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

September 10, 2019

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers, 1st Floor,
Dalal Street, Mumbai – 400 001

Scrip Code: 512068

Dear Sirs,

Sub:	Ganajur Mining Lease application – present status and steps taken

We have been consistently interacting with the Government of Karnataka as well as the Ministry of Mines, Government of India and concerned Minister (s) / public representatives to seek an early resolution to the processing of our pending Ganajur ML application.

We summarise the recent developments hereunder:

- Subsequent to the formation of a new Government in Karnataka and the appointment of a new Mines Minister, we met the Hon'ble Minister on September 6, 2019. The Hon'ble Minister gave us a patient hearing and assured us that he would write to the Secretary, Commerce & Industries Department, Government of Karnataka (C & I) to expedite the issue of grant notification letter for the Ganajur Gold Project. We also wrote a follow-up letter to the Mines Minister summarizing our concerns and seeking his positive intervention in the matter.

- It may be noted that during our meeting with the Mines Minister, Government of Karnataka, the Hon'ble Member of Parliament, Haveri (under whose constituency the Ganajur Project falls) was also present. It is gratifying to note that the Member of Parliament was receptive to our case and has written letters to the Mines Minister, Government of Karnataka and the Minister of Mines, Government of India to expedite the matter. In his letters, the Member of Parliament has highlighted that the Ganajur Project is part of Prime Minister's "Make in India" initiative and would create job opportunities for nearly 500 people in the area and boost the development of the areas in and around the Project. He has further stated that the project comes under his parliamentary constituency and even after 4 years of obtaining approval from the Central Government, the C & I has not issued the grant notification letter for the Project and has requested the State Government and C & I to take up this matter immediately and give the necessary approvals without further delay.

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- We met the Hon'ble Minister of Mines, Government of India on two occasions recently and expressed our concerns over the delay in the issue of grant notification letter for the Ganajur Gold Project despite approval from the Central government and positive opinions from the Law Department, Government of Karnataka and the Indian Bureau of Mines.

- In our follow-up representation to the Hon'ble Minister of Mines, Government of India, we have specifically highlighted the following key matters:

  1. **the quickest way to develop the gold mining industry in India is through approval of valid Section 10A(2)(b) cases** as areas over which mining licenses have been applied have already been prospected and mineable gold reserves identified with the execution of mining license being the trigger to commence gold production.

  2. relying on the doctrine of **Promissory Estoppel and Doctrine of legitimate expectation** which has been upheld by the Supreme Court in many cases, the Company has incurred vast amounts of expenditure in developing projects and is rightfully awaiting the Grant Notification Letter over its Ganajur Gold Project

  3. The company has more than 20000 share holders and as such substantial public interest is involved in its operations. Delays in issue of Grant Notification Letter for Ganajur Gold Project is therefore very disappointing, grossly unfair and unjust to these shareholders and other industry stakeholders who have followed the law and invested huge sums of money into prospecting for gold and other minerals over a number of years.

  4. **The local farmers in the Ganajur area, Haveri District, Karnataka area whose lands cover the Ganajur ML application of Deccan Exploration Services Private Limited (DESPL), our 100% owned subsidiary** have been paid advances against acquisition of their land and are very keen for the project to be commenced in the area as quickly as possible, so that they can sell their land and at the same time receive job offers from the company when the project goes ahead.

- We also met the Joint Secretary, Ministry of Mines, Government of India recently. At this meeting, we pointed out the policy paralysis in terms of processing of mineral concession applications (including Ganajur ML application and our Hutti Block Prospecting License Applications) despite clear provisions in the law. The Joint Secretary was also present during our meeting with the Hon'ble Minister of Mines, Government of India.

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- On August 8, 2019 the Repealing and Amending Act, 2019 came into force with the objective of repealing and amending certain enactments in line with the present Government's policy of minimum legislation and maximum governance. The MMDR Amendment Act, 2015 and MMDR Amendment Act, 2016 are two of the important legislations that have been repealed by the Repealing Act since the provisions introduced by these two Amendment Acts have been incorporated into the parent legislation i.e., Mines and Minerals (Development and Regulation) Act, 1957 (MMDR).

- **As advised by our legal counsel, this means that Section 10A (2)(b) of MMDR is remains in place protecting the rights of existing mineral concession applicants like us and as such any further amendments to the parent MMDR Act will require Parliamentary Approval.**

- We have also received an invite to attend a meeting on September 12, 2019 being convened by the Project Monitoring Group (PMG) attached to the Department for Promotion of Industry and Internal Trade (DPIIT) to discuss issues related to delays in the processing of our Ganajur ML application. It may be noted that we had registered our Ganajur Gold Project on PMG portal with a request to the Ministry of Mines to direct the Government of Karnataka to issue Grant Notification Letter for the Ganajur Gold Project. We shall be attending the meeting to present our case to seek an early resolution.

- We are in the process of setting up follow up meetings with the Hon'ble Minister of Mines, Government of India and the Secretary, Ministry of Mines, Government of India later this week. Further, we are also planning to meet the Vice Chairman, Niti Aayog.

- A Committee of Ministers (CoM) has been formed to address issues plaguing the Mining Industry and the Hon'ble Mines Minister, Government of India is working with the CoM to come out with positive outcomes for the industry.

We are taking every possible step to ensure a quick processing of our Ganajur ML application and will update shareholders of further developments in this regard.

Yours truly,

S. Subramaniam

S. Subramaniam
Company Secretary
Membership No.: ACS 12110

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