



**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

August 1, 2021

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

(Scrip Code: 512068)

Dear Sirs,

Sub:	Update on Ganajur Mining Lease (ML) of Deccan Exploration Services Private Limited (DESPL), our wholly owned subsidiary
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Introduction

In continuation of our earlier Update made on 26/07/2021, we present the following further information with regard to Ganajur ML of DESPL.

- 1. Multiple Writ Petitions filed in Hon'ble High Court of Madhya Pradesh challenging amendments made to Section 10A(2)(b) of MMDR Act, 1957. High Court rules that "Status Quo" is to be maintained in disputed Mining Lease areas**
- 2. Similar Writ Petition to be filed by DESPL, a 100% owned subsidiary of Deccan Gold Mines Ltd in the Hon'ble High Court of Karnataka, additionally seeking grant of Ganajur Mining Lease (ML) based on earlier approvals and Court judgements**
- 3. DESPL to also pursue Right of First Refusal as a fall back over Ganajur Mining Block and bid for satellite sites adjacent to Ganajur ML**
- 4. Updates on our granted Tanzanian projects and share swap with shareholders of Geomysore Services (India) Private Limited to acquire a 49% stake in the Company are to follow in the ensuing days. Investor Relation calls to be held post these updates**

Details are as under.

1. Writ Petitions in Madhya Pradesh High Court

It may be noted that multiple Writ Petitions (No. 9956/2021 and 9 other connected cases) have been filed before the Madhya Pradesh High Court by various parties challenging the amendments made to Section 10A(2)(b). Further, the Hon'ble Madhya Pradesh Court has directed that 'status-quo' is to be maintained by the parties with regard to the area in question covered under the disputed Mining Lease. Details are available on the website of the Madhya Pradesh High Court (<https://mphc.gov.in/case-status>). We are keeping a close watch on the progress of these cases and the next date of hearing (tentative) in all these cases is on 02/08/2021 as per the Court website.

Registered Office

Parinee Crescenzo, 803, 8th Floor, Opp. MCA Ground, C38-39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
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2. Filing of similar Writ Petition by DESPL based on advise received from our Legal Counsel

2.1 After reviewing the background papers and documents related to our Ganajur ML and in the light of above noted developments, our Legal Counsel has advised us to file a Writ Petition before the Hon'ble High Court of Karnataka challenging the amendments made to Section 10A(2)(b) of MMDR Act, 1957 vide the MMDR Amendment Act, 2021 as it is against Article 14 of the Constitution of India and praying for setting aside those amendments which will mean the Order dated 16/07/2021 passed by the Ministry of Mines, Government of India (Central Government) on Ganajur ML also becomes ineffective.

2.2 In addition, the Writ could seek grant of Ganajur ML on the basis of prior approvals granted by the Central Government for the said ML vide its letters dated 24/07/2015 and 07/02/2017. **Vide its latter letter, the Central Government directed the State Government to execute the Ganajur ML and expedite the approvals / clearances to start the mining operations.**

2.3 As noted in our earlier BSE release dated 26/07/2021, the thrust of our arguments would be that the Hon'ble High Court of Karnataka delivered its Judgement with regard to Ganajur ML on 12/03/2021 (prior to the MMDR Amendment Act, 2021 coming into force w.e.f. 28/03/2021). Vide this Judgment, the Hon'ble High Court had set aside the abeyance put on its prior approval for Ganajur ML by the Central Government pursuant to its letter dated 22/07/2019. DESPL has been working on the project since 2003 under a granted Reconnaissance Permit and Prospecting Licence and possesses the necessary data and technical expertise to bring this Project into production which should further help our case.

2.4 Moreover, had the Government of Karnataka issued the Mining Lease immediately after the Central Government's prior approval under Section 10A(2)(b) on 07/02/2017 instead of keeping the said file pending, the legislative amendments made to Section 10A(2)(b) through the MMDR Amendment Act, 2021 would have become ineffective in our case. Neither the 'Show Cause Notice' of Central Government and their 'Speaking Order' dated 16/07/2021 would have been triggered.

2.5 Our lawyers have been advised to proceed with the preparation of the Writ Petition in accordance with the above and we shall advise our shareholders of further developments in this regard.

3. Auction route - bidding for Ganajur ML Block (along with exploring Right of First Refusal / RoFR as a fall back) and its satellite prospects

3.1 As noted in our previous update, amendments to the MMDR Act made w.e.f. 28/03/2021 provide for all mineral applications for which rights were granted to Reconnaissance Permit (RP) holders to move to a Prospecting Licence (PL) followed by an ML and in the case of PL holders to move to an ML, but still remain pending, will be put up for auction to be conducted in a transparent and orderly manner and will give definitive rights to the highest bidder under a Composite License (CL) enabling further exploration before identifying mineable resources or a Mining Lease (ML) where mineable resources/reserves have been identified to take the project to mining at the earliest.

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3.2 Our lawyer has indicated that irrespective of the legal process we undertake to restore our rights for the Ganajur ML block, he will give consideration to obtaining RoFR for our company over the Ganajur ML block under the auction process if the situation so demands. The concept of RoFR to RP / PL holders for obtaining ML under auction has been incorporated in the National Mineral Policy, 2019 and reiterated / highlighted in the last 3 Annual Reports of the Central Government (Ministry of Mines).

3.3 In addition to the Ganajur ML block where prior approvals from the Central Government were granted and favourable orders of Hon'ble High Court of Karnataka were delivered on 21/03/2019 and 12/03/2021 (well before the coming into effect of the MMDR Amendment Act, 2021), we have interest in various satellite sites surrounding the Ganajur ML deposit and have filed PL / ML applications over those blocks. These satellite sites offer potential to add Gold Resources with further Prospecting and we may coordinate with the State Government to facilitate putting up these blocks for auction under a Composite License.

3.4 Obtaining Composite Licences for the Ganajur satellite sites provides an opportunity to our company to substantially enhance the Gold resources in Ganajur. We are seeking further information from the authorities on their thinking and will provide further updates on our strategy going forward with regard to auction process.

4. Further updates on Tanzania and acquisition of 49% stake in GMSI and holding of Investor Relation (IR) Calls post those Updates

4.1 Whilst this update focuses on our rights over the Ganajur ML block, we are aware that a lot of our shareholders are also keen on receiving updates with regard to our Tanzanian Gold Projects and progress on acquisition of 49% stake in GMSI. We should be in a position to provide updates on both these matters over the next few days.

4.2 Post the above Updates, we propose to hold series of IR Calls to update the shareholders and answer their queries. Details / modalities of these IR Calls will be intimated shortly.

For kind information

Yours truly



Subramaniam S

Company Secretary

ACS No 12110

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