May 29, 2020

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

(Scrip Code: 512068)

Dear Sirs,

| Sub: | Update on Company’s operations |

We write to present the following Update on the Company’s operations.

(1) **Processing of Ganajur Mining Lease (ML) application of our subsidiary, Deccan Exploration Services Private Limited (DESPL) at Government of Karnataka:**

As a result of partial relaxation in the Covid-19 lockdown guidelines, we have been able to meet the Secretary, Commerce & Industries Department, Government of Karnataka (C&I) recently and request for early furnishing of the C & I’s responses to the Ministry of Mines, Government of India (Central Government) letter dated July 22, 2019 on DESPL’s Ganajur ML application.

Upon being asked to do so, we clarified queries raised by the Secretary, C & I with regard to our Ganajur ML application and also reiterated that the said ML application complied with all the applicable rules and regulations and it was on this basis that the Government of Karnataka had recommended the proposal in the first place and after receiving multiple information / confirmations, the Ministry of Mines, Government of India (MoM) had accorded its prior approval in 2015 and 2017.

The Secretary, C & I gave us a patient hearing and assured us that he would look into the matter and forward C & I’s responses to MoM’s letter dated July 22, 2019 on Ganajur ML application at the earliest.

In this regard, it may also be noted that in the light of the Judgment dated February 14, 2020 delivered by the Hon’ble Karnataka High Court in M/s. Kumar Enterprises (facts of which are similar to that of our Ganajur ML application), and in keeping with our philosophy to simultaneously seek justice with regard to our ML application, we will parallely lodge a Writ Petition before the Hon’ble High Court of Karnataka once the Court resumes its operations during the first week of June, 2020 (we were unable to do so earlier due to the Covid-19 lockdown) seeking directions to:

(a) MoM to lift the abeyance on its prior approval for the Ganajur ML; and

(b) Government of Karnataka to issue the Grant Notification Letter for Ganajur Mining Lease followed by execution of the Mining Lease Deed in accordance with the prior approvals by the MoM in 2015 and 2017, details of which have been provided in our earlier updates.

We have engaged the Senior Legal Counsel who represented M/s. Kumar Enterprises for lodging the aforesaid Writ Petition and arguing the case on our behalf.
(2) **Meeting with Director, Department of Mines & Geology, Government of Karnataka (DMG) regarding our pending Prospecting Licence (PL) applications:**

We also met the Director, DMG and requested him to fast-track the processing of our PL applications (including the Hutti Block PL applications being processed as per the directions of the Supreme Court Judgment in our favour). It may be noted that all these PL applications are presently being processed under the checklist / SoP of the Government of Karnataka.

Further, we requested for execution of PL in respect of our Mangalagatti Project for which Grant Notification had already been issued by the Government of Karnataka.

The Director, DMG took note of our submissions and assured us that he would do the needful in this matter.

(3) **Acquiring of stake in Geomysore Services (India) Private Limited (GMSI) and evaluation off-shore gold assets acquisition opportunities:**

The Board of Directors of the Company have:

- constituted a Committee of Directors with Mr Govind Subhash Samant, Mr Natesan C and Mr Kailasam S (all non-Executive Directors with Mr Natesan and Mr Kailasam being Independent Directors) as Members with mandate to:

  (i) coordinate and conclude the transaction with regard to the Company progressively acquiring equity stake in GMSI (through a share swap arrangement with GMSI Shareholders);

  *As regards the share swap arrangement with GMSI Shareholders, the Committee will come up with a firm proposal (including coordination for arriving at the fair valuation and share swap ratio for the transaction) for consideration of our Board. Further, this transaction will be subject to applicable statutory / regulatory approvals and the approval of our shareholders, wherever required as per applicable laws. Our Company will provide a detailed information memorandum once the firm proposal is approved by our Board.*

  (ii) evaluate and recommend acquisition of promising and high potential off-shore gold assets

  *The Company has received preliminary information about a few gold assets in Tanzania, Africa which are available for acquisition / development.*

- appointed Sundae Capital Advisors Private Limited, New Delhi (SEBI Registered Category 1 Merchant Banker) as Merchant Banker in connection with the aforesaid acquisition of stake in GMSI through a share swap and furnishing the necessary professional advise / certifications in this regard.
Background Information:

It may be noted that GMSI is a leading multi-metal explorer with a number of gold and non-gold projects in its portfolio in India. The key projects of GMSI which are targeted for development in next 2 to 5 years are as under:

(a) Jonnagiri Gold Project, Andhra Pradesh

The Jonnagiri Gold Project is GMSI's first granted ML and is located in the Kurnool District of Andhra Pradesh. GMSI has obtained all statutory permits and licenses including the approved Mine Plan, Ministry of Environment and Forest Clearance, Consent for Establishment and Consent to Operate.

Jonnagiri Mining Lease (ML) area covers 1500 acres and consists of 4 potential gold blocks, eg., Dona East, West, North and South Blocks. GMSI carried out intensive exploration including 29,500m of DC & RC drilling, targeting the East and West Blocks. Based on the drill data, Golders Australia (a JORC accredited mining consultant) have issued a Resource Statement of 409,000 Oz of JORC (Indicated - 250,000 oz + Inferred - 159000 oz ) resource within these two blocks and an additional 45,000 Oz of unclassified resource.

(b) Mallappakonda-Chigarigunta Gold Project, Andhra Pradesh

Mallappakonda-Chigarigunta project is located to the south of Kolar Gold Fields (KGF). GMSI’s ML application is under consideration with the Government of Andhra Pradesh. Resource drilling and Preliminary Economic Assessment (PEA) studies on Mallappakonda-Chigarigunta project shows that the project area contains about 196,000 Oz (JORC) resource and additional 74,000 Oz of Non-JORC resource which can be operated through a combination of open pit and underground operation.

(c) Dhani-Basri Copper-Gold Project, Rajasthan

Dhani-Basri project contains a drill proven resource of 64,702 t copper and 205,750 Oz of gold.

We shall update our shareholders of further developments in this regard.

Yours truly

Subramaniam S
Company Secretary
ACS No 12110