

**DECCAN GOLD
MINES LIMITED**

(CIN : L51900MH1984PLC034862)

Corporate & Correspondence Address

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March 27, 2020

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

Dear Sirs,

Sub:	Update on Company operations
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We write to present the following Update on Company's operations.

1. Updates on Prospecting Licence (PL) and Mining Lease (ML) applications lodged in the Dharwar-Shimoga Basin in State of Karnataka:

Whilst this period of corona virus lockdown has restricted our ability to liaise with Government Departments regarding our pending licences, we thought it appropriate to update our shareholders of recent efforts in this regard prior to the lock down.

Shareholders would be aware that our subsidiary Deccan Exploration Services Private Limited (DESPL) had lodged the following PL and ML applications (apart from the key Ganajur ML application) in Haveri and Dharwar districts of Karnataka. These applications cover all the important prospects that were discovered by DESPL during the course of its RP tenure. The list of applications submitted is furnished below.

Sl. No.	RP / PL No.	APL / AML No.	Date of application	Extent (in sq kms.)	Village	District
1	RP No 23	07APL2005	17/01/2005	4	Mangalagatti	Dharwad
2	RP No 23	127 APL 2004	15/10/2004	2	Kulavalli	Belgaum
3	RP No 23	02 APL 2005	04/01/2005	1.5	Bhavihal	Dharwad
4	RP No 23	181 APL 2005	31/12/2005	1.7	Turkara-Sigehalli	Belgaum
5	RP No 24	85 APL 2005	22/03/2005	5	Lakkikoppa	Haveri
6	RP No 24	08 APL 2005	17/01/2005	8	Ganajuru Extension	Haveri
7	RP No 24 / DES PL 5	11 AML 2012	20/12/2012	2.8	Ganajur	Haveri

All the above applications comply with Section 10A(2)(b)(i) to (iv) of the MMDR Act 1957.

We have had multiple meetings with the new Director of Mines and Geology, Karnataka (DMG) in recent weeks and requested his intervention to fast track the processing of these applications. The Director has been very supportive and has been taking positive steps in clearing the files. As part of the Standard Operating Procedures (SoP) adopted by the DMG,

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the Indian Bureau of Mines (IBM) has also given positive comments for all the above applications. We expect that the files will soon be referred to the Appraisal Committee in terms of the SoP and the DMG will forward its recommendations to the State Government.

Mangalagatti PL:

Mangalagatti Prospect in the Dharwar district of Karnataka is an important discovery by us wherein we had earlier identified a resource of 1.5 million tonnes @ 1.63 g/t Au based upon results of shallow RC drilling programme.

Subsequently, we filed an application for Prospecting Licence (PL) for Gold and associated minerals over an area 4 sq km. The PL application was recommended by the Government of Karnataka to the Ministry of Mines, New Delhi (MoM) on 28/04/2008.

Based on the recommendation of the Government of Karnataka, the MoM issued a letter approving the grant of PL. Pursuant to the MoM's approval, the Commerce & Industries Department, Government of Karnataka issued a Notification granting the PL on 11/10/2012 post which we paid the appropriate fees to the Government for execution of the PL Deed. The Government of Karnataka then introduced new Standard Operating Procedures (SOP) to process all pending PL applications and halted further processing of the Mangalagatti PL.

In view of the willingness of the new DMG to address our pending applications in a positive manner, we have again requested the DMG that since Mangalagatti PL had already been approved by the MoM and grant notification issued, there is no need to process the Mangalagatti PL application as per the SoP. We have also brought to his attention that as per a Circular issued by the MoM (a copy of which was made available to him) only fresh proposals for grant of PLs need to be scrutinized and not cases where prior approval of the MoM has already been given. The DMG has indicated that in this light he will give consideration to execution of the Mangalagatti PL.

2. Ganajur ML application:

Post our last BSE update made on February 24, 2020 we had once again met the Senior Legal Counsel who represented M/s. Kumar Enterprises and discussed the matter further and forwarded all the required documents to enable them to finalise the writ petition. They have now advised us that they are in the process of finalising the writ petition in the next few days.

This Writ Petition seeks to quash the Central Government's abeyance on its prior approval for Ganajur ML and also seeks a direction to the Government of Karnataka to issue the Grant Notification Letter followed by execution of ML within a definitive time frame

We have also met the MoM officials on a few occasions recently and requested their positive intervention and direction to the Government of Karnataka in resolving the matter. We pointed out to MoM that time limits set in the MoM letters for furnishing of replies by the Government of Karnataka have been exceeded by several months and that these queries have

already been clarified by the Indian Bureau of Mines, Government of Karnataka and its own Law Department in the past.

We also pointed out that no review of their earlier approval can be entertained in the light of M/s Kumar Enterprises judgement noted above and requested that they lift their abeyance on this approval and direct the Government of Karnataka to issue the Grant Notification letter for the Ganajur ML without any further delay.

We would like to assure our shareholders that we are exploring all means to get the issue resolved preferably in the normal course or through the Courts.

3. Interim Applications pending before the Hon'ble Supreme Court with regard to Hutti Block PL applications:

With regard to the Interim Application lodged with regard to DESPL's Hutti Block PL applications and presently pending before the Hon'ble Supreme Court, we notice that the matter has been tentatively listed on 07/04/2020. Further, our Lawyers have informed us that they had mentioned the matter before the Supreme Court Registrar on 05/03/2020 and informed him about the repeated deletion of the matter and requested the Court to pass appropriate direction considering the repeated postponement of an already delayed matter. Based on the request from our Lawyers, the Registrar has directed that the matter be not deleted from the current tentative date of 07/04/2020.

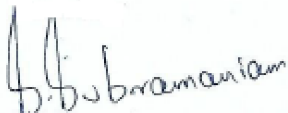
Whilst the corona virus lockdown may have an impact on the next tentative hearing date (07/04/2020), we are continuously in touch with our Lawyers and will update the shareholders of further developments in this regard.

4. Fund raising:

We have been interacting with potential investors for raising funds into the Company and are happy to report that discussions have been progressing well and we shall provide details of the fund raising once finalised. Shareholders will be required to approve the transaction prior to funds coming into the company.

For kind information with a request to take the same on record.

Yours truly



S.Subramaniam
Company Secretary & Compliance Officer
ACS No 12110