



**DECCAN GOLD
MINES LIMITED**

(CIN : L51900MH1984PLC034662)

Corporate & Correspondence Address

No.1285, 5th Main Road, 7th Sector HSR Layout, Bengaluru-560102 Tel : +91 80 45384000 Fax : +91 80 45384001 Email : info@deccangoldmines.com Web : www.deccangoldmines.com

July 18, 2021

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400001

(Scrip Code: 512068)

Dear Sirs,

Sub:	1. Ganajur Mining Lease (ML) application of Deccan Exploration Services Private Limited (DESPL) over an area of 72 acres in Ganajur Village, Haveri District, Karnataka – Karnataka High Court Judgment dated 12/03/2021 – Show Cause Notice issued by Ministry of Mines, Government of India (MoM) – hearing held on 28/05/2021 through Video Conferencing (VC) – Order dated 16/07/2021 issued by MoM 2. Update on acquisition of up to 49% stake in Geomysore Services Private Limited (GMSI) under a share swap arrangement
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1. Ganajur Mining Lease – MoM's Order dated 16/07/2021

1.1 We write to intimate that pursuant to the hearing held in the matter on 28/05/2021, the Ministry of Mines, Government of India (MoM) has passed an Order dated 16/07/2021 in the matter.

1.2 Vide this Order, the MoM has concluded that as the right of DESPL to obtain GanajurML has lapsed after amendment of Section 10A(2)(b) of the MMDR Act in 2021, the prior approvals granted by it for the said ML have become inconsequential and infructuous w.e.f. 28/03/2021. In such a case, the State Government cannot proceed in the matter for grant of ML to DESPL.

1.3 Whilst the Order dated 16/07/2021 passed by the MoM is available on the website of the Company, relevant extracts are reproduced below.

QUOTE:

WHEREAS the MMDR Act was further amended in 2021 w.e.f. 28/03/2021 to provide that for the cases covered under clause 10A(2)(b) including the pending cases, the right to obtain a PL followed by ML or a ML, as the case may be, shall lapse on the date of commencement of the MMDR Amendment Act, 2021 (i.e., 28/03/2021). Amendment in the Act further provided that the holder of a RP or PL whose rights have lapsed shall be reimbursed for expenditure towards reconnaissance or prospecting operations in such manner as may be prescribed by the Central Government.

Registered Office

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WHEREAS it is not in dispute that the application of the petitioner for grant of ML is covered under the provision of Section 10A(2)(b) as the petitioner had obtained RP on 17/01/2003. As per the provision of Section 10A(2)(b), as it existed before the amendment in 2021, the petitioner had right to obtain PL followed by ML, if the State Government is satisfied that the petitioner meets the conditions mentioned in sub-clauses (i) to (iv) of Section 10A(2)(b). The petitioner was granted PL for some part covered under RP and the petitioner had applied for ML for an overlapping area covered partly under the PL and partly under the RP. However, it is also not in dispute that no ML has been granted or executed in favour of the petitioner before 28/03/2021 i.e., commencement of the MMDR Amendment Act, 2021. Accordingly, the right of the petitioner to obtain ML has lapsed w.e.f. 28/03/2021.

WHEREAS when the right of the petitioner to obtain ML has lapsed, neither the Central Government nor the State government can process the case of petitioner any further for grant of ML. As such the RP and PL granted to the petitioner have become inconsequential for granting ML to the petitioner. Similarly, the previous approval for ML granted vide letter dated 24/07/2015 and subsequent letter dated 07/02/2017 has also become inconsequential and infructuous. The petitioner cannot obtain ML now. It will be of no consequence to delve into the merits of the contentions of the State Government or of the petitioner on the issue whether previous approval granted to the petitioner is in accordance with the law or not.

NOW, THEREFORE as per the provisions of the law cited above, right of M/s. Deccan Exploration Services Pvt. Ltd. (DESPL) to obtain ML has lapsed after amendment of section 10A(2)(b) of the MMDR Act in 2021. Accordingly, the previous approval granted to the petitioner for grant of ML for gold over an area of 72 acres (29 hectares) in Ganajur Village, Haveri Taluk / District conveyed to the petitioner company (DESPL) vide letter No 4/113/2010-M-IV dated 24/07/2015 read with letter No 4/113/2010-M-IV dated 07/02/2017 by this Ministry has become inconsequential and infructuous w.e.f. 28/03/2021. In such a case, the State Government cannot proceed in the matter for grant of ML to the petitioner.”

UNQUOTE:

1.4 As shareholders are aware, in response to the Show Cause Notice dated 13/05/2021 issued by the MoM, we had attended the hearing before the Director, MoM on 28/05/2021 through VC. We made a detailed presentation on the Ganajur Gold Project highlighting that the Ganajur ML is in compliance with the provisions of the MMDR Act, 1957 and the Rules made thereunder particularly Sections 4(2) and 5(2) of the said Act. We also went through the sequence of events leading to the MoM's prior approval for Ganajur ML; the approvals it had received over time particularly with regard to mineralization and establishment of gold resources; the time and effort put in by DESPL in making this discovery and developing the Project; and the multiple benefits it would bring to the State of Karnataka. As advised by the Central Government, we also forwarded a detailed written submission along with the aforesaid Presentation to the Central Government.

1.5 We are deliberating upon all the feasible options available to us such as the legal and the auction route including the possibility of obtaining a Right of First Refusal over the Project if the auction route is to be followed based on the fact that we had received Reconnaissance Permit and Prospecting Licence over the Project. We shall provide more details on the way forward shortly.

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2. Update on acquisition of up to 49% stake in Geomysore Services (India) Private Limited (GMSI):

We have recently completed the process of entering into Agreement (s) with the key corporate shareholders of GMSI (viz., Australian Indian Resources Limited, Australia; Lionsgold India Holdings Limited, Mauritius; and Sun Group Enterprises Private Limited, India) to acquire their stake in that Company. We shall revert shortly on the structuring of the transaction and processes / steps involved for the Company to acquire up to 49% stake in GMSI.

3. Tanzanian Projects:

We also advise that in compliance of the Tanzanian regulations, we have recently lodged quarterly reports with the Mining Commission, Ministry of Minerals, Tanzania with regard to our 5 granted Prospecting Licences for Gold in Tanzania. Further updates on these projects will be provided as developments occur.

For information

Yours truly

S. Subramaniam



Subramaniam S
Company Secretary
ACS No 12110

Registered Office

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