



ANALYSTS' MEET, MUMBAI
JUNE 20, 2018

Sandeep Lakhwara, Managing Director

OPENING REMARKS

Welcome to this analyst meet. The format we shall adopt today is that I will talk a little on the Indian gold mining industry potential, why developing this industry is so important for India, what have been some of the roadblocks in developing this industry, then I talk about Deccan Gold Mines Limited, and give you a brief summary of where we are at with our projects and our fund raising requirements.

I will be followed by our exploration director, Mr SCR Peshwa, who will give you a more detailed analysis of our many projects with a particular emphasis on our leading project, the Ganajur Gold Mine, located in the Dharwad Shimoga Basin, about 500 kms north of Bangalore, where we appointed an International Mining Consultant Snowden, based in Perth, Western Australia to undertake a detailed feasibility study on the economics of mining the Ganajur gold deposit. The study was completed last year and Peshwa will be taking you through the outcome of this study which indicated that this deposit is robust with an IRR of 29.6% post tax and 39.1% pre tax, and net cash flows of USD 133 m pre tax and USD 93.1m post tax. Peshwa will also talk about where we are at with the licences for the Ganajur gold mine and the road map to production of gold.

HUTTI BELT – UNLOCKING OF VALUE

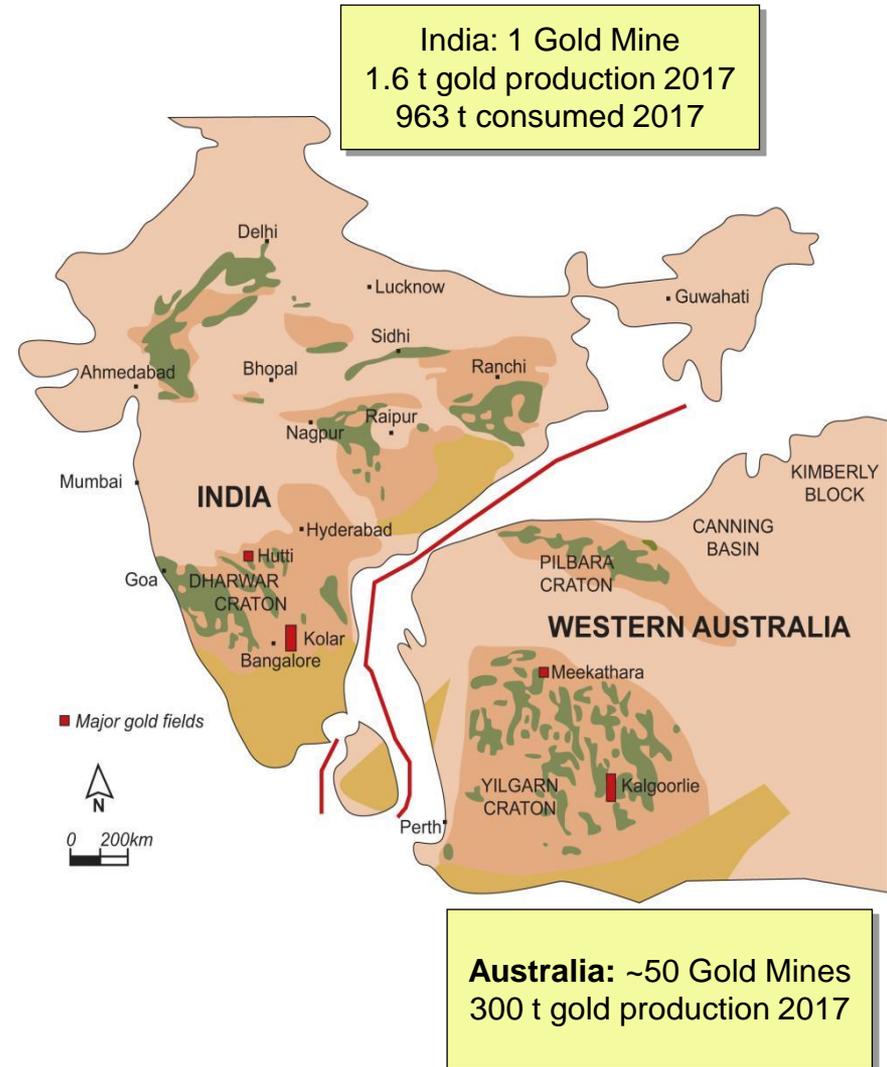
Another major milestone we have recently achieved is a Supreme Court Judgement in our favour directing the State Government of Karnataka to process our Hutti Belt Prospecting Applications. Hutti Gold Mines Limited, a Government of Karnataka undertaking, and India's only gold producer, has been operating in this belt for the last several decades. The belt has the potential to deliver several million ounces of gold with additional exploration.

The significance of the Supreme Court ruling in our favour lies in that we had several applications for gold Prospecting covering the Hutti belt where we did undertake reconnaissance exploration activities after receiving reconnaissance permits from the Government of Karnataka to do so, and identified gold resources but when we wanted to take it to the next logical step and applied for Prospecting licences to undertake further detailed exploration in these areas, these permits were not processed by the Government of Karnataka which wanted these reserved for its undertaking The Hutti Gold Mines Limited, despite a direction from the Central Government to the contrary. The SC has now directed the State Govt to process these applications, which to us represents the unlocking of huge value through making large gold discoveries we believe the belt has the potential to deliver after further exploration.

THE INDIAN GOLD POTENTIAL

In terms of potential not just within the Hutti belt, but elsewhere, India's geological set up is similar in many ways to that of mineral rich countries like Canada, Australia, Brazil, South Africa, Chile, Mexico and others. Geologically, India also has a shared history with Western Australia and parts of Africa as these were formerly part of the Gondwana Super continent that existed 300 million years ago.

In 2017, Australia produced 300 tons of gold, Canada 180 tons, South Africa 145 tons, Mexico 110 tons, Brazil 85 tons but India a paltry sum of just about 2 tons a year average over the last three years predominantly by Hutti Gold Mines Limited.

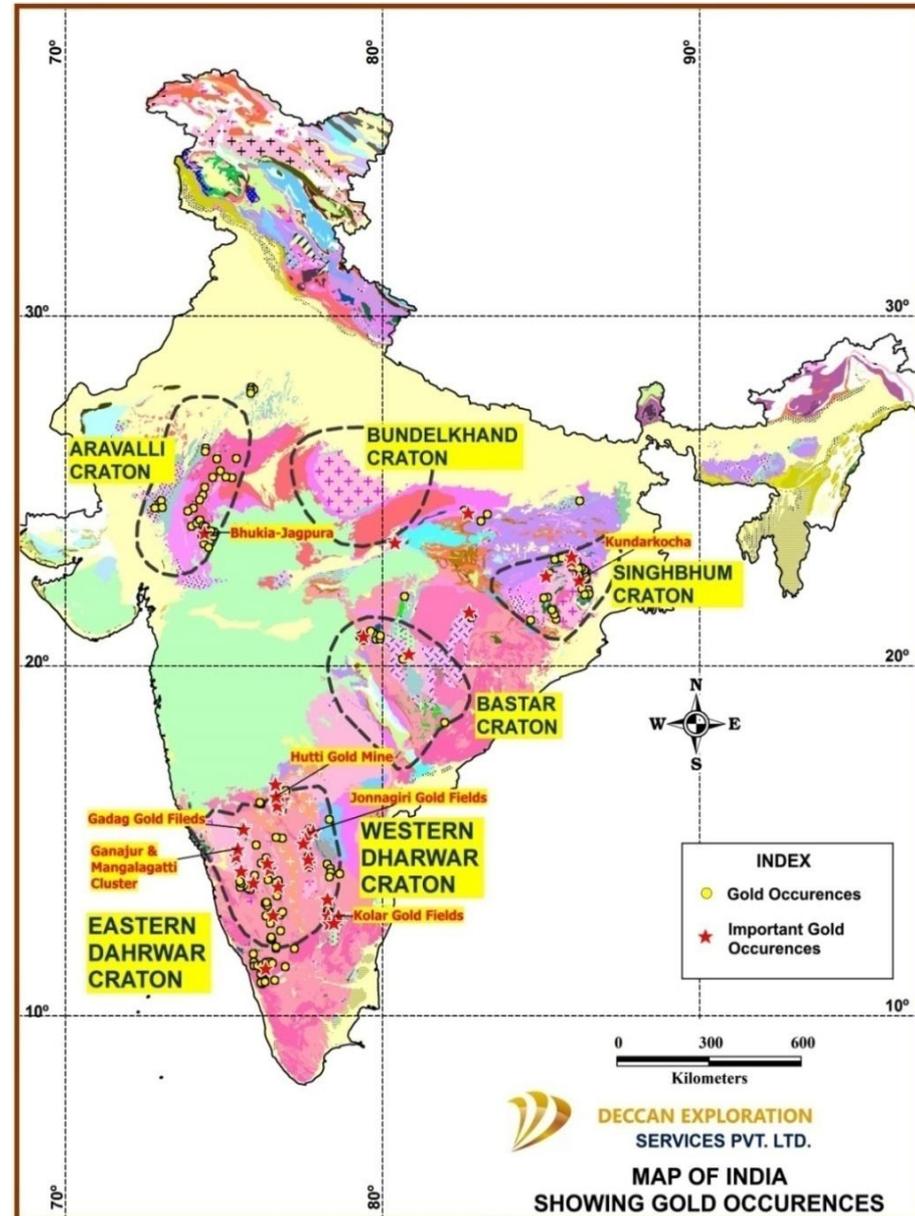


THE INDIAN GOLD POTENTIAL (Contd.)

Yet India is known for extensive ancient gold mining activity going back 8000 years or so as old as the Vedic times, with evidences showing there were about 900 panning sites all over the country and 800 old workings spread over present day Karnataka, Andhra Pradesh, Chhattisgarh, Jharkhand, and Maharashtra.

As recent as the British times, there were about 100 operating mines, the most prolific producer amongst them being the Kolar gold mines which produced 900 tons of gold during its lifetime and was the 7th largest gold producer 100 years ago.

It has been reported that in India, the total resource in terms of metal (primary gold) is at 659.84 tons. Out of this, 110.54 tons is under reserve category and 549.30 tons under other resources category. The “Obvious Geological Potential Area” in respect of gold is approx 102, 809 sq kms.



INDIA'S APPETITE FOR GOLD

Let us talk a bit about India's insatiable appetite for gold generally.

*Gold has always played an important role in the international monetary system, which is pretty evident from the fact that since early ages, the prosperity of a nation was linked to the amount of gold it possessed.

*Given the traditional significance given to gold possession in India, it generates one of the highest quantum of demand in the world. In 2015 as an example India accounted for nearly 26% of the global fabrication demand.

INDIA'S APPETITE FOR GOLD (Contd.)

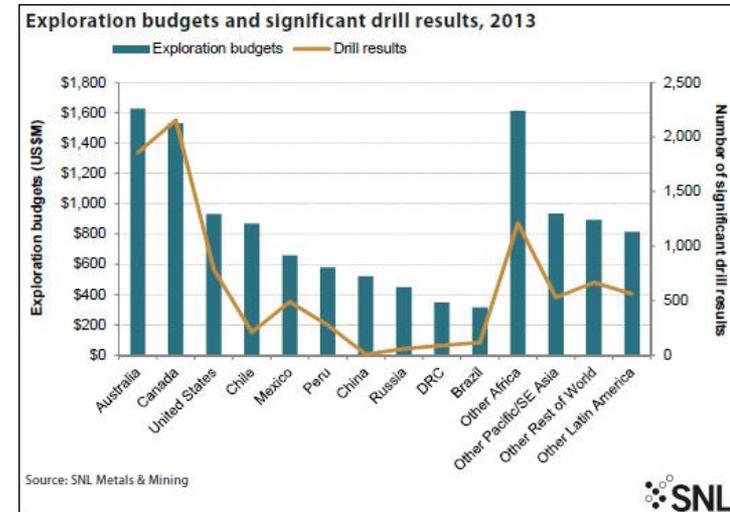
*In this scenario, it is imperative that the Government of India wakes up to the potential, development of the gold mining industry in India can offer. Replacing imported gold with that of the home grown variety has many advantages. Recognising this aspect, the Government has taken some initial steps towards speedy disposal of mineral concessions, augmenting exploration and exploitation of minerals through the auction process and introducing many other changes to the Mines and Minerals Development Act 2015.

It is sincerely hoped that as more positive changes are introduced over time, the gold exploration and mining sector in India flourishes like in other mineral rich countries such as Australia and now China which has almost overtaken the rest of the countries with a whopping gold production of plus 400 tons per annum.

WHY INDIA LAGS BEHIND IN GOLD PRODUCTION

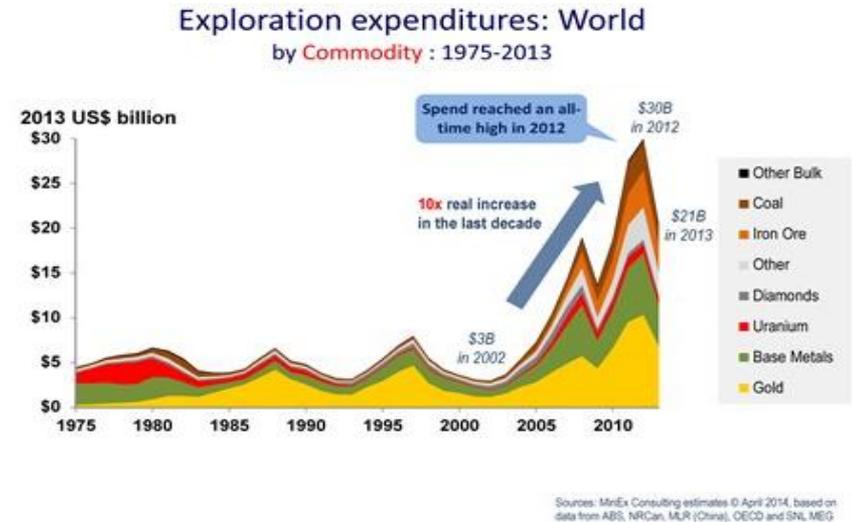
The question that begs to be asked in this environment is why does India lag so far behind other mineral rich countries in terms of gold production? Why has it not been able to tap into its own resources, the highly promising 102,809 sq kms, to make big discoveries of gold?

Two key reasons why this is so. One is the lack of adequate exploration in the country and two is the regulatory environment that is not conducive to making large investments in the exploration sector. It takes years to process licences, there is no transparency in processing, there is lack of proper understanding of the mining legislation by those processing the licences, the mining legislation itself is grey in several areas leaving its interpretation open, the application for licences goes through a myriad of desks, to various departments starting at the Taluk level in the mining districts to the Central Government in Delhi then back to the State Government and all this takes a lot of time and frustration. It is why several international junior explorers who set up shop in India attracted by its geological potential ultimately walked out of the country.



WHY INDIA LAGS BEHIND IN GOLD PRODUCTION (Contd.)

In terms of exploration activity itself, very little modern technology has been used by the agencies endowed with the task of exploration by the government until the opening up of this sector about two decades ago to the private sector and FDI. Spending on exploration has been minimal as compared to other mineral rich countries. Australia alone spends between USD 200-300m on exploration in good years. India's annual spend on exploration has never exceeded USD 10m. You cannot make gold discoveries without spending on gold exploration. And no discoveries means no production.



DECCAN GOLD MINES LIMITED - INTRODUCTION

Established in 2003, Deccan Gold Mines Limited (DGML) is primarily engaged in gold exploration and soon mining activities in different regions of India and the first and only gold exploration company listed on the Bombay Stock Exchange.

*DGML has a wholly owned subsidiary, Deccan Exploration Services Pvt Limited (DESPL) which has a large portfolio of gold exploration prospects primarily in Karnataka and AP.

*Certain prospects within two of India's most prominent "potential gold producing" belts, the Dharwar- Shimoga belt within which is located our soon to be mined Ganajur gold deposit and the Hutti belt, home to the Karnataka Government owned Hutti Gold Mines Limited, India's only gold producer, have been applied for by our subsidiary company and protected under the relevant sections of the MMDR Act.

*The use of modern technology and methods in all of its exploration prospects has resulted in the discovery of gold resources at several locations. It has a dedicated and focused management and technical team with strong shareholder support.

*Its long standing vision of developing India's first private sector gold mine by a listed entity is soon coming to fruition with gold production targeted to commence at our Ganajur gold project in the last quarter of 2019 subject of course to the completion of various formalities prior to commencement.

DECCAN GOLD MINES LIMITED – INTRODUCTION (Contd.)

A Mining Lease Application covering the Ganajur Main Gold Prospect has been approved by the Ministry of Mines (MOM), Delhi. A Letter of Intent (LOI) for grant of the Mining Lease is now awaited from the State Government of Karnataka. Our ML application is also protected under Section 10A (2) (b) of the MMDR Act and has recently been cleared by the Law Department of the Government of Karnataka.

*DGML appointed an internationally reputed Geological and Mining Consultant, Snowden, based in Perth, Western Australia to undertake a comprehensive feasibility study for the Ganajur gold project. The results of the study have been very positive with significant NPV and IRR values.

*A gold resource of about 308,000 Oz has been estimated by Snowden for the Ganajur Main Gold prospect. Most of this resource is classified under the JORC Measured category. JORC is the Australian standard set by the Joint Ore Resources Committee in Australia to validate the authenticity of gold resources and extensively used by accredited JORC consultants such as Snowden.

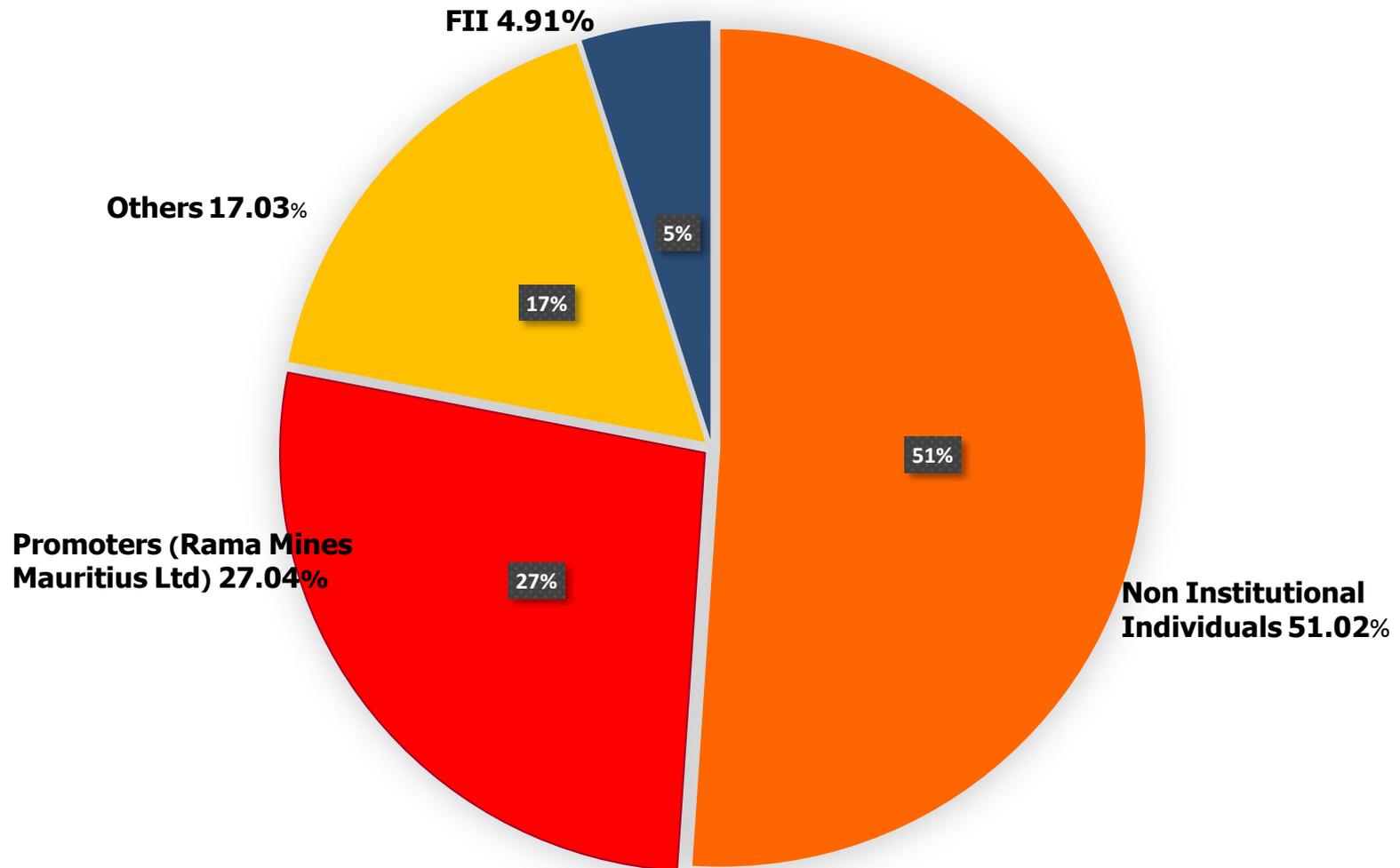
DECCAN GOLD MINES LIMITED – INTRODUCTION (Contd.)

*Significant progress has been made towards approvals on the Infrastructure front, such as for land acquisition, water, and power at the Ganajur Gold Project

*Key Projects of the Company include 1)Ganajur-Karajgi Cluster 2)Mangalagatti-Bhavihal Cluster 3)Hutti Belt Prospects and 4)Ramagiri. Drill indicated resources have been identified in Ganajur Main, Ganajur SE, Karajgi Main, Mangalagatti, Bhavihal and Hirenaganur projects. The company has explored about 7000 sq kms area in the states of Karnataka & AP and identified 40 gold prospects for further detailed exploration.

DGML - OWNERSHIP PATTERN

As on March 31, 2018



FUNDING REQUIREMENTS

The Company successfully completed a Rights Issue to its shareholders in November 2015 and raised about USD 8mn to continue its exploration activities, but is now looking for further growth capital (both debt and equity) of USD 50mn from potential interested investors to establish processing facilities at our Ganajur gold project and commence gold production subject of course to various other formalities being completed which will be elaborated upon in the next presentation by our Exploration Director. Ideally the break up would be about USD 20mn in equity and the remainder in debt which can be funded from the cash flows to be generated from the Ganajur project.

THANK YOU