

# 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

August 28, 2017

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

**(BSE Scrip Code : 512068)**

Dear Sirs,

**Sub: Update on Company's operations**

We present here under an update on the Company's operations.

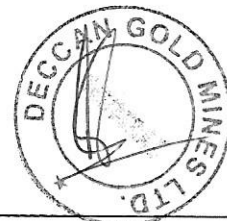
**(1) Ganajur Gold Project – Issue of Grant Notification Letter**

In our last update dated July 19, 2017, the Company had indicated that the Ganajur Mining Lease (ML) file had reached the Secretary, Commerce & Industries Department, Government of Karnataka (C&I) after having been addressed by the Director, Department of Mines and Geology, Government of Karnataka (DMG) and other officials in the C & I.

Since then we have been actively following up the progress of the file at the offices of the Secretary, C & I. We have now been informed by the C & I that as a matter of adequate precaution, they propose to refer the file to the Law Department, Government of Karnataka for its opinion / confirmation that the Ganajur ML application is in compliance with the relevant Rules & Regulations of Mines and Minerals (Development & Regulation) Act, 1957 ("MMDR") and that due processes have been followed in the processing of the file.

By way of background information, it may be noted that the Ganajur ML file was initially recommended by the State Government of Karnataka to the Ministry of Mines, Government of India (MoM) way back in 2010 and various issues have been raised by multiple Government authorities over time, all of which were successfully resolved resulting in the MoM's prior approval under Section 5(1) of MMDR being granted in July 2015 followed by a letter dated February 7, 2017 clarifying that its prior approval was under Section 10A(2)(b) of MMDR. In this latest letter, MoM also advised the State Government of Karnataka to get the Mining Lease executed in accordance with law at the earliest and to expedite the clearances and approvals for starting the mining operations.

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



## **(2) Fund Raising**

As indicated in last BSE release dated July 19, 2017, the indicative fund raising time lines allow for the issue of Grant Notification Letter in respect of the Ganajur Gold Project and possible resolution on the Hutti Civil Appeals presently being heard before the Hon'ble Supreme Court.

At this point in time, no major changes are anticipated to those timelines.

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

## **(2) Progress on Hutti Civil Appeals being heard before the Hon'ble Supreme Court:**

Post our last update on July 19, 2017, it may be noted that the matter was mentioned before the Bench comprising Justice Mr Madan Lokur and Justice Deepak Gupta on July 21, 2017. Our senior legal counsel gave the background of the matter and the need to provide a fixed date for hearing the matter. At this point, Justice Mr Madan Lokur stated that he was not sure if this matter will be listed before his Bench and suggested that this matter be mentioned before the Hon'ble Chief Justice and a direction be sought on the appropriate Bench which will be hearing this matter and accordingly proceed.

Immediately thereafter, our Lawyers approached the Hon'ble Chief Justice and sought for a direction in the light of the above background. The Hon'ble Chief Justice stated that Benches are being allotted based on specific subjects and further stated that mining matters will be taken up by Justice Mr. Madan Lokur. Our Lawyers requested for a specific direction from the Court in this regard and based on their request, the Hon'ble Chief Justice issued a direction that this matter will be taken up before a Bench presided by Justice Mr. Madan Lokur. A written copy of this direction was made available to our Lawyers immediately thereafter.

Accordingly, the direction from the Hon'ble Chief Justice was presented before the Bench of Justice Mr Madan Lokur on August 4, 2017. He is yet to give a specific date for hearing, as he is busy with hearing some part heard matters. Our Lawyers are looking to mention the matter again before him at the next available opportunity.

We shall update the shareholders of further developments in this regard.

## **(3) Ganajur Gold Project – other updates**

### **(a) Approval for acquisition of additional 55 acres of land for the Ganajur Gold Project:**

We are pleased to announce that the application of our wholly-owned subsidiary i.e., Deccan Exploration Services Private Limited (DESPL) for allotment and acquisition of additional area of 55 acres through Karnataka Industrial Area Development Board (KIADB) for its Ganajur Gold Project was approved by the State Level Single Window Clearance Committee (SLSWCC) vide Order No CI 146 SPI 2012M dated August 9, 2017. With this approval, the total land acquisition for the Ganajur Gold Project would be 255 acres.



Snowden Mining Industry Consultants Pty Ltd, Australia (Snowden) who completed the Feasibility Study (FS) for the Ganajur Gold Project recently, recommended acquiring an additional 55 acres of land for Processing Plant and Tailings Storage Facility. Accordingly, an application was lodged by DESPL with the Karnataka Udyog Mitra on July 27, 2017. The application was considered by the Land Audit Committee and the SLSWCC on July 28, 2017.

It may be noted that initially, DESPL applied and received a Government Order (G.O.) on April 28, 2012 for allotment of 200 acres of land for the Ganajur Main Gold Mining and Ore Processing Plant that facilitated land acquisition process through Karnataka Industrial Areas Development Board (KIADB).

**(b) Amendment in Terms of Reference (ToR)**

The recently completed Feasibility Study by Snowden also recommended certain modifications to the process design, flow sheet, tailing storage facility (TSF), water storage dam and ROM pad. The TSF has been now designed to be more environment friendly, cost effective and can conserve more water. Consequently, the overall land footprint increased from 38.45 Ha to 56.67 Ha to accommodate the above recommendations.

Due to the aforesaid changes in the process flow sheet and land use, DESPL applied for an amendment to the ToR to the Ministry of Environment, Forests & Climate Change, Government of India (MoEF). We attended the meeting of the Expert Appraisal Committee (EAC), MoEF held on August 11, 2017 at New Delhi and presented our justification for the amendment. Subsequently, the EAC has approved DESPL's application and now the amended ToR is for 255 acres.

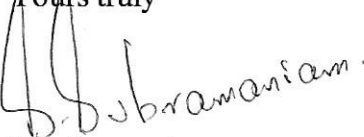
It may be recalled that DESPL's original application for ToR for the Ganajur Gold Project was granted in April, 2016.

**(c) Permission from Railways Department for laying water pipe line:**

DESPL had sought permission from the Divisional Railway Manager, South Western Railway, Mysore (DRM) for laying a water pipe line below the railway line near Ganajur village. This pipe line will be utilised for drawing water from Varada River to the Project site. The South Western Railway authority completed field verification and submitted a joint feasibility report to the DRM. This report was considered by the DRM who advised DESPL that laying of water pipe line can be undertaken after entering into a formal agreement with the Railways Department.

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

Yours truly



S. Subramaniam  
Company Secretary

