



**DECCAN GOLD
MINES LIMITED**

(CIN : L51900MH1984PLC034662)

Corporate & Correspondence Address

No. 5, 19th Main Road, 4th Sector HSR Layout, Bengaluru-560102 Tel : +91 80 67155700 Fax : +91 80 67155701 Email : info@deccangoldmines.com Web : www.deccangoldmines.com

February 14, 2017

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001

(BSE Scrip Code : 512068)

Dear Sir,

Sub:	Grant of mining lease for Gold over an area of 72 acres (29 hecets.) in Ganajur Village, Haveri Taluk and District in favour of M/s. Deccan Exploration Services Private Limited (DESPL) for a period of 50 years
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We write to inform that the website of Commerce & Industries Department, Government of Karnataka (SG) has been updated to indicate that a letter dated February 7, 2017 has been issued to them on the above subject by Ministry of Mines, Government of India (MoM).

DESPL has also been copied on this letter.

By way of background information, it may be noted that the State Government of Karnataka had earlier recommended grant of mining lease and sought prior approval of MoM (Central Government) under Section 5(1) of Mines and Minerals (Development and Regulation) Act, 1957 ("MMDR").

Subsequent to the State Government's recommendation, the MoM issued its prior approval under Section 5(1) of MMDR vide letter dated July 24, 2015.

In view of the amendments made to MMDR with effect from January 12, 2015, the MoM has now vide its letter cited under reference clarified that its prior approval granted vide letter dated July 24, 2015 under Section 5(1) of MMDR may be amended to read as follows:

"the prior approval of Central Government under Section 10A(2)(b) of the Mines and Minerals (Development and Regulation) Act, 1957 is conveyed to the grant of mining lease for Gold over an area of 72 acres (29 hecets) in Ganajur Village, Haveri Taluk and District in favour of M/s. Deccan Exploration Services Private Limited (DESPL) for a period of 50 years."

Further, MoM's letter states that since *"the grant of Mining Lease in this case pertains to the prior approval which has been granted on July 24, 2015, the State Government may, therefore, get the Mining Lease executed in accordance with law at the earliest and the clearances and approvals for starting the mining operation may be expedited."*

Registered Office

Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

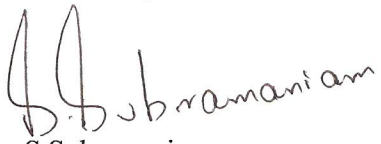
Tel. : +91 022 033040797 Fax. : +91 022 022 33040779 Email : info@deccangoldmines.com Web : www.deccangoldmines.com

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As the shareholders are aware, the Ganajur Mining Lease file is presently under processing at the Commerce & Industries Department, Government of Karnataka and we expect the MoM's letter to facilitate / fast-track the processing of the file and the issue of Grant Notification Letter / Letter of Intent by the State Government of Karnataka.

We shall keep the shareholders informed of further developments in this regard.

Yours truly

A handwritten signature in black ink, appearing to read 'S. Subramaniam', written in a cursive style.

S. Subramaniam
Company Secretary