



**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 19, 2019

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

Dear Sir,

Sub:	Ganajur Mining Lease (ML) Application - Update on Contempt Petition lodged before the Hon'ble High Court of Karnataka.
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We write to present an update on the captioned matter as under.

The subject matter was listed on August 16, 2019 before the Hon'ble High Court for reply from the Secretary, Commerce & Industries Department, Government of Karnataka (C&I). Our Senior Counsel was present in the Court on behalf of our subsidiary, Deccan Exploration Service Private Limited (DESPL), the Complainant.

A reply/counter affidavit was handed over on behalf C&I across the Bench. The Affidavit states as under:

(a) Ministry of Mines, Government of India (GOI) had been approached on August 14, 2018 by the State Government to clarify certain matters relating to our Ganajur Mining Lease Application. Vide it's response letter, the GOI had responded asking for clarification on certain issues relating to our Ganajur ML application.

(b) GOI had recently communicated to the State Government that its previous communications of July 2015 and February 2017 be kept in abeyance and that no action be taken on these until further orders of the GOI.

Registered Office

Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
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At this juncture, our Senior Counsel sought a copy of the GOI communication which the State Government counsel was unable to submit. Our counsel then submitted that a copy of the recent GOI communication ('undated' as per the Affidavit) must be produced before the Court to test its veracity.

After taking note of the submission of our Senior Counsel, the Court directed the C & I to furnish a copy of the recent GOI communication referred to in (b) above to the Judges.

Thereafter, the matter was adjourned and now awaits listing later this week.

We shall update shareholders of further developments in this regard.

Background and our comments:

Please refer to our earlier Update made on August 30, 2018 and October 17, 2018 wherein we had noted in the update that whilst the State Government had obtained a legal opinion from the Law Department of the Government of Karnataka, this legal opinion was not attached to the State Government's letter to the GOI on August 14, 2018 seeking further clarification and the GOI had in October 2018 asked for the same to be forwarded to it. To the best of our knowledge, the State Government is yet to respond to the GOI's October 2018 letter noted above.

We also refer our shareholders to the Investor Relations Call held on June 25, 2019 wherein we stated that whilst the general preference of the Government of India is to auction off mineral prospects, applications secured / protected under Section 10(A)(2)(b) of Mines and Minerals (Development & Regulation) Act, 1957 (MMDR) such as our Ganajur Mining Lease application, cannot be auctioned off under the present legislation and we remain confident of its legal status for approval.

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It may be noted that the July 2015 communication of GOI refers to its prior approval for grant of Ganajur ML under Section 5(1) of MMDR as it existed then and its February 2017 letter states that their approval granted under Section 5(1) be treated as approval under 10(A)(2)(b) of MMDR as amended in 2015 and that the Mining Lease application of DESPL be executed at the earliest.

Yours truly

Subramaniam S.
Company Secretary

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