



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

October 10, 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

We write to intimate that the Ganajur Mining Lease (ML) file has been referred by the Commerce & Industries Department, Government of Karnataka (C&I) to the Law Department, Government of Karnataka.

It may be noted that in our last update (August 28, 2017), we had indicated that as a matter of adequate precaution, the C & I proposes to refer the Ganajur ML file to the Law Department for its opinion / confirmation that the Ganajur ML application is in compliance with the relevant Rules & Regulations of Mines & Minerals (Development & Regulation) Act 1957.

We also advise that we have taken two independent legal opinions (including one from a Retired Supreme Court Judge) both of which have opined that the Ganajur ML application is in compliance with the relevant Rules & Regulations of Mines & Minerals (Development & Regulation) Act 1957.

By way of background information, it may be noted that the Ministry of Mines, Government of India (MoM), vide its letter dated February 7, 2017 clarified that its prior approval is under Section 10A (2)(b) of MMDR. In this 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 will be closely monitoring the progress of the file and will update the shareholders of further developments in this regard.



Registered Office

Parinee Crescenzo, 803, 8th Floor, opp. MCA, C38-C39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.
Tel : 91 022 33040797 Fax : +91 022 33040779 Email : info@deccangoldmines.com Website : www.deccangoldmines.com

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

Post our update last month, the matter came up on September 11, 2017 before Court No. 5 (comprising Justice Mr Madan Lokur, Justice Mr Abdul Nazeer and Justice Mr Deepak Gupta) as Item No. 59.

At the commencement of the hearing, Justice Mr Lokur wanted to understand the urgency related to the matter and why we are seeking an early date for the final hearing. At that point, our Lawyers indicated that subsequent to the filing of the present matter before the Supreme Court, the position in law has changed in that an amendment to the Mines and Mineral (Development & Regulation) Act, 1957 was brought in the year 2015, whereunder our case squarely falls under the amended Section 10A (2) (b) and an absolute right has been created in favour of Deccan Exploration Services Private Limited (DESPL) for grant of Prospecting License. As such this matter has attained urgency and any further delay in the matter would only deprive DESPL of its absolute rights and therefore our Lawyers prayed for an appropriate order from the Supreme Court whereby DESPL's rights on the mining areas are restored.

After hearing our brief submissions, Justice Mr. Lokur asked for the comments from the opposite side Counsel. At that point the Counsel appearing on behalf of Hutti Gold Mines Limited made a statement that the issue under consideration of the Court is about the precedence of State Government's right to reserve a mining area under Section 17A of the MMDR Act over a private party's preferential right under Section 11 of the MMDR Act.

While we were ready to respond to this statement, Justice Mr. Lokur stated that the matter was listed for directions and the Bench was not ready to hear detailed arguments at that point.

Based on the above, the Bench adjourned the matter and directed that the same be listed for final hearing and disposal after a period of 2 months.

As on date, the Supreme Court's online systems indicates that our matter will be listed on November 13, 2017.

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

(3) Fund Raising

As the shareholders are aware, the indicative fund raising timelines provided in our Update on July 19, 2017 allowed for (a) issue of Grant Notification Letter for the Ganajur Gold Project by the Government of Karnataka; and (b) possible resolution in respect of Hutti Civil Appeals presently being heard before the Hon'ble Supreme Court.

While the latest update on both these matters being what it is as noted above, we would be in a position to provide revised fund raising timelines once clarity emerges on the issue of Grant Notification Letter for the Ganajur Gold Project and update the shareholders of further developments in this regard.



(4) Other key mineral concession applications

Apart from Ganajur, the other key mineral concession applications now under process are as under:

Sl. No.	Name of the Block / District / State	Area (in sq kms.)	Prospecting Licence (PL) / Mining Lease (ML)
1	Mangalagatti, Dharwad District, Karnataka	4	PL
2	Bhavihal, Dharwad District, Karnataka	1.5	PL
3	Kulavalli, Belgaum District, Karnataka	2	PL
4	Lakkikoppa, Haveri District, Karnataka	5	PL
5	Ganajuru Extension, Haveri District, Karnataka	8	PL
6	Turkara-Sigihalli, Belgaum District, Karnataka	1.7	PL
7	Karajgi, Haveri District, Karnataka	2.8	ML

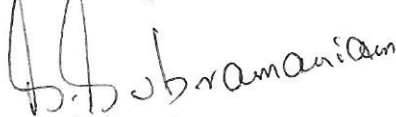
The Department of Mines & Geology, Government of Karnataka (DMG) was awaiting the internal checklists / SoP for processing of files that fall under Section 10A(2)(b) of MMDR for progression from Reconnaissance Permit (RP) to Prospecting Licence (PL). The internal checklist / SoP has been recently notified and DMG has received the same from C&I during second week of September, 2017.

Accordingly, DMG has now taken up the above noted 6 PL applications for processing and have completed scanning of the files as a first step. Now, the files would be processed in terms of the checklist for internal / external sign-off / confirmation.

Further, the Karajgi ML application noted above has also been taken up for processing by the DMG where SoP is already in place for cases progressing from Prospecting Licence to Mining Lease.

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

Yours truly



S. Subramaniam
Company Secretary

