


**DECCAN GOLD
MINES LIMITED**

(CIN : L51900MH1984PLC034662)

Corporate & Correspondence Address

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April 13, 2017

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

(BSE Scrip Code : 512068)

Dear Sir,

Sub: Update on Company's operations

We write to provide an update on the Company's operations as under:

(1) Ganajur Gold Project - Feasibility studies

In our last update dated March 3, 2017 we had stated that the completion of the Feasibility Studies (FS) have been delayed due to the need to carry out additional metallurgical tests under the supervision of our Process Engineer to provide a better understanding of the Ganajur ore metallurgy.

Metallurgical testing often follows a sequential process in that analysis of the results of the previous tests influence the determination of the next set of tests to be undertaken. These decisions are made by our project technical team. Whilst this process often causes delays in reporting the final results (as is the case presently), carrying out these tests in a sequential order is critical to help develop better processing options to process the gold ore and add value to the project in the long term. Based on all the test results, CPC Engineering has finalised the capital cost estimates for the Project and the engineering design for the Processing Plant.

We present a table hereunder prepared by Snowden, our Perth based Geological and Mining Consultancy firm, assigned with the responsibility of preparing the FS, indicating the stage of completion of each of the disciplines covered by the FS. They have also indicated that a draft of the full report will be made available to the company shortly and following a comprehensive review of the report by various other India and South Africa based consultants who have worked on the project in addition to Snowden, the report will be ready for public release.

Updated Summary from Snowden of work done till 09-04-2017

Milestone Name	% Complete
Resource Geology	100%
Surface Water	100%
Groundwater	96%
Geotechnical Engineering	
- Pit	95%
- Ex-pit	98%
Mine Planning	73%
Tailings	97%



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(2)

Milestone Name	% Complete
Geochemistry	97%
Environmental	100%
Project Management	99%
Total	93%

(2) Fund raising

As indicated in our last update, the potential investors approached by the Company to facilitate funding for the development of Ganajur Gold Project are awaiting the release of the FS so that they can complete their process of due diligence and make a decision on their investment. The Company will forward the FS report to the investors when available for release.

(3) Ganajur Gold Project – Issue of Grant Notification Letter / Letter of Intent

In our last update, we had indicated that the Ganajur Mining Lease file was under the consideration of the Deputy Secretary (DS), Commerce and Industries (C & I). Post clearance at this level, the file would have to be forwarded to the Secretary, C & I and thereafter to the Mines Minister for sign off and issue of Grant Notification Letter/ Letter of Intent (LOI).

Upon follow up of the Ganajur Mining Lease file recently at the Secretariat, C & I, we were informed that the receipt of the letter from the Ministry of Mines, Delhi dated February 7, 2017 (stating that our Ganajur Mining license application is compliant with the newly introduced section 10(A)(2)(b) of the Mines & Minerals (Development & Regulation) Act, 1957 and requesting the Karnataka government to expedite the issue of the Grant Notification Letter/Letter of Intent) has been brought to the attention of the Director, Mines and Geology, Government of Karnataka (DMG) (the MOM had not originally marked a copy of their letter to the DMG) and comments sought from the DMG thereon.

Shareholders are also advised to refer to our announcement dated February 14, 2017 with regard to MoM's letter referred to above.

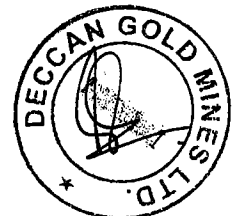
Upon receipt of a response from the DMG, the process should be the same as noted in our earlier update of 3 March 2017 and that is that the file should move to the Secretary, C & I, and thereafter to the Minister for sign off and issue of Grant Notification Letter/ LOI.

(4) Hutti SLP

As noted in our update on March 2, 2017, the admittance of our Special Leave Petitions (SLPs) as Civil Appeals is a significant positive development.

However, our matter has not come up for hearing since a lengthy hearing is underway in another matter which is ahead in the list and is still continuing.

Considering the urgency involved in the matter, our lawyers are planning to mention our matter when the current lengthy hearing gets concluded and press for early listing and hearing.



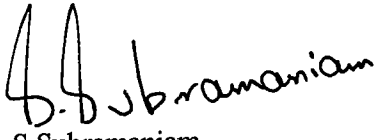
(3)

(5) Investor Relations Call

The Company will hold an Investor Relations call once all or some of the above milestones are reached. In the meanwhile, it will provide a monthly update on the progress of events via this channel.

We request the BSE to take the update on record and oblige.

Yours truly



S. Subramaniam
Company Secretary

