of Snowden Mining Industry Consultants Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix A JORC (2012) Table 1 assessment criteria

JORC (2012) Table 1 – Section 1 Sampling Techniques and Data

Item	Comments
Sampling techniques	• The input data for Ganajur includes: – Diamond core – 83 drillholes for 5,121.64 m – Reverse circulation (RC) – 22 drillholes for 1,219 m – Trench – 59 trenches for 1,141.8 m – DTH – 12 drillholes for 649 m. • DTH samples were not used for estimation due to an apparent bias compared to the other sampling methods. • Diamond core was sampled as half core using a diamond saw. RC samples were taken using a cyclone and a Jones riffle splitter. Trench samples were taken as channel samples along the trench walls.
Drilling techniques	• Drilling was carried out using diamond core and RC. • Diamond core drilling at Ganajur-Karajgi PL (Ganajur Main Prospect) was carried outwith Atlas Copco CT-14 drill rigs and Board Longyear made DB-525, DB-520,Dynatech drill rig. Drilling was carried out with HQ3 (wireline) accessories. To achieve maximum core recovery triple tube core barrel was used.
Drill sample recovery	• RC samples were weighed at the laboratory. The average sample weight was around 2.5 kg. • Core recovery from the 2015 diamond drilling is visually reasonable.Core recovery is recorded in the geological logging.
Logging	• Qualitative geological and geotechnical logging of drillhole intervals was done with sufficient detail to meet the requirements of resource estimation.
Subsampling techniques and sample preparation	• A nominal 0.5 m to 1 m sample interval was used for the diamond core, while a 1 m interval was used for RC. Outside of the mineralised zone, the intervals were only sampled if the last sampled interval returned grade above around 0.2 g/t Au; this ensured any halo style mineralisation was also sampled. • For RC samples, the bulk sample of a nominal 20 kg to 25 kg weight was reduced in size by riffle splitting using a Jones riffle splitter to about 2.5 kg and then placed in pre-numbered sample bags for dispatch to the analytical laboratory. In the case of wet drilling, the bulk sample was collected in a plastic bag, excess water drained and dried and then the assay sample was split. • Diamond drillholes were sampled using half core samples, cut with a diamond saw. Care was taken to preserve the same side of the split core for consistency. • Laboratory sample preparation conducted at SHIVA laboratories in Bangalore which is ISO/IEC 17025:2005 accredited. The process included: – Drying – Crush to a nominal top size of 10 mm for RC and 6 mm for diamond core – Secondary crush to a nominal top size of 2 mm for RC and 1 mm for diamond core – Split by rotary divider to maximum 1.2 kg – Pulverising to 90% passing 75 µm – Scoop sample of 50 g – Assaying using fire assay with an AAS finish. • The sample sizes are considered to be reasonable to correctly represent the mineralisation based on the style of mineralisation, the thickness and consistency of intersections and the drilling methodology. • SHIVA use a barren flush after every sample when crushing and pulverising.

Item	Comments
Quality of assay data and laboratory tests	• Standards are inserted into the sample batches to assess the analytical accuracy of the laboratory assays.Twenty-one standards have been used over the life of the project. Deccan inserts standards into the sample batches at a nominal rate of one standard every 20 samples. Most of the standards are in house standards prepared by Deccan that do not have certified expected values or standard deviations. The seven commercial standards used are sourced from ROCKLABS Limited based in New Zealand. • Overall too many standard assays are falling outside of the three standard deviation control limit. Snowden recommends that Deccan only source standards that have certified expected values and standard deviations. • Only pulp duplicates from the diamond drilling have been tested. There has been no testing of field or crush duplicates or testing of duplicates from any other drilling or sampling type. • For the diamond drilling 258 duplicate pulp samples were assayed. All results show that the precision of the duplicate data is good with no evidence of bias. • Non-certified blanks were prepared and used by Deccan to test for contamination. A total of 91 was inserted into the sample stream for the diamond drilling and show that all results are well within the acceptable limit of 0.1 g/t Au. These results are as expected since pulverisers are cleaned with a barren quartz flush after every sample is pulverised. • A total of 40 pulp rejects from the diamond drilling was sent to SGS in Chennai for analysis. No bias is evident in the results. • A total of 243 sizing analyses was completed at SHIVA laboratory during 2016 with an average of 96% passing 75 µm, which is a very good result. • Given the good results from the check assays and duplicate data, Snowden considers that the data is suitable for estimation. The poor results from the standards are likely a result of poor matrix matching or lack of certification. Snowden recommends trialling different standards for future drilling programs.
Verification of sampling and assaying	• Snowden carried out comparisons between the various sample types within the oxide and fresh material.These comparisons indicate that the DTH samples are biased compared to the diamond and RC samples. As such, the DTH samples were not used for estimation. • Comparisons between the diamond, RC and trench samples show no indication of any material bias and all of these samples were retained for estimation. • Procedures for all aspects of drilling, sampling and geological logging are documented by Deccan.
Location of data points	• Total station survey was carried out at the Ganajur-Karajg PL area. With the help of the Total Station, all drillhole collar locations were surveyed. For precision and accuracy of the coordinates, control points were established with the help of Sokkia Radian IS DGPS (Differential GPS) which is considered highly accurate. • For accuracy of elevation (RL) of the above control points, vertical survey control was carried out by levelling using auto levels (Sokkia make). Survey of India Bench Mark (RL 562.5 m) at PWD office, Haveri was considered as the base for fixing up the elevation (RL). Levelling was carried out from the base point and connected to all the control points established by DGPS. • Run wise continuous core orientation survey was carried out for each diamond drillhole using a Reflex ACT and ACT II Core orientation tool. Downhole surveys were carried out atregular intervals (every 24 m or 18 m) using a Reflex borehole single shot camera to assessthe deviation of the drillhole. • The grid is based on a local UTM grid coordinate system (Zone 43N) based on the Everest (1830) datum. • The initial topographic survey was undertaken by Deccan in 2007 at a scale of 1:1000 with 1 m contour interval. In 2010, DGML again commissioned topographical survey using DGPS and total station in and around the Ganajur Main prospect.
Data spacing and distribution	• The drilling was completed along a set of north-northeast trending sections (striking 030°). The drill spacing is 20 m by 20 m for the majority of the deposit. • The section spacing is sufficient to establish the degree of geological and grade continuity necessary to support the resource classifications that were applied. • The drilling was composited downhole using a 1 m interval for estimation.
Orientation of data in relation to geological structure	• The vast majority of the drilling is inclined at 60° towards a bearing of 210°, perpendicular to the orientation of the mineralisation.

Item	Comments
Sample security	• After sampling, the balance of the bulk sample bags were sealed and transported on the same day to the nearest storage house hired for the purpose. The sample storage house is located at Karajgi. • The samples were sealed in tough polyurethane bags and dispatched through a courier service to Bangalore. Along with the samples, the sample dispatch sheet (PX sheet) and other documents were also couriered to Shiva Analyticals at Bangalore. After dispatching the samples, the site geologist would call Shiva Analyticals staff on a mobile phone and inform about the dispatch and give details such as receipt number (LR number) and the PX number. The Shiva Analyticals staff would then collect the samples from the courier office on the morning of the next day and transport the samples to their laboratory. Often the samples would also be transported by the Deccan company vehicle and delivered directly to Shiva Analyticals located at KIADB industrial area, Hoskote, Bangalore.
Audits and reviews	• Snowden reviewed the procedures and visited the assay laboratory in Bangalore during the site visit. No material issues were noted.

JORC (2012) Table 1 – Section 2 Reporting of Exploration Results

Item	Comments
Mineral tenement and land tenure	• The Gangajur Mining Lease was approved by the Ministry of Mines, Government of India over an area of 0.29 km^2 on 23 July 2015. A final approval for mining is awaited from the State Government of Karnataka.
Exploration done by other parties	• No exploration has been carried out on the lease by other parties. Some historical artisanal workings are located in the area.
Geology	• The gold mineralisation in the Ganajur Main deposit is associated with a deformed iron formation hosted in a polydeformed greywacke sequence. The gold mineralisation is characterised by strong sulphide mineralisation, silica breccia and minor quartz veining developed within a sulphidic chert unit. • The gold mineralisation is epigenetic in nature but strata-bound because it is confined to the cherty iron formation. The main gold zones form a moderately to steeply dipping tabular body trending northwest to north-northwest and dipping northeast.
Drillhole information	• No exploration results being reported.
Data aggregation methods	• No exploration results being reported.
Relationship between mineralisation widths and intercept lengths	• No exploration results being reported.
Diagrams	• Refer to figures in main summary.
Balanced reporting	• No exploration results being reported.
Other substantive exploration data	• No exploration results being reported.
Further work	• This Mineral Resource forms the basis for a Feasibility Study which is currently underway.

JORC (2012) Table 1 – Section 3 Estimation and Reporting of Mineral Resources

Item	Comments
Database integrity	• All data is maintained in a Microsoft Excel spreadsheet. Deccan carry out logging manually on paper and then transpose the information into Microsoft Excel. • Snowden carried out a basic validation of the database and found no material issues. • Snowden recommends that an industry standard database be utilised going forward and that Deccan assess the use of a digital logging system (e.g. onto tablets) with digital data transfer.
Site visits	• Lynn Olssen (General Manager Geosciences, Snowden) visited the Ganajur site in July 2016, observing the core yard and selected diamond drill core, outcropping mineralisation, diamond drill rig, drillhole collars and general site layout.Time was also spent in the Deccan office in Bangalore where geological maps, regional and local geologyand procedures were discussed • The main laboratory used for assaying, Shiva Analytics in Bangalore, was also visited by Lynn Olssen.The facilities were found to be well organised and procedures adequate. Snowden do recommend that the use of a scoop for subsampling the pulps be revised and a small rotary splitter used instead. Given the nature of the mineralisation this is not likely to cause any material issues with the quality of the data. • Staff from Deccan, who accept responsibility for the reliability of the underlying drillhole data, regularly conduct site visits during the drilling campaigns.
Geological interpretation	• Deccan carried out the geological interpretation using the geological logging of the chert domain, and the gold assays at a nominal 0.3 g/t Au cut-off to define the mineralised envelopes. The mineralised domain is typically restricted to the chert with 1 m to 2 m of halo mineralisation in places, and occasional small areas of unmineralised chert.
Dimensions	• The Ganajur gold mineralisation strikes at 295° and is approximately 1,000 m long and is restricted by the lease boundary. The orebody dips at 35° to the north and typically extends 75 m to 125 m down dip except for the eastern part of the deposit where it extends 40 m to 50 m down dip. The orebody is thickest through the central part of the deposit where it is typically 20 m to 50 m thick. To both the west and east of the deposit the orebody thins out and is typically 5 m to 15 m thick.
Estimation and modelling techniques	• Estimation of Au, As, Cu, Pb, SS (sulphide sulphur) and Zn was completed using ordinary block kriging with hard domain boundaries.Top cuts were not applied to Au because of the low CV of 1.05 and 1.08 for the oxide and sulphide mineralised domains, respectively, and lack of outliers. Top cuts were applied to SS in the oxide mineralised domain and As in the sulphide mineralised domain. Grade estimation was completed using Datamine Studio 3 (Datamine) software. • Block model constructed using a parent block size of 10 mE by 10 mN by5 mRL based on half the nominal drillhole spacing along with an assessment of the grade continuity. The search ellipse orientation and radius was based on the results of the grade continuity analysis, with the same search neighbourhood parameters used for all elements to maintain the metal balance and correlations between elements. • For the oxide mineralised domain an initial search of 40 m by 23 m by 6 m was used, with a minimum of eight and maximum of 17 samples.For blocks not estimated in the first search, a second search of 60 m by 35 m by 9 m using the same minimum and maximum number of samples was used. A final search pass of 200 m by 115 m by 30 m with a minimum of two and a maximum of 17 samples was used to estimate remaining blocks. The number of samples per drillhole was limited to four. • For the sulphide mineralised domain an initial search of 20 m by 10 m by 6 m was used, with a minimum of eight and maximum of 24 samples.For blocks not estimated in the first search, a second search of 30 m by 15 m by 9 m using the same minimum and maximum number of samples was used. A final search pass of 140 m by 70 m by 42 m with a minimum of two and a maximum of 24 samples was used to estimate remaining blocks. The number of samples per drillhole was limited to four. • Blocks in the waste domain were assigned the top cut average grades of the composite data. • Grade estimates were validated against the input drillhole composites (globally and using grade trend plots) and show a good comparison.
Moisture	• All tonnages have been estimated as dry tonnages.
Cut-off parameters	• The mineralisation has been reported above a 0.8 g/t Au cut-off grade. This cut-off was based on preliminary results from the Feasibility Study. Over 95% of the mineralised domain is above 0.8 g/t Au.
Mining factors and assumptions	• It is assumed the deposit will be mined non-selectively using conventional open cut mining methods, with processing on a nearby lease (within 2 km).

Item	Comments
Metallurgical factors and assumptions	• Current studies undertaken as part of the Feasibility Study indicate that the oxide and fresh ore will be amenable to processing.
Environmental factors and assumptions	• Snowden is not aware of any environmental factors that could prohibit potential mining development at the Ganajur deposit. Environmental approvals are required prior to final grant for mining from the state government.
Bulk density	• Extensive bulk density measurements were taken from diamond core with 264 taken in the oxide mineralised domain and 749 taken in the sulphide mineralised domain. Measurements were taken using the water immersion method. • Bulk density was estimated by ordinary kriging in the oxide and sulphide mineralised domains. Where estimates were not possible an average of 2.75 t/m^3 and 3.08 $t/m^3$was used for the oxide and sulphide mineralised domains, respectively.
Classification	• The resources have been classified based on the continuity of both the geology and the grades, along with the drillhole spacing and data quality. Classification is based on the confidence in the gold grade estimate. • The Mineral Resource has been classified as a combination of Measured,Indicated and Inferred Resources using the following criteria: – Measured Resource – Restricted to within the mineralised wireframe where drilling is approximately 20 mN by 20 mE or better, geological and grade continuity is confirmed and the mineralised body is at its thickest, typically 20 m to 50 m. – Indicated Resource – Restricted to within the mineralised wireframe where drilling is approximately 20 mN by 20 mE or better, geological and grade continuity is assumed. This has been restricted to areas where the mineralised body is typically less than 20 m thick. – Inferred Resource – Mineralisation with low geological and grade continuity or which is defined by drilling on a grid greater than 20 mE by 20 mN. • Reporting has been restricted to within the lease boundary. Any mineralisation that has been interpreted as being outside of the lease is “unclassified” and has been excluded from the Mineral Resource. • The Measured classification assumes that mining will be at around a 0.8 g/t Au cut-off and hence will mine the majority of the mineralisation, non-selectively. • The Mineral Resource classification appropriately reflects the view of the Competent Person.
Audits and reviews	• The Mineral Resource estimate has been peer reviewed as part of Snowden’s standard internal peer review process. • Snowden is not aware of any external reviews of the Ganajur Mineral Resource estimate.
Discussion of relative accuracy/ confidence	• The Mineral Resource has been validated both globally and locally against the input composite data. TheMeasured and Indicated portion of the Mineral Resource estimate is considered to be locally accurate at the scale of the parent block size; however, the Measured classification assumes that mining will be at around a 0.8 g/t Au cut-off and hence will mine the majority of the mineralisation, non-selectively. • No production data is available for comparison with the Mineral Resource estimate at this stage.