



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Deccan Gold Mines Limited will be held on Wednesday, the 29 September, 2010 at 3.00 p.m., at Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31 March 2010 and the Audited Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Prof V.K. Gaur, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. V. Sivakumar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai (Firm Registration No. 101083W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and authorize the Audit Committee / Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, the Company hereby approves of the reappointment by the Board of Directors (“the Board”) of Mr. Sandeep Lakhwara as Managing director on a salary of Rs. 1,00,000/- per month with effect from 1st May, 2010 for a period of 3 years with liberty to either party to terminate the appointment on three months notice in writing to the other, with further liberty to the Board of Directors to increase the salary and / or revise the terms of employment, from time to time in such manner as may be in the best interest of the Company subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto, as amended up to date.

RESOLVED THAT where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary to the Managing Director as and by way of minimum remuneration subject to the applicable provisions of Schedule XIII of the said Act.”

By order of the Board
for **DECCAN GOLD MINES LIMITED**

Place : Bangalore
Date : 12 August, 2010

S. Subramaniam
Company Secretary

REGISTERED OFFICE:

A-303, “Prathamesh”, Raghuvanshi Mills Compound,
11-12, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 25 September, 2010 to Wednesday, the 29 September, 2010 (both days inclusive).
4. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders / Proxies are requested to bring the same along with them.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5:

The shareholders may note that Mr. Sandeep Lakhwara was appointed as the Managing Director for a period of 3 years with effect from 1st May, 2007 upon the terms & conditions including remuneration as approved by the Board at its meeting held on 30 April, 2007 and approved by the shareholders at their AGM held on 14 December, 2007.

Pursuant to the recommendation of the Remuneration Committee, the Board of Directors of the Company, at their meeting held on 30 April, 2010, re-appointed Mr. Sandeep Lakhwara as the Managing Director of the Company for a period of 3 years with effect from 1st May, 2010 at a salary of Rs. 1,00,000/- per month and upon the other terms and conditions as contained in the resolution pertaining to Item No. 5 of the Notice convening the AGM.

The abstract of the terms and conditions of appointment furnished in the Resolution pertaining to Item No. 5 may be treated as the statement required to be sent to the shareholders pursuant to Section 302 of the Companies Act, 1956.

Further, details regarding Mr. Sandeep Lakhwara, his expertise in specific functional areas, other Directorships / committee memberships, are furnished in the Annexure forming part of the Notice convening the AGM.

The Board recommends the resolution for approval of the shareholders.

Except Mr. Sandeep Lakhwara, none of the directors of the Company is concerned or interested in the said resolution.

By order of the Board
for **DECCAN GOLD MINES LIMITED**

Place : Bangalore
Date : 12 August, 2010

S. Subramaniam
Company Secretary



**INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT
AT THE ANNUAL GENERAL MEETING**

(Pursuant to Clause 49 of the Listing Agreement)

1. PROF V. K. GAUR

A brief resume and expertise of Prof V. K. Gaur is given under the Section “Profile of Directors” forming part of the Annual Report.

In terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Prof V. K. Gaur does not hold Directorship or Committee Chairmanship or Membership in any other Company.

Further, in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Prof V. K. Gaur, a non-executive director, does not hold any shares in the Company as on 12 August, 2010 (either in his own name or held by / for other persons on a beneficial basis).

2. MR. V. SIVAKUMAR

A brief resume and expertise of Mr. V. Sivakumar is given under the Section “Profile of Directors” forming part of the Annual Report.

In terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Mr. V. Sivakumar holds directorship / committee membership in the following Companies (other than Deccan Gold Mines Limited):

| Name of the Company | Designation | Committee Chairmanship | Committee Membership |
|--|-------------|------------------------|----------------------|
| Geomysore Services (India) Private Limited | Director | Nil | Nil |
| Trident Mineral Resources Private Limited | Director | Nil | Nil |
| Indian Australian Mining Company Private Limited | Director | Nil | Nil |
| Jhansi Mining Private Limited | Director | Nil | Nil |
| Premier Nickel Mines Private Limited | Director | Nil | Nil |
| Goan Mineral Resources Private Limited | Director | Nil | Nil |
| Premier Minerals Exploration Private Limited | Director | Nil | Nil |
| Elcom Systems Private Limited | Director | Nil | Nil |
| Planet Metals India Private Limited | Director | Nil | Nil |
| Boula Platinum Mining Private Limited | Director | Nil | Nil |
| Sun-Apollo Real Estate Advisors Private Limited | Director | Nil | Nil |

Further, in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Mr. V. Sivakumar, a non-executive director, does not hold any shares in the Company as on 12 August, 2010 (either in his own name or held by / for other persons on a beneficial basis).

3. MR. SANDEEP LAKHWARA

A brief resume and expertise of Mr. Sandeep Lakhwara is given under the Section “Profile of Directors” forming part of the Annual Report.

In terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Mr. Sandeep Lakhwara does not hold Directorship or Committee Chairmanship or Membership in any other Company.



LETTER FROM CHAIRMAN

Dear Shareholders,

This past year has been part of a journey that is going to lead our Company to not only eventually becoming a world class gold producer but also being a possible pioneer in the use of a new technology for extracting gold from the rocks without the use of Cyanide.

We have signed an MOU with the Karnataka Government for the establishment of a 2000 tpd gold processing facility in Ganajur to treat the ore extracted from this prospect. Our Mining License application over this prospect is in the final stages of processing with the State Government of Karnataka. Whilst approvals of the Director, Mines and Geology and the State Secretary have been received, the Mines Minister's approval is pending Applications will be made shortly for Environmental and other clearances.

The new technology to extract gold has been tested in the laboratory with positive results. The next stage will be to test its efficacy by building a pilot plant to treat at least ten tons per day of sulphidic ore provided from our Ganajur prospect. The system will allow for an environmentally clean process. All the heavy metals which cause so much world wide pollution from mines will be recovered instead of being left to pollute ground water.

If all goes well with the next stage, our Company will be amongst the first in the world to adopt this new environmentally friendly technology.

Our team at Ganajur have just completed a very successful drilling program. One of the drill holes passed through a 42.84 meter mineralized zone with an average grade of 8.9 g/t. This is the sort of result that a Mining Company can only dream about. What this now tells us, is that the potential for mining in Ganajur is excellent. Our aim during the next stage of drilling will be to try and prove up at least 500,000 ounces of gold. Our team believe that this is feasible.

Our on going battle with Hutti Gold Mines over legal rights to our new discoveries in the Hutti region is moving towards a conclusion. Revision Petition applications lodged in Delhi are being heard over the next few weeks. We believe our legal position is very strong as these areas were originally held by us under granted Reconnaissance Permits and considerable exploration work has been undertaken by us to upgrade knowledge on the prospect.

I would like to note that your company is also working very closely with the Government on various regulations relating to the enactment of new mining laws for the betterment of this sector. There have been some comments made lately on the inability of the company to fast track the grant of licenses. I have been personally involved at various levels with the State Governments and the Centre and can assure you that every effort is being made to ensure that licenses will be granted as soon as possible. As a benchmark, you need to compare the number of years taken by some of the world's major mining houses contemplating operations in India to actually commence such operations.

Deccan Gold Mines is at an exciting stage of its evolution. We are going to be a part of the Mining History of India. We not only plan to make good returns for our shareholders but we also plan to be a catalyst for social and economic change in the surrounding area of the Ganajur Mine, through our Foundation, called the Australian Indian Rural Development Foundation. Through this Foundation Deccan will be able to facilitate social and economic activities in the surrounding areas of the mine.

We are all excited in our company about the potential to develop a mine at Ganajur and though at times we may be frustrated with the Government and the bureaucrats dealing with our files, I can say categorically that we are now moving forward in a very positive way.

Yours Faithfully,

Charles E E Devenish
Chairman



CONTENTS

| | |
|--|----|
| Corporate Information | 2 |
| Profile of Directors and Key Personnel | 3 |
| Report on Exploration Activities | 6 |
| Status of Exploration Permits and Applications | 14 |

Deccan Gold Mines Limited

| | |
|--|----|
| Directors' Report | 19 |
| Section 212 Statement | 23 |
| Management Discussion & Analysis | 24 |
| Report on Corporate Governance | 28 |
| Auditors' Report | 37 |
| Balance Sheet | 40 |
| Profit and Loss Account | 41 |
| Schedules and Notes to Accounts | 42 |
| Cash Flow Statement | 49 |
| Balance Sheet Abstract | 50 |

Subsidiary Company

Deccan Exploration Services Private Limited

| | |
|---------------------------------------|----|
| Directors' Report | 51 |
| Auditors' Report | 53 |
| Balance Sheet | 54 |
| Profit and Loss Account | 55 |
| Schedules and Notes to Accounts | 56 |
| Balance Sheet Abstract | 60 |

Consolidated Accounts of

Deccan Gold Mines Limited and Deccan Exploration Services Private Limited

| | |
|--|----|
| Auditors' Report on Consolidated Accounts | 61 |
| Consolidated Balance Sheet | 62 |
| Consolidated Profit and Loss Account | 63 |
| Schedules and Notes to Consolidated Accounts | 64 |
| Consolidated Cash Flow Statement | 70 |
| Consolidated Balance Sheet Abstract | 71 |



CORPORATE INFORMATION

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|------------------------------------|---|
| Chairman | : Mr. Charles E.E. Devenish |
| Managing Director | : Mr. Sandeep Lakhwara |
| Directors | : Mr. V. Sivakumar Mr. K.R. Krishnamurthy Dr. M. Ramakrishnan Prof. V. K. Gaur Mr. M. R. Menon* (Alternate Director to Mr. Charles E.E. Devenish) |
| Head-Legal & Company Secretary | : Mr. S. Subramaniam |
| Auditors | : M/s. V.K. Beswal & Associates Chartered Accountants, Mumbai. |
| Legal Advisors | : M/s. Crest Law Partners No. F-3, Ligoury Court, 7, Palmgrove Road, Victoria Layout, Bangalore – 560 047. |
| Registrars & Share Transfer Agents | : Link Intime India Private Limited Pannalal Silk Mills Compound, C-13, LBS Marg, Bandhup (West), Mumbai – 400 078. Tel : 91-22-55555454 Fax : 91-22-55555353 Email: mumbai@linkintime.co.in |
| Bankers | : Standard Chartered Bank |
| Registered Office | : A-303, “Prathamesh”, 3 rd Floor, Raghuvanshi Mills Compound, 11-12, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel : 91-22-40764444 Fax : 91-22-40764466 Email : info@deccangoldmines.com Web : www.deccangoldmines.com |
| Corporate Office | : ‘Raja Ikon Building’, # 89/1, 4 th Floor, Marathahalli Outer Ring Road, Bangalore – 560 037. Tel : 91-80-40428400 Fax : 91-80-40428401 Email : info@deccangoldmines.com |



PROFILE OF DIRECTORS

CHARLES E.E. DEVENISH

Chairman

Charles Devenish has extensive experience spanning 35 years in mining, with a large range of interests in India, Australia and Burma. He has strong involvement in mineral exploration in Australia and overseas for decades and was the founder and first chairman of two publicly listed companies in the 1980's and 1990's that pioneered diamond exploration in Australia. For 38 years, he was the Principal of Charles Edward Jewellers, one of Australia's leading specialist retail and wholesale outlets with international links in Europe, Middle East and USA. He also acted as an advisor to the Government of Vietnam on the development of that country's gemstone mining and cutting industry. Charles moved to India in August, 2002 and has been actively liaising with various Government Departments and providing support and guidance to progress the development of gold exploration and mining industry in India. His active role in exploration and mining projects, his profound knowledge of the mining industry, his extensive corporate background and his concerns for Indian rural development based on mining will provide significant and valued inputs to the Company.

SANDEEP LAKHWARA

Managing Director

Sandeep Lakhwara has several years experience advising junior Australian exploration and mining companies on development strategies. Educated at Curtin University in Western Australia, and a member of the Australian Society of Certified Practising Accountants (CPAs), Sandeep has been a principal and partner of several Australian based accounting practices specializing in capital raisings for the mineral industry, financial planning and corporate regulatory requirements for publicly listed companies. He has lived in Australia for over 2 decades, headed various organizations in the past, at times taking small start-ups to fully developed successful businesses, and moved to Bangalore, India during 2002 to oversee the development of the mineral exploration projects in India. He is primarily responsible for the acquisition and growth of Deccan Gold Mines Limited and is the Managing Director of the Company. Sandeep has made various presentations on factors influencing gold pricing, the operation and business model of international mineral exploration companies, and is regularly called upon to contribute articles on the gold mining industry to various newspapers and magazines.

V. SIVAKUMAR

Director

Mr. V. Sivakumar spent several years in equity and credit research in public markets with Crosby Securities, Peregrine Capital and CRISIL where his roles ranged from Analyst to Head of Research and functions included stock analysis, asset allocation and investment strategy and building and managing research teams and products. He also has six years industrial experience with ICI India where he worked in several commercial functions. Mr. Sivakumar holds engineering and management degrees from the Indian Institute of Technology and Indian Institute of Management, Ahmedabad respectively

PROF. V. K. GAUR

Director

Professor V.K. Gaur is an eminent geoscientist of this country. He is a former Director of the National Geophysical Research Institute. He is a Distinguished Scientist of the Council of Scientific and Industrial Research and Distinguished Professor at the Indian Institute of Astrophysics.



DR. M. RAMAKRISHNAN

Director

Dr. Ramakrishnan is a well known Precambrian Geologist. He was earlier Senior Deputy Director General of the Geological Survey of India. He is a Fellow of the Indian Academy of Sciences and Vice President of the Geological Society of India.

K.R. KRISHNAMURTHY

Director

K.R. Krishnamurthy is a well known Mining Engineer. He was General Manager of Chitradurga Copper Company and Manager at Ashanti Gold Fields, Ghana for 10 years. He was also Mining Consultant to Bharat Gold Mines Limited and many mineral based industries in India and abroad.



KEY PERSONNEL

CHIEF CONSULTING GEOLOGIST

DR. V. N. VASUDEV

Dr. V.N. Vasudev is Chief Consulting Geologist. An INSA Young Scientist Awardee with several years of experience in mineral exploration, Dr. Vasudev has published several papers on the geology structure, gold and sulphide mineralization in Archean greenstone belts of Dharwar Craton. He has also undertaken overseas research in Southeast Greenland and was associated with Russian geologists in a research project on Kolar Gold Fields, India. He was with Government of Karnataka, Department of Mines and Geology as a Senior Geologist and Mining Geologist of Chitradurga Copper Company Limited. He has carried out extensive literature research and field reconnaissance throughout India for the Company.

GEOLOGICAL CONSULTANT

S.C.R. PESHA, M.Sc., FGS

Mr. Peshwa has nearly 25 years of experience as a mining and exploration geologist and specializes in gold exploration and resource modeling studies. He worked as a Mining & Exploration Geologist for 13 years with Bharat Gold Mines Limited. He has the distinction of working in the world famous Champion Reef Mine and carried out detailed exploration of Champion lode system both in deep and shallow levels. This has resulted in delineating new parallel lodes of the Champion Lode system. From 1996 to 2002 he worked as a Project Manager with ACC Limited and was involved in exploration of gold and other minerals. Mr. Peshwa is an RQP holder from the Indian Bureau of Mines. He successfully carried out gold prospecting to Red Sea hills region of Sudan. Mr. Peshwa is responsible for all the Company's projects in the Hutti region.

GEOLOGICAL CONSULTANT

DR. M.K. DEVARAJAN

Dr. Devarajan guides the exploration activities in respect of some gold exploration projects of the company. He was with the Geological Survey of India for 17 years and while in GSI, had carried out geological mapping and exploration for copper in the extension areas of the world class Malanjkhand of Central India. He had also carried out exploration for manganese in the Sausar belt and for gold in the Mahakoshal belt. He also led the investigations for the site selection studies of a Nuclear Power Plant in the Ratnagiri district of Maharashtra.

GEOLOGICAL CONSULTANT

DR. M. HANUMA PRASAD

Dr. Hanuma Prasad has 8 years of experience as Geologist in Geological Survey of India and has carried out geological mapping and mineral resources assessment particularly gold, copper and nickel in the supra crustal belts in parts of Mahakoshal belt, Betul and Sakoli belt in Central India. He has several important publications to his credit.

GEOLOGICAL CONSULTANT

DR. SALEEM AHMED KHAN

Dr. Saleem Khan has over 26 years of experience as a Geologist in the Geological Survey of India. Dr. Saleem is highly experienced in geological mapping of all types of terrains and in exploration of gold, basemetals and PGE. He holds the distinction of discovering the gold deposits of G.R. Halli, Kotemardi and C.K. Halli in Chitradurga schist belt and Lakkikoppa in Shimoga-Dharwar schist belt. He also carried out detailed exploration, including drilling for epithermal gold & silver mineralization in Republic of Djibouti (North East Africa). Dr. Saleem is presently involved in evaluating the gold resources in PL blocks of Mahakoshal belt in Madhya Pradesh, India. Dr. Saleem is an IBM recognized RQP for preparation of Mining Reports.

HEAD-LEGAL & COMPANY SECRETARY

S. SUBRAMANIAM

Mr. Subramaniam is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate. He has 13 years of experience in the field of Company Law and other corporate laws. During his career, he has handled mergers, amalgamations, joint ventures, foreign collaborations etc., He is in charge of the legal and company secretarial matters and also functions as the Compliance Officer of the Company.