



# DECCAN GOLD MINES LIMITED

**ANNUAL REPORT 2021**

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## CORPORATE INFORMATION

Chairman	Mr Kailasam Sundaram
Managing Director	Dr Hanuma Prasad Modali (w.e.f. October 1, 2021) Mr Sandeep Lakhwara (till September 30, 2021)
Board of Directors	Mr Subramaniam Sundaram Executive Director (w.e.f. October 1, 2021) Head-Legal & Company Secretary  Mr Govind Subhash Samant  Mr Natesan Chinnapan  Mrs Revathi Thiruvendagam  Mr Binay Prakash Pandey (w.e.f. September 24, 2021)
Exploration Director of subsidiary company	Mr Saradchandra Rao Peshwa
Chief Financial Officer	Mr Krishnamurthy Karunakaran
Corporate Identification No	L51900MH1984PLC034662
Registered Office	Parinee Crescenzo, 803, 8th Floor, Opp. MCA Ground, C38-39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra Tel : 91-22-61554797 Fax : 91-22-67084655 Email : <a href="mailto:info@deccangoldmines.com">info@deccangoldmines.com</a> Web : <a href="http://www.deccangoldmines.com">www.deccangoldmines.com</a>
Corporate Office	No. 1285, 5th Main, 7th Sector, HSR Layout, Bengaluru – 560 102, Karnataka Tel : 91-80-45384000 Fax : 91-80-45384001
Statutory Auditors	P R Agarwal & Awasthi Chartered Accountants, Mumbai (Firm Registration No 117940W)
Registrars & Share Transfer Agents	Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel : 91-22-49186000 Fax : 91-22-49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
Bankers	Kotak Mahindra Bank

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## **PROFILE OF BOARD OF DIRECTORS**

**Mr KAILASAM SUNDARAM**

Chairman, Independent and Non-Executive Director

Kailasam has over 28 years of corporate experience in the field of corporate law, FEMA, finance & taxation, audit (internal & external), legal and HR matters. Areas of expertise include fund raising for short-term and long-term requirements, listing of securities and handling of direct and indirect tax matters, risk assessment, evaluation of internal controls, understanding and evaluation of systems and processes.

Since July, 2015 he is acting as an Independent Advisor to various corporates providing specialised services on capital structuring (within and outside India), FEMA and other corporate law matters. He is a regular speaker and presents papers on corporate law matters at events conducted by professional bodies.

Kailasam is a Fellow Member of the Institute of Company Secretaries of India and an Associate Member of the Institute of Cost & Management Accountants of India.

**Dr. HANUMA PRASAD MODALI, M.Sc., Ph.D., MAusIMM**

Managing Director

M. Hanuma Prasad has extensive experience in Exploration and Mining industry in India and overseas. In his long career, spanning over 27 years, Hanuma has worked in various capacities in Exploration and Corporate Management. As an Exploration Manager, he has led several greenfield and brown field exploration projects for gold, base metals, nickel-PGE, mineral sands and iron ore. He has held key management positions, including Chief Executive Officer, in which he is involved in fundraising and corporate management.

Hanuma started his career with Geological Survey of India in 1994 where he carried out geological mapping and exploration for gold. His work in Central India has helped in bringing out new regional geological concepts. Hanuma joined Australian Indian Resources Group (AIR) in the year 2001 and continued to work with the Group for the last 20 years. As an Exploration Manager, he has explored Archaean and Proterozoic terrains of central India for gold, base metals, Ni-Cu-PGE and made significant discoveries. He was actively involved in the exploration research on generating new gold and Ni-PGE targets in India. During this period he has also built exploration teams and explored various parts of Africa for other mineral resource companies which have consultancy arrangements with AIR Group.

Since 2008 Hanuma was closely associated with the Business Development team of the AIR Group, during which he carried out due diligence of several precious commodity projects in India, Africa and South America. He has been associated with fund raising into AIR and Geomysore Services (India) Pvt Ltd (GMSI). Hanuma has co-managed NI 43-101 compliant feasibility study on Jonnagiri Gold Project along with a team of international and Indian experts. He is currently part of the senior management of GMSI playing a key role in the development of Jonnagiri gold mining project.

Hanuma has worked widely in Africa, SE Asia, South America and CIS countries as a part of due diligence team to advice various business houses in acquiring mineral projects in these countries. He has been instrumental in setting up gold and other mineral exploration and mining companies in Sudan, Ivory Coast, Togo, Zambia, Malawi and Kyrgyzstan.

He is on the board of many mineral resource companies, including AIM – listed LionsGold Limited which has got interests in mineral prospects in India. He is a member of Australian Institute of Mining and Metallurgy (AusImm). Hanuma has Doctorate in Geology and published number of papers in peer reviewed journals. He is a prolific speaker in national and International conferences.

**Mr SUBRAMANIAM SUNDARAM**

Executive Director

Subramaniam is an Associate Member of the Institute of Company Secretaries of India (ICSI) and Associate Member of the Chartered Institute of Management Accountants, United Kingdom (CIMA).

He also holds a Law Degree (LLB) from Bangalore University.

## DECCAN GOLD MINES LIMITED

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He has 24 years of experience in the field of Company Law and other corporate laws. Has handled corporate restructuring exercises including mergers / demergers, amalgamations, joint ventures, foreign collaborations, fund raisings & listing of securities on domestic and foreign stock exchanges. He is in charge of the corporate legal and company secretarial matters and also functions as the Compliance Officer of the Company since October, 2006.

### **Mr NATESAN CHINNAPAN**

Independent Non-Executive Director

A Post Graduate in Geology, Natesan has 41 years of experience in all facets of exploration and exploitation activities related to minerals like bauxite, limestone, magnesite and graphite. He has proved 10 bauxite deposits in Chhattisgarh and Tamil Nadu. Natesan served as Head of Mines in Bharat Aluminium Co Limited and Madras Aluminium Co Limited (Vedanta Resources) till 2010. During this period, he was instrumental in obtaining forest and environmental clearances in Kolli Hills bauxite deposits in Tamil Nadu; Mainpat and Kawardha bauxite deposits in Chhattisgarh.

### **Mr GOVIND SUBHASH SAMANT**

Non Executive & Non Independent Director

Govind is an entrepreneur based out of Thailand and is a long-term shareholder of the Company holding a significant stake as on date. Govind has a keen understanding and appreciation of the business model of exploration and mining companies.

### **Mr. BINAY PRAKASH PANDEY**

Non Executive & Non Independent Director

Binay Prakash Pandey holds Bachelor of Technology in Mining and Mineral Engineering, NIT Karnataka Post Graduate Diploma in Marketing Management Diploma in Management. He Enrolled as a Research Scholar under PhD program of the Indian Institute of Technology (Indian School of Mines). Starting his career in Asia's then largest mining complex – Kudremukh Iron Ore Company Limited, Binay moved on to working for one of the largest steel plants in India – JSW Steel Limited, culminating into a total of 28 years of work experience in both public and private sector enterprises. Binay's comprehensive understanding of the Mineral Evidence and Content Rules and Mineral Auction Rules under the new auction regime resulted in JSW successfully bidding on 9 iron ore blocks out of which 4 have begun operations.

Binay is an Member (expert in the field of major minerals) in the Karnataka Mineral Policy Committee.

Since September 2020, Binay is the CEO of Ecomen Laboratories Private Limited (Environment Consultants) and is also the Founder Director of E2E Mining Solutions Private Limited (providing engineering and management consulting services to the mining industry)

### **Mrs REVATHI THIRUVENGADAM**

Independent Non-Executive Director

Presently based in Bangalore, Mrs Revathi is a Senior Partner of Thiru & Thiru, a LEGAL 500 recommended law firm. Mrs. Revathi holds a Bachelor's Degrees in Arts and Education from Sathya Sai University and Law Degree from the University of Bangalore. Upon being called to the Bar in 1992, she joined Thiru & Thiru and played a pivotal role in the development and expansion of the firm. She is a Registered Indian Patent Agent and a Trade Mark attorney and heads the Intellectual Property practice. She also specialises in Real Estate, Debt Recovery and Banking Law. In addition to this she is an accredited trained mediator.

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## **KEY PERSONNEL**

**SARADCHANDRA RAO PESHWA**, FGS (London), MGS (SA)

Director (Exploration), Deccan Exploration Services Private Limited (wholly owned subsidiary of Deccan Gold Mines Limited) & Director, Deccan Gold Tanzania Private Limited

Peshwa has nearly 32 years of experience as a mining and exploration geologist and specializes in gold exploration and resource modeling. 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. He successfully carried out gold prospecting in the Red Sea hills region of Sudan. Peshwa is responsible for the development of DGML's Gold Projects and has implemented different exploration methods as per international standards including QA/QC programmes. He has international exposure for different styles for gold mineralization. Being a Fellow of Geological Society of London and Member of Geological Society of South Africa qualifies him as a competent person as defined by the JORC Code. Peshwa is also an RQP (Recognition as Qualified Person) awarded by Indian Bureau of Mines.

**KARUNAKARAN KRISHNAMURTHY**

Chief Finance Officer & Director, Deccan Exploration Services Private Limited

Karunakaran is a Certified Management Accountant from CMA (Australia) and also holds a Diploma in Management Accounting from CIMA, UK. He has a Masters Degree in Commerce. He possesses nearly three decades of experience in the field of Finance, Accounts and Audit and has worked in organisations in India and abroad. He has got wide experience in matters relating to Indian corporate laws, Banking matters and taxation. Apart from working in reputed corporate in India, Karun worked for 5 years in one of the leading multi divisional company in Sultanate of Oman – Muscat, in the internal audit department and advised management on methodologies to strengthen their internal control systems.

### **Geological Team**

**Mr. RAJEEV P. HANAMASAGAR** (M.Sc IT)

GIS-IT Manager

Rajeev has 16 years of experience in working on Mining & GIS softwares like DataMine, Surpac, Datamine Discover 3D, Auto-Cad and Mapinfo. With his expertise in Database Management of Mining & Exploration data, he is involved in generation of seamless geological and structural maps for exploration & mining projects using GIS platform matching international standards. In the past, he has assisted in preparing necessary geological maps and drill holes sections forming part of Mining Plan of 2 Gold Projects including the Ganajur Gold Project.

Also handles the implementation and maintenance of the Company's technology infrastructure and central information processing system to support efficient data management and communications. Rajeev is also responsible for the secure and effective operation of all computer systems, related applications, hardware and software in the Company.

## DECCAN GOLD MINES LIMITED

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### UPDATE ON TANZANIAN PROJECTS

Deccan Gold Mines Limited through its subsidiary Deccan Exploration Services Private Limited (DESPL), carried out exploration in India during the last 18 years and was successful in locating several gold prospects in the state of Karnataka particularly in Dharwar-Shimoga and Hutti Maski Greenstone Belts. Significant discoveries were made as a result of exploration that included Ganajur Gold Deposit and its satellite prospects, Mangalagatti and Bhavihal, Hirenagnur, Hutti North etc in the State of Karnataka.

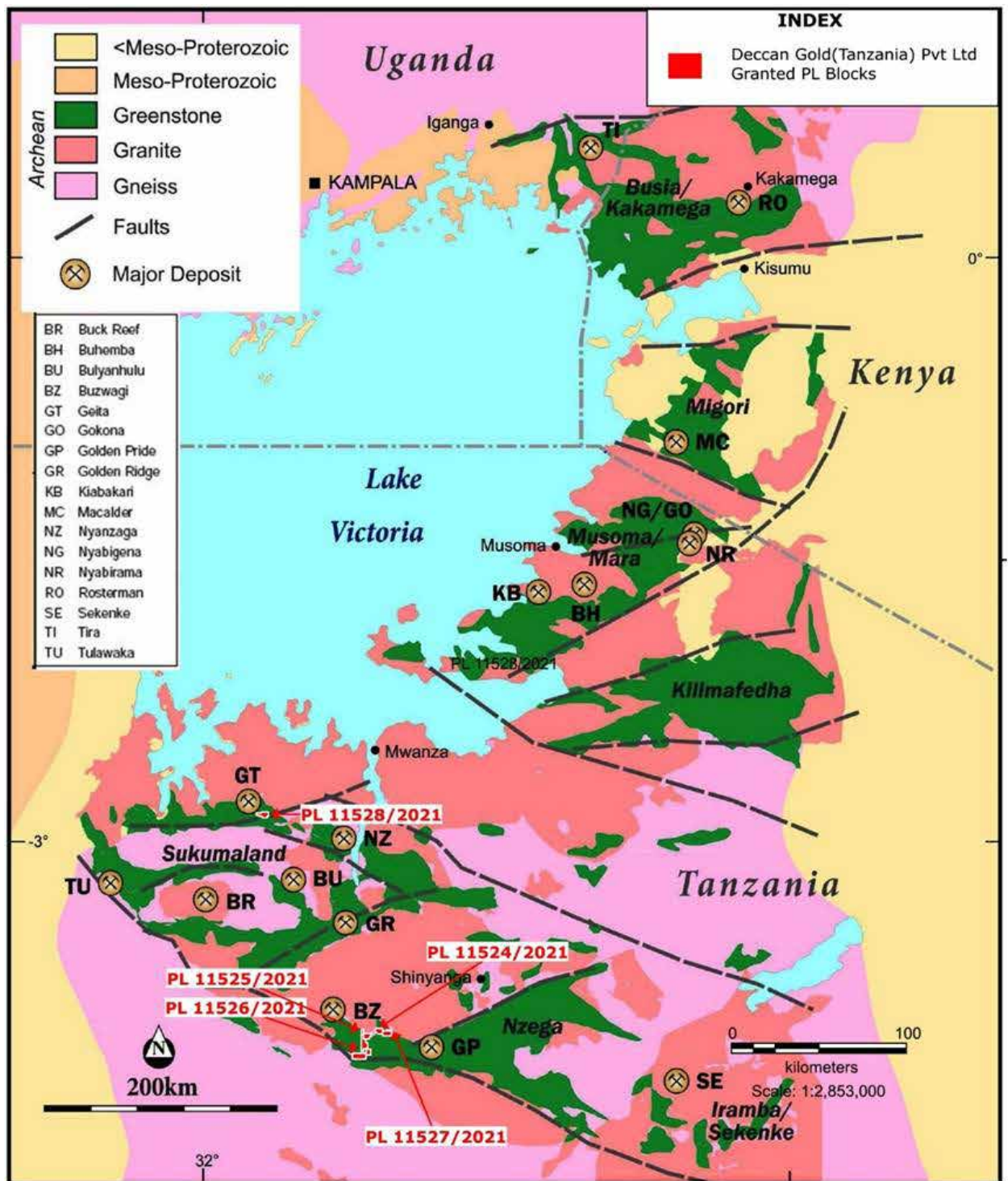
Despite getting approval from the Ministry of Mines, Government of India (MoM), the Ganajur Mining Lease (ML) was not granted under one pretext or the other by the Government of Karnataka / MoM. As shareholders are aware, we have filed a Writ Petition in the High Court of Karnataka for restoring our rights with regard to Ganajur ML and seeking a direction from the Hon'ble High Court to the Central and State Governments for execution of the ML.

On account of the uncertain regulatory regime in India and with a view to de-risk its portfolio, DGML had been looking for acquisition of off-shore gold assets which will add value to the Company and its shareholders in the short to medium-term. After evaluating assets in Cambodia, Madagascar, Zambia and Ghana, DGML ultimately ventured in Tanzania, a mineral rich country with several world class gold mines in operation and reasonable political stability.

#### Key Milestones:

- DGML incorporated a subsidiary company under the name of "Deccan Gold (Tanzania) Private Limited" (DGTPL).
- Based on preliminary evaluation of information and desktop studies, DGTPL identified 5 Blocks for acquisition and made application to the mining authorities in Tanzania as per Section 123 of the Mining Act 2010 on October 9, 2020. This is a major milestone in the DGML's venture into acquiring overseas projects.
- All the five PL applications covering an area of 113.44 sq kms were granted and executed in February 2021 after we complied with the conditions of the Mining Commission. The details of the PLs are given below:

SL.NO	NEW PL NO	EXTENT (sq.kms)	DISTRICT	Date pf Grant of PLs
1	PL/11528/2021	15.81	GEITA	5-2-2021
2	PL/11527/2021	13.99	NZEGA	5-2-2021
3	PL/ 11526/2021	56.88	NZEGA	5-2-2021
4	PL/11525/2021	15	NZEGA	5-2-2021
5.	PL/11524/2021	11.76	NZEGA	5-2-2021
		113.44		



**Geological Map of Lake Victoria, Tanzania Showing Deccan Gold (Tanzania) Pvt Ltd Granted PL Blocks**



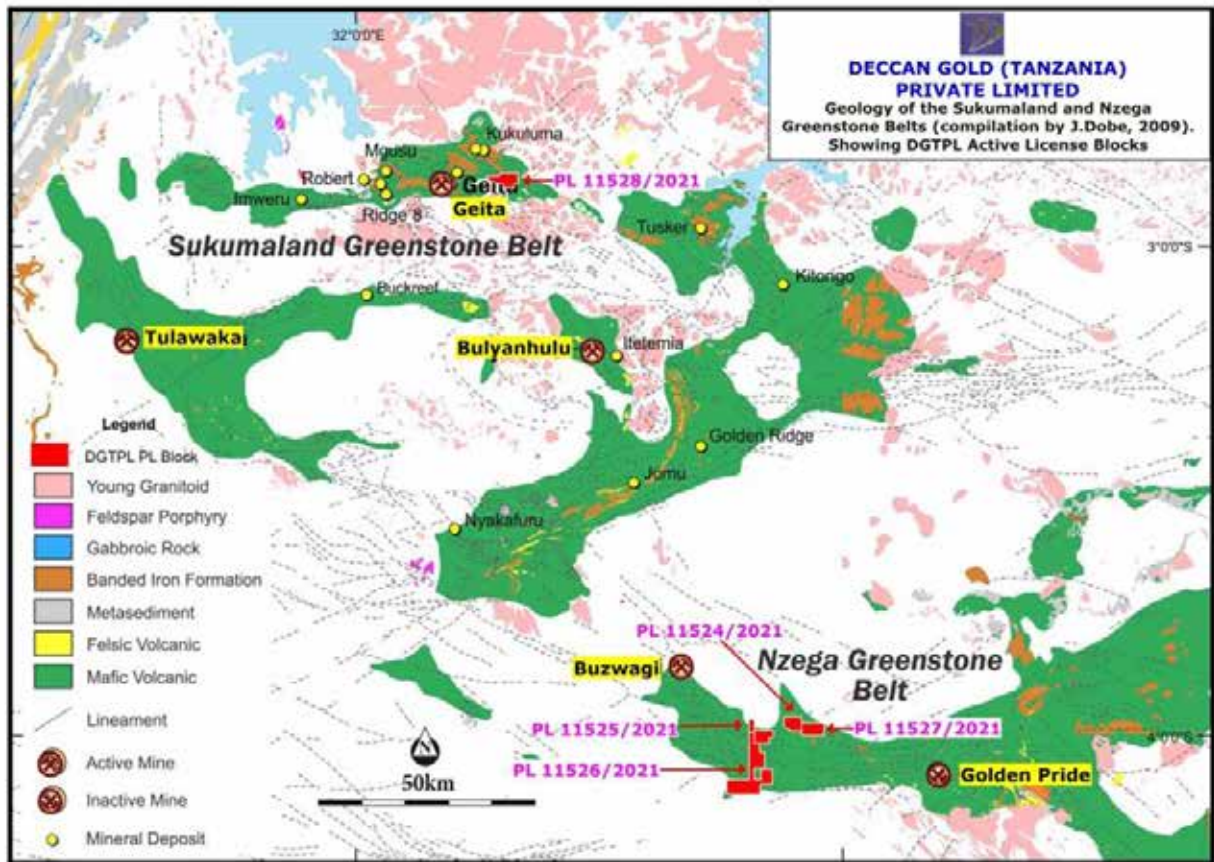


Fig-2: Geological map of Lake Victoria region (part map) showing location of the 5 PL blocks.

## Geological Potential of the PL Blocks

All the above 5 PL Blocks are located within the world class Neo Archean Lake Victoria Gold Fields and associated Greenstone belts which are known historically for gold mining activities. Situated within Nzega Greenstone and Sukumaland Greenstone belts which form the southern extension of the Lake Victoria Goldfields (LVG), this area represents a comparatively underexplored area endowed with several world-class gold deposits. The accessibility to the PL blocks is good with camping facilities in the nearby towns of Geita, Nzega and Kahama.

## Nzega-Tabora PLs:

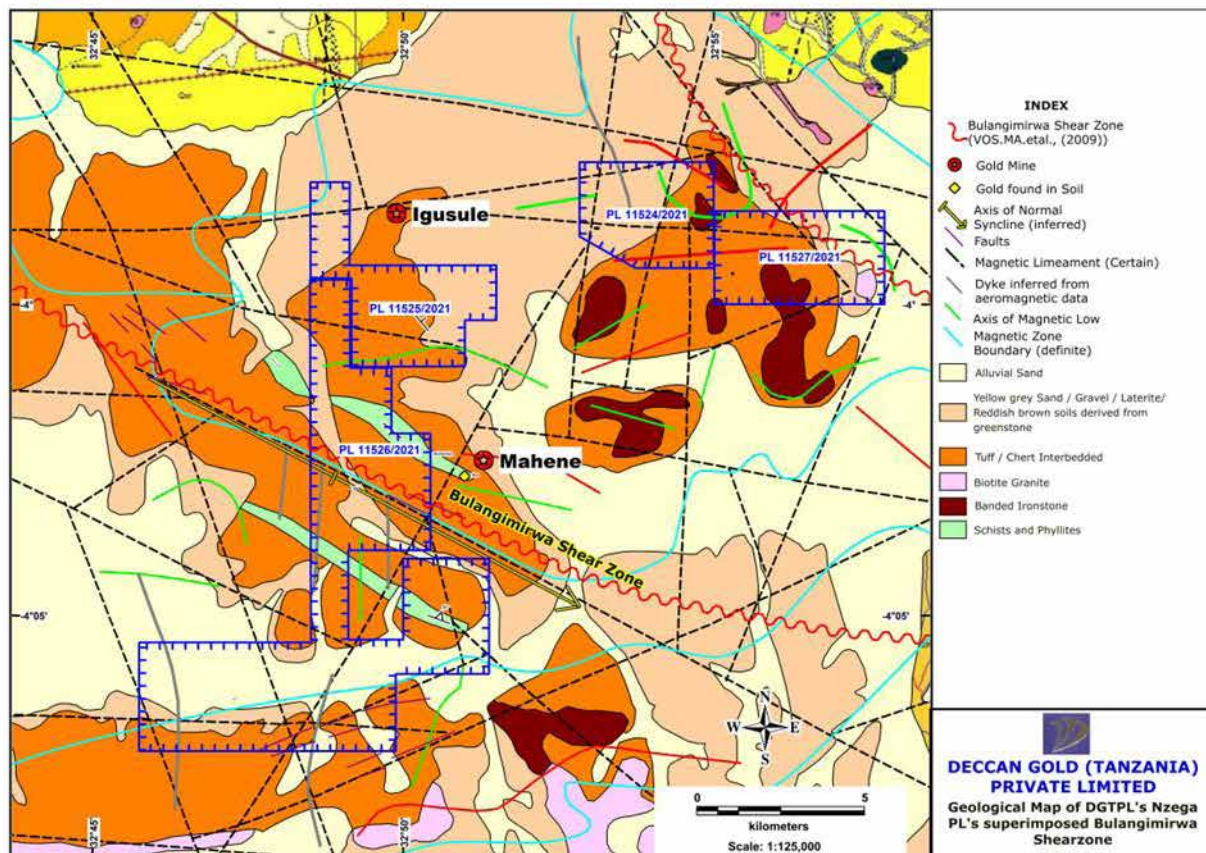
All the 4 PL Blocks are located within the world class Nzega-Tabora Greenstone belt of Lake Victoria Gold Fields with several gold occurrences. The Belt also hosts the Buzwagi Gold Mines (3.5 Mil Ozs) and Golden Pride Gold Mines (2.6 Mil ozs). The Buzwagi Gold mine held by Barrick Gold is a single open pit mining operation and is located 20 Kms North West of DGTPL's Licences. The Golden Pride Gold Mine is an open pit gold mine located 25 kms east of the Nzega PL cluster.

The outcomes of our recent studies are presented below:

1. Study of Airborne Magnetic maps reveal presence of favourable Magnetic anomalies transecting the 4 PL blocks. Some of these Magnetic anomalies could be due to the presence of BIF rocks which are known to carry gold mineralization in the adjoining areas.
2. Apart from the above, several favourable structures such as lineaments and shear zones are noticed and

one of them is Bulangimirwa Shear Zone that is considered to host Golden Pride gold deposit. All these are important exploration targets.

3. Small scale mining operations such as Mahene Gold Mine is 1.3 kilometers east of our 11526 PL block. The structure and rocks carrying gold mineralization in Mahene Gold Mine are extending into DGTPL's licence area. The Igusule artisanal gold mines is located 1.4 km north of our 11525 PL block.



**Fig-3: Part Geological Map of Nzega Greenstone belt with DGTPL's PLs.**

4. Rock chip samples collected showed presence of sulphide minerals and other positive indications. All samples were analysed for gold and 32 other elements. The soil samples assayed upto 61ppb while some of the rock chip samples indicated presence of anomalous gold including 0.7 and 1.1 g/t Au and path finder elements.

Field observations and study of maps indicate that the Nzega PLs have a number of favourable geological structures, shear zones, quartz veins and Banded Iron Formations (BIF).

**Geita PL:** The fifth PL No 11528, covering an area of 15.81 sq.kms is in Sukumaland-Geita greenstone belt and located 40 kms North of Bulyanhulu mine and 8 kms east of Geita Gold Mines. Bulyanhulu is a world class gold deposit with a resource of > 5.0 Million ozs which is owned by Barrick Gold. Geita Mines (> 6 million ounces), owned by Anglo Gold Ashanti is a multiple open pit operation viz, Nyakanga, Lone Cone, Geita Hill all of which belong to Geita Trend and Matandani, Kukuluma and Area 3 of Kukuluma Trend. Kukuluma Mines is the nearest to our PL area located 5 kms towards North West. The gold mineralization in Kukuluma is found within sulphidic iron formation which show a trend towards our PL block.