



**DECCAN GOLD  
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March 20, 2023

Corporate Relationship Department  
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**(BSE Scrip Code : 512068)**

Dear Sirs,

**Sub: Transcript of Investor Relations (IR) Call**

Pursuant to Regulations 30 and 46(2) (oa) (ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we attach the transcript of the Company's Investor Relation (IR) Call held on March 18, 2023 at 11.00 a.m. (IST).

The audio recording of the IR Call has been uploaded on the Company's website and the link for the same is as under:

<https://deccangoldmines.com/wp-content/uploads/2023/03/DGM0220230318146142.mp3>

We request you to take the above on record and oblige.

Yours truly

**SUNDARAM  
SUBRAMANIAM**

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# “Deccan Gold Mines Limited Investor Conference Call”

**March 18, 2023**



**MANAGEMENT: DR. HANUMA PRASAD – MANAGING DIRECTOR,  
DECCAN GOLDEN MINES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Deccan Gold Mines Investor Conference Call. At this moment, all the participants are in the listen-only mode. Later, we will conduct a question & answer session. At that time, you may click on the QA tab on the left-hand side of your panel to ask a live question. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hanuma Prasad. Thank you and over to you, sir.

**Hanuma Prasad:** Good morning and thanks to all of the shareholders who are attending this conference call. Particularly, I am very thankful to you because it's a weekend and you have taken time off to attend this conference call. I think that shows clearly the interest that you have. Many thanks for that.

I am very proud of being associated with this company and the kind of shareholders that we have – the minor shareholders or majority shareholders – they are very passionate about the company and believe me that many of them talk to us, send messages, they give their inputs. So, the involvement of these shareholders, the current investors that we have is quite significant. I am really proud to be associated with that group of investors who are passionate about the company and its growth. A big thanks for that. Also, I take this opportunity to say my sincere apologies for the delay in arranging this particular call. I took over as Managing Director in 2021. Of course, there are some people who asked me to conduct this particular IR call, but because I wanted to also arrange this call once we have something to talk about, something on the table which we can discuss so that I can present it to you and also take your inputs. That is one of the reasons why I delayed it and there is no other reason for that really. But having said that, I have always been updating through BSE releases and through my Twitter account, etc., and sometimes I am talking to the shareholders as well. I think fairly we are in touch with the shareholders. But there is a delay. I do accept for the delay. Henceforth, once we are into the action, these IR calls become more regular. That's what I believe. And I also believe that now we are getting into a new phase of the company, so now it is more important for us to have a continuous dialogue as well.

If I just go back into the history of this company, you are all associated with this company more than 10 years; so, I don't have to say much about it, but since 2007, we were really on the high and there were licenses – I mean expecting the licenses to come at least, but since 2007....

**Moderator:** Sorry to interrupt. We are no longer able to see the presentation. If Rajeev can share the presentation once again?

**Hanuma Prasad:** But you can listen, right?

**Moderator:** Yes, sir. We can hear you loud and clear.

**Hanuma Prasad:**

Since 2017, we got into a bit of stagnation which is very agonizing and which is very painful because the license which we were hoping to get, that got stuck in the legal issues and there were series of changes in the Mining Act which did not go very well for us. So, from 2017 up to 2021, yes there is the period which is very very tough and we are trying to come out of it. But then in 2021 when I took over the company when I became Managing Director, we regrouped our team again. Our thought process is like, look we cannot restrict to one project and a company cannot have just one project and one jurisdiction which can put us in a serious risk. So, we tried to look at various other opportunities, be it in India or overseas, basically strengthening the fundamentals of the company. That's what we were trying to do. And I am very happy to say that we have reached to a point at this stage which I am going to anyway give some more details of it. That is one thing. And we also have to build the team that we are currently doing it.

In my view, if a company has a number of assets and a good team, that is a sure signal for the company to grow, albeit it may be slow but that is the sure shot. You have a strong fundamental and you can build the company on the top of it; that is the view we have taken and that is how we are running this company. And I am sure in a year or two, you will see very good results out of the efforts that we have been putting in. Also, I would like to say that we are a very small team which are working here. So, everyone is doing multitasking. Sometimes, the responses talking to you could be delayed. I know it is delayed, but please be assured that we are doing what best that can be done for this company.

I made a presentation for this, but I thought I better circulate it to the shareholders. That's why, about a week in advance to this call, I put the presentation on our website and we informed the shareholders through the BSE release. I am sure most of you must have seen this presentation as well so that I don't have to continuously talk about the presentation, give details of each and every project. Some projects obviously I am going to give but I don't have to do that for everything. And I would like this to be more of a question & answer session so that you have seen the presentation and you may have some issues to discuss and I am very happy to answer those queries. It is more like rather than me talking, I would like to take your inputs on the work that we have been doing so far and those inputs, I personally feel, are very very important for the company so that we can move forward and grow in a more positive way.

For the sake of running the presentation, I will go through it. This is the way I have arranged the presentation. I am sure most of you have already seen it. Basically, what I am going to present here is in the next years up to 2030, how the company is going to grow, what are the kind of projects that we are going to have or at least we are targeting to have. Some are already in our kitty and some are going to come to us and how we are going to acquire those projects and what is the kind of gold production and potential from each project and estimated gold production, revenues, EBITDA. These are some of them could look like very future growth and those kind of statements, but I believe with sustained efforts, we can definitely reach to the point where we wanted to reach. In that way, it's a vision for the next 7 years. That's what we

are presenting. And the status of each project and the key takeaways and there is some technical detail of those projects that we are going to work in future. Some of the background and all, you know pretty well because most of you are here since 2003 and you know about the Ganajur project and its license. So, I don't have to really dwell into those kind of things.

But if I summarize what we are going to do, we have entered into arrangements to take stake in Advance stage gold projects with the production starting within next 12 to 18 months and these acquisitions would help DGML to become junior to mid-tier gold producer with at least a tonne of gold per annum by 2026. I am very confident that we would be able to achieve that. DGML will expect two of its projects to start gold production with 100% capacity somewhere in 2024. We plan to raise this money and how the funding is going to do and we are going to arrange for this funding, that I will come at the end. But I think most importantly we need to understand how the projects are going to grow, though funding and growth of the projects are interlinked; that's for sure.

Also, the other thing that we have put in, a lot of efforts to bring in consultancy projects which I am very happy to inform you that at least there are 2 consultancy projects from where continuous revenues we will be able to achieve from the 2nd quarter of this year itself. I am confident that some of those things, the small revenue that comes in would be able to sustain our operations – at least running the business without any interruptions.

This is the executive summary. The performance and all, you know it pretty well. I will just skip through those slides. Once we raise the funds, this is the kind of fund requirement. I can come back to this particular slide once I run through all the projects. But basically the Rs. 72 crores that come in, partly will go into the Geomysore where we want to increase our stake to 49%. As you know, we got as on today about 42% and we are going to invest that kind of money for which we have an option to go up to 49% and 10% stake in the Altyn Tor gold project which is an up and running gold project which is going to be expanded and that is where about Rs. 10 crores we are going to invest. The other one is acquisition of stake in Tanzania project where we have completed the due diligence. We want to take about 18% stake through cash infusion and then there is some amount of share swap that needs to be done. So, 26% is the first phase and then we hopefully go into the next phase of 51% for further funding that could be in the later part of next year. And we need money for the prospecting work in the nickel, chromium, and associated CGE minerals, the composite license which recently we have completed the bidding process and we understand that we are the preferred bidder. At this point of time, we are waiting for the government order. That is where we are going to spend and it's a very good project I must say. Similarly, in the Finland project which is not a mine as on today but it's going to be a kind of prospective area where prospecting has to be done and some working capital. This is how the fund is going to be utilized. I can come back to this slide again if it is required. This is the kind of journey next 10 years how we are going to progress. It's a forward-looking statement, there is no doubt about it, but with a lot of efforts, this vision can be achieved that I am very sure of.

Eventually, in the 2030, I see this company producing at least 5 tonnes of gold per year or equivalent of maybe other metals because we are diversifying into other metals as well. You can actually go through it. I don't have to run through all these slides.

In our mind – you can say, our dream – this is how we want to see the company to grow. It has 3 verticals; one is gold, the other one is multi-metal and battery which is in-thing and I am sure this is going to be a big thing as we go forward because India doesn't have many of the multi-metal deposits and also India doesn't have any battery mineral deposits. So, this is where we should be focusing. Why because, we have a very strong geological team, geological database, and if anyone who can successfully deliver this project, the Deccan along with Geomysore, we are the ones who are going to deliver good deposits in this country. So, I think diversifying into the multi-metal and battery metals is going to be a very good step for us I am sure. And also, we have built a 3rd vertical that is consultancy, again making use of our technical strength. So, we will have 3 different verticals, gold being dominant. And these are a number of gold projects that we want to bring in to this portfolio. One is Jonnagiri, up to 49%, and I am very happy that that particular transaction is concluded, and as on today, we own 42% of this company and we have plans to go up to 49% in this company. The other one is 51% stake in the Lake Victoria Gold. That is a Tanzanian project which again is a fairly advanced project ready to mine. Mining licenses have been granted. At least on one asset, it is granted. In another asset, they are waiting for the lease to be granted. That is something which we can take forward, and Tanzanian prospecting license which is owned by Deccan 100% by us, and Kyrgyzstan, the Altyn Tor project, from AIR and Deccan. We have been doing consultancy on this project for the last 1 to 1-1/2 years and now there is an opportunity to acquire initially 10% stake with an option to go to 26%. I think this 10% we are going to conclude very soon. We will come to the market with a proper announcement within a very short time. And Ganajur and Hutti, of course, we are going to fight it out. You know about the background of it. It is still in the court and we are hopeful at some point in time, this is going to be released in our favor.

If you look at the gold portfolio, there will be a number of assets that is producing or close to produce or very prospective. That is what any serious exploration mining company would require that it is producing; at the same time, it has a number of assets which are maturing over a period of time. That is how big companies grow and I think we should look at that growth path and the asset base that we have will definitely help us to do that one.

And in terms of multi-metal and battery metals, the one we have already got, i.e., Bhalukona-Jamnidi that is in Chhattisgarh, which I must say is a very potential ground. It is a nickel-chromium-platinum project. Though this is a small amount of mining that happens in this country, there are no mines for nickel and platinum. Again, hopefully, we will be the first one to deliver a nickel mine in this country. Also, as we are delivering the first gold mine through Jonnagiri. That's a very good project. We have already stepped into this vertical as well. The other one that's a lead-copper-silver project is in the state of Andhra Pradesh where through a

joint venture arrangement with one of the players, we are going to bid that one. The discussions are on. Probably, again, we will come back to the shareholders on this project as well very very soon.

In terms of consultancy, our team in Libya is pretty much working there and yesterday they called me that they have even acquired the land to set up the processing facility; that is being done. And in Saudi Arabia, as far as the consultancy projects are concerned, we are in the stage of agreements. Agreements are being finalized and the team from Saudi Arabia is expected by the end of this month to visit us. This is the kind of 3 verticals different portfolios would give us as a company with various assets and in various jurisdiction which is really required for us to grow and mitigate the risk. The real reason is previously we were just stuck to one jurisdiction and one project. That will not make a sustainable company and I think you would agree with me on this point.

Once we have the asset base, again, as I said, the thought process is we need to have the assets and then we need to also have a team. Towards that end, if you had seen recently, we have inked pacts with a couple of players. One is AKC. The second is a Dubai-based company. They have a large team of building processing plants and they have built a couple of plants in Mauritania where they are producing about 50 kilos of gold every month. We tied up with them. The idea with them is once we identify a project in association with Deccan, that could be either a Deccan's asset or even a project where Deccan is doing consultancy. Together, we will build the plant and though we need to discuss in detail with them, very likely, they will arrange the funding for the plant also. That would take away a lot of stress for us to invest money into these projects. Further, fundraising also would become easier. That we have tied up with them. That means we have in our portfolio now a full-fledged team which can build the processing plants. That is what is required for us. Also, we have signed an agreement with Kartikay Exploration which is one of the very well known drilling companies. Again, whether it is in our projects or outside, we are their preferred partners. They will provide the drill rigs, etc. these efforts are made to build the team. Once we have assets and you have a team, that is a sure shot for the growth of the company.

Again, this is what we envisage for the gold production from DGML projects in the next few years. Jonnagiri will be the first one and maybe if it is built, the Tanzanian one would be the next and if we can get into the Kyrgyzstan project 10% and 26%. There is already some amount of production is going on, but that project needs an expansion. There again a leaching plant has to be set up. So, I would say in 2025, we will have a full-scale production from that plant. And Finland project that may come a bit later, maybe 2027-28. That is when the project will be matured because there is a lot of drilling and feasibility to be done on that project. And if Ganajur comes, I think it's a bonus for us and it's a big bonus for us. Let us hope that will also come. These things will add significant value. I will not go into these numbers because you can read through those numbers afterwards also.

Again, this is the kind of portfolio, the kind of annual targets that we have in mind. I think I don't have to detail all these things. These are the key projects. I would rather focus on one or two key projects and how they are going to get into the production, when they are going to happen, and then I will also dwell a little bit on our court cases of Ganajur and Hutti. I think I will restrict only to these 2-3 points, and afterwards, I would rather like to hear from investors and the shareholders how they would like to see this company to grow.

Before going into these key projects, next one is Jonnagiri gold project. I will run a small video. I think many of you might have accessed this already, but have a look at it. This is where a pilot plant has been set up and gold production – gold dore bar – on a small scale is happening. This is the last week I have taken this video. This is Jonnagiri gold project and you can see this is the open pit from where the mining is happening. You can see we are already in the second bench. The first bench has already been done. This is the ore stockyard, and we are expecting about 1 to 2 grams of gold ore from here. And this is the crushing circuit. You can see the ore that is crushed. It is a two-stage crushing that we are doing. And from there, it is coming into the ball mill and through the Knelson concentrator to concentrate. This is a super concentrator table which we brought from South Africa, where we can see the amount of free gold that this particular deposit has which is segregated. All these yellow ones, that is all the gold within the ore. It's a free gold actually. That is the best part of Jonnagiri project where the recovery is going to be around 90%. And we have established a smelter on this site where we are slicing the super concentrate and from where we are producing a small amount of gold dore bars. It's really at this point of time....

In terms of land acquisition, already completed 82 acres, I think, as we speak and another 50 acres are going to be done this month, and a lot of exploration has been done in this project like lot of drilling and so on. I think that these things previously also I have shown it. These are the drill rigs that we have been using on the site, and this is the core rig. The previous one was the RC rig. This is the gold that you can see in the core sample of Jonnagiri, and this is our core cutting machine. I am showing all these facilities out on the site. These are the core boxes where almost 32,000 meters of drilled samples have been kept.

A lot of CSR activities, about I think Rs. 3.5 crores were spent on this project as on today that went into education and various other facilities. So, the project is pretty much on.

I am very happy to show that we have produced dore bars. Albeit it's a small amount, but it clearly showed us whatever we have been estimating in terms of process, in terms of grade, that has come through. Now, we can actually go ahead and establish a full-fledged plant.

Some of the details of the Jonnagiri gold project: Already about 12 tonnes have been identified through drilling which is although resources and the east block that is where about 10 years of mining is planned, a 180-meter deep open pit and already the pit is opened. Initially, we will be

doing about 750 kilos per annum. That is what is targeted. Subsequently, we will increase the production capacity to 1 tonne. That's what we are planning to do.

As far as the land acquisition and the timelines of this project are concerned, the key land where the open pit is, that has been acquired and that's a very good thing. That's why we were even able to open the pit. Land acquisition in a country like India particularly is not a very easy thing and the team has done a commendable job to convince all the farmers and slowly the land is being acquired. 82, as I said, is done. This month we have targeted another 50 acres where the paperwork is going on. This 130 would allow us to build a processing plant and simultaneously we can acquire the balance of the land which will go mainly into the waste for dumps and the tailing dam, which are not required till the 1st quarter of 2024. So, the most critical land will be acquired by the end of this month and we have already placed the orders for key equipment, particularly the long-duration equipment like ball mill which would take about 8 to 9 months. As on today, it appears to me for sure we are going to get into the production by the end of 1st quarter or beginning of the 2nd quarter of 2024. So, by 2025 first quarter, we would have produced 750 kilos of gold.

And in terms of the funding of this project, you all know that Triveni is the major shareholder here and they have +50%. The idea is that they would bring the debt which they are working on, and as I understand, that is pretty much there in place. The entire project could be around Rs. 150 crores to Rs. 170 crores that would be required to build the processing plant, water pipelines, power lines, and various other infrastructures like water reservoir, etc. That is going to be debt funding which will be given to Geomysore. And Geomysore will service that debt. That is the arrangement.

As far as the land funding is concerned, that is equity funding which currently Triveni is doing and Deccan also has an option to put some amount of money through which it can go up to 49% stake in the company. So, we can be rest assured that the funding part is particularly for the infrastructure, the debt funding is being taken care of. With that confidence only, I am telling that by 2024, we will be into full-fledged production in this plant. So, Jonnagiri is definitely a go and we have about 42% as on today and we will go to 49% hopefully in this year.

The next one is Lake Victoria Gold and there is a resource and we need to invest money into this project and DGML has signed an agreement with them to acquire 51% but into 2 tranches. That we will try to do. Once we raise money, we will do the cash infusion and then some amount of share swap we will do. This is also a very good project. Tanzania is a very good gold mining country. I have personally seen the project area. It looks pretty good. Land has been acquired already for the open pit, tailing dam, and all those things. Actually, groundwork has been done. It's a good project to have in our portfolio.

Altyn Tor, as I said, has about 6 tonnes of gold in mines and there are high-grade tailings and there is a low-grade already-mined-out ore. And there is a small gravity plant that is running as on today. So, a small production is happening. But the money is required to expand and build a leaching circuit so that it can treat about 800 tonnes per day. That is what is required in the next 1 year. It is strategically good for us to take equity in this project which is up and running mine, so by the end of 2024, we will have actually revenues coming into the company, the profits coming into Deccan through this acquisition. It is also a good project. I think some more details I will share as we move forward.

Finland, it is a prospecting stage project. Drilling has been done by Finland Geological Survey. Some amount of resource, very inferred or first-stage resource, has been identified which can be done through open pit. There also they have produced small gold dore bars. So, the process has been clearly identified and it requires a lot of drilling and feasibility. Here also we will take a stake. And we all know Finland is a very safe jurisdiction. Yes, you have to live with minus degrees but minus degrees are there in Kyrgyzstan also. So, we should not worry too much about it.

And Ganajur gold project if it comes to us – as on today, it is in legal battle. As far as the legal battle is concerned, you know that we have a case up and running in the High Court of Karnataka. We are also putting an implead and we will update to the market about this very very soon because we are fighting at both the levels like in High Court as well as in Supreme Court on this particular case and it is also linked to a company called Indocil which has recently won the case in High Court, but they are fighting the battle again in Delhi in Supreme Court. So, at this point of time, the view that we have taken is till something is sorted out both on Ganajur and Hutti, we need to have our rights intact, and through legal process, we will keep the rights intact for us and then hopefully one day the policy would change. I personally believe a change in the policy would be required to unravel these projects and Deccan could get those projects for itself. Till that point of time, we are better off holding on to the ground and blocking these projects. That is what we are doing.

These are the prospecting licenses in Hutti that you know it. And Tanzania, we have to start the work. We did the preliminary work there and we are going to start some work probably once the rainy season is over in Tanzania.

If I just sum it up, DGML has successfully enlarged its footprint. I am 100% sure of it. We have 2 assets already with us. Some more are going to come in the next month or a couple of months. So, we have increased our footprint in India and overseas and we will continue to do so. I believe the consultancy arrangements we have is not just to make a small amount of consultancy revenue but also give us access to the quality projects overseas. That is the strategy we always have in our mind and that would definitely enlarge our footprint and we set to become a junior to mid-tier gold producing company and it's our dream to build an Indian based MNC with assets in different parts of the world by 2030, which I am sure we will do.

And DGML is set to achieve the production of 1 tonne gold in the next 3 years and personally I think and also our team is very excited about the opportunities which can be secured in 2023, which already two are done and balance is going to be done and it will set us in definite growth path next year.

With that, I really want to thank and you all know that one of the major strengths of our company and I wish to acknowledge, is our shareholders who have invested and who stayed back with us. Though there are many other opportunities for them to invest, but they never exited. They have shown the same passion and compassion for this company which is a big strength and I think going forward, they will be definitely benefited out of this. We will put all our efforts for our shareholders to get the best out of this.

That's it, I think, from my end. There are a few slides which show the resource and various other things which you can have a look at it. With that, on a positive note, I will give the floor, I will ask you to ask more questions. We are happy to answer those. Thank you very much. Please let us discuss now.

**Moderator:** We will now begin the question & answer session. We will wait for a moment while the question queue assembles. We have the first question from the line of Pranay Jain from Dealwel Holdings. Please go ahead.

**Pranay Jain:** It is great to see such a well laid out presentation and a vision now to go with it; so, my compliments to the team. I have a few questions. The first one was to understand what is the kind of profitability profile that we have on gold projects, say Jonnagiri, compared to the well studied ones such as Ganajur or Hutti for that matter. Just to understand what is the revenue and profitability one can look at from Jonnagiri itself over the next 18 to 24 months compared to Ganajur or Hutti.

**Hanuma Prasad:** In terms of studies that have been done, we must understand that Jonnagiri project also has completed NI 43-101 feasibility study. The level of studies that have been made are similar to what have been done if not better in Ganajur. Now, in the last 1 year, we have been building the infrastructure. We have been taking it to the next phase. With that confidence, with those kind of numbers in mind, in general what happens for the gold projects in India is the cost of operation if you put it in that way like EBITDA, the cost is going to be around 35% to 40% on the project. So, you will have close to 60% of earnings before tax and amortization. That's the kind of project we are looking at. Ballpark if I take it like if we produced a tonne of gold which costs about Rs. 550 crores as on today or even if you take Rs. 500 crores, 40% is going towards the cost of production. So, the annual EBITDA could be anywhere around Rs. 300 crores. That is what we are looking at from a project like Jonnagiri. I think that answers your query, I suppose.

**Pranay Jain:** And what would Ganajur be like given our studies are quite comprehensive over there?

**Hanuma Prasad:** The difference between Ganajur and Jonnagiri, Ganajur is a high grade smaller resource to say that is about 309,000 ounces is the kind of resource, but the grade is significantly high. There, we plan to do about 1,000 tonnes of operation. The cost of production would be more or less same, maybe slightly more because it's a different kind of ore. So, processing requirements are much more than in Jonnagiri. Jonnagiri is a free milling kind of gold. You have seen some of the slides there where the gold is free milling kind of gold. So, the recovery in Jonnagiri could go up to 90% to 92% whereas in Ganajur, it may be less than 85%. From that standpoint, i.e., in terms of annual production and recovery of the gold, if you see the profitability on an 8- to 10-year basis.... 8 years only because beyond that, the resource in Ganajur will not support that project as on today whatever the resource is. That would be probably 1.5x more or even maybe 2x more in terms of profitability that Jonnagiri would deliver. But the Jonnagiri has an advantage of being a 6 sq km of mining area with 4 different blocks which can in fact take it to almost a million ounces of resource over a period of time. So, we are looking at increasing the production capacity from 1,500 to 2,000 tonnes per annum. So, on a shorter term, yes, Ganajur will have 1.5x to probably close to 2x of profit margin compared to Jonnagiri.

In terms of Hutti, I cannot comment because we are not there, nowhere close to any of these two projects. That is still in an inferred resource category. Maybe a small bit, but independently, it has not been done as on today, but it has a huge potential because of the inferred resource and it is in the continuity of the existing mine. From that perspective, there is a possibility but we haven't got into the numbers like what we have done for Jonnagiri and Ganajur.

**Pranay Jain:** I was asking about the non-gold projects. What is the revenue potential and also the profitability profile, just to understand over the next couple of years? I understand as the mines mature, these numbers could improve further. But say till FY25 end, what can we expect on the non-gold?

**Hanuma Prasad:** Non-gold means the ones like the nickel and those kind of things?

**Pranay Jain:** Yes, and whatever else that we are targeting because there are a couple of prospects which we can hear of, so just wanted to understand....

**Hanuma Prasad:** In terms of nickel PGE, in India, unless you go into an underground operation or open-pit operations, be it gold project or a non-gold project like nickel, chromium, PGE or platinum, the operational cost is going to be more or less the same. Maybe in the case of nickel-copper-PGE project, the processing is a little bit more difficult but that is offset by a number of other credits that you get. So, you are not only just getting nickel, but you will have PGE – platinum, palladium, and other things. That will become part of your earning stream. So, the profitability would be more or less the same as we are looking at the gold projects. But in terms of time, particularly the nickel-platinum project that we have acquired recently, though we know some amount about the geology, the areas, etc., it could take another couple of years for us to come

to feasibility. So, the next 2 years or even next 3-4 years, I don't see any revenue coming out of those projects, but when it comes, it will be a good revenue because of various other credits that each tonne of ore that could deliver. Two years of exploration is definitely due there. We will be building a lot of value out of this project for the next 2 years, and beyond 4 years, I think there will be revenue coming out of it.

**Pranay Jain:**

One more thing is I assume that the gold is going to be our bread and butter business whether in India or outside and we'll continue to acquire different assets over our vision period of 2030 and beyond. So, what is our understanding on Indocil because you mentioned that it had won the case, and it appeared that perhaps with the legal win, it would now be able to work on its asset, but then again, those efforts got stalled as there was still something left at the central level. What roadblock is it that even after winning the case, one is not able to sweat their assets?

**Hanuma Prasad:**

In terms of Indocil's case, they have won the case in High Court of Karnataka and then Karnataka went to Supreme Court on the judgment given by High Court. And for some reason which we are also not able to understand really, the Indocil, they are seeking time. I think they are trying to build a much stronger case or they may have something else in mind. Last 2 months or a couple of months, we are not very clear what is happening there. But if you ask my opinion on this, some amount of change in the policy is definitely required for these 10A (2)(b) related projects to get released from the government, and that policy change, though there are several discussions are going on, particularly for the precious commodities, to have a different set of policies. But you know the policy changes in India would always take time and it is linked to various other things. My opinion is it will take some more time. But to be more specific with the Indocil case, last 1 to 1-1.5 months, we are also in the dark. We are trying to see why they are not pushing ahead the particular case. As on today, honestly speaking, other than this, I don't have any answer.

**Pranay Jain:**

Just one last thing before I get back in the queue. For the assets that we have studied and are studying plus some prospects, what is the kind of fundraise we are looking at over the next 12 to 18 months and what portion of this could be either through equity or strategic route?

**Hanuma Prasad:**

The first thing we would require to have all these assets and ready to go is about Rs. 72 crores, about \$9 million. That would give us 49% in Jonnagiri and we would have acquired 26% in Tanzania project. With that first stage of money, that company would go and place an order for the equipment and start building the plant. That is pretty much figured in this Rs. 72 crores, and then we will have a small funding for the Bhalukona, that nickel-chromium-PGE project about Rs. 5 crores and then something for the Finland project and about Rs. 10 crores for the project in Kyrgyzstan. This is the first phase of funding that we are looking at around Rs. 72 crores that most likely we would look it as an equity. And beyond that, maybe after October-November this year or maybe end of this year, the Tanzania would require more money because the plant would have come to a matured stage of construction. So, more money is

required at that point of time and maybe other projects like Finland and the one in Kyrgyzstan may require more money. So, another Rs. 250 crores to Rs. 300 crores; that's what we are targeting. But that really depends on how this first Rs. 72 crores would go. In that Rs. 250 crores, maybe 50:50 as equity and debt. That is what we have been contemplating. But don't quote me on these numbers because they are a bit away and we also need to see how this first phase of Rs. 72 crores is going to perform on the ground. Overall if everything goes well, this is what is required.

**Moderator:** We will move onto the next question. We have the next question from the line of Viraj Mahadevia, an individual investor. Please go ahead.

**Viraj Mahadevia:** Hi sir, I have a question. You mentioned in your presentation a target of 1 tonne of production. By which year is this? And my next question is, what mines does this include? Does it also include the mine under litigation which we have limited control over or it's excluding that?

**Hanuma Prasad:** It is excluding that. If you see that, it is 2026. So, what I have been projected here is our 49% of production from Jonnagiri mine which is roughly about half a tonne or maybe slightly less than that, then the Tanzania project which if we complete the construction by 2024, then it will also get into the full-fledged production and some from the Altyn Tor, i.e., Kyrgyzstan project. So, in this first 1 tonne, we have not included any of the Ganajur and Hutti production numbers.

**Viraj Mahadevia:** And if they were to come on stream and work out in your favor, then what can that 1 tonne go up to by '26 or '27?

**Hanuma Prasad:** I think the first tonne I said is from the 2026, one tonne. And beyond that, if it has to go, then it can double in a year or a couple of years from then.

**Viraj Mahadevia:** Let's say 2 tonnes by '28.

**Hanuma Prasad:** '27-'28. And beyond that if the Finland and the Ganajur comes in hopefully, then by 2030 as I said, we would like to get into 5 tonnes per year of gold or gold equivalent.

**Viraj Mahadevia:** What would be really helpful maybe in the next investor presentation if you can put a stacked graph of various projects and your path to the 5 tonnes or 4 tonnes eventual production capacity showing what is coming from where, what is in the bag in terms of what you already own, what you are currently bidding for, and what is under litigation, it becomes very clear to the investors of what is the longer term path.

**Hanuma Prasad:** Certainly, I will do it. Thanks for that.

**Moderator:** We have the next question from the line of Avinash More from ABC. Please go ahead.

**Avinash More:** Just one question from me actually. How we are planning to raise Rs. 72 crores in the start which is the required initial amount actually?

**Hanuma Prasad:** What I have been doing is I started discussing with a few strategic investors. The preference is to bring through preferential allotment. We started discussing with them and they were also wanting to see certain kind of achievement, milestones. The first one was the completion of Geomysore transaction so that that provides the base for Deccan at this point of time to invest. And the second one is they were looking at the auction block. When we presented, we told all these things. These two things have been achieved. Now, I am going back to them. There are a couple of potential investors in India and also we have been talking to a fund in Singapore and Dubai. I have been targeting these 3-4 places to bring in a part of \$9 million or Rs. 72 crores in the company. That is what we have at this point of time in mind.

**Avinash More:** I have the second question. We are now a small-scale company and we are aggressive to acquire the mines as well as starting the mines in Finland, Kyrgyzstan, Chhattisgarh, everywhere. Now, we don't see any management team or some too many geologists in that team. How we are planning to do those mines to start at a time?

**Hanuma Prasad:** Yes, we have a small team now and obviously we are expanding. In Libya, we have a couple of our geologists working. It is not that we don't have anyone. Two people are already working there and we have recruited two more. We have deputed them even in India itself. And as I said during my presentation also, definitely we need a team. It is not just the geological team, we need mining engineers, we need a construction and EPC kind of team. So, the arrangements that we have made with the AKC in Dubai is that they would bring in the entire team to build the processing plant. That team you take it for granted it is already there. For the exploration, even for the drilling operations, we have someone who would take care of the drilling operations. That end has been tied up. That would leave us with some geologists and some mining engineers. Geologists we already have in the team. We need to strengthen that as well. There is no denial of that. And for mining engineers, we are talking to a couple of people. They will come on full-time rolls.

Yes, there is a requirement to build the team and also we need someone who can run around also. That is very very important. As I said, we are running with a limited team and we are doing multitasking. But eventually, I think from next month onwards, we are going to enhance the team here. That is definitely on the cards.

**Avinash More:** If you don't mind, I have third question also. It's regarding the land acquisition. We know that it is very difficult to acquire the land in India. There will be too many hurdles and the Ganajur land we are acquiring from long time. Till now, 15 acres is pending and 15 acres is not a small area also. Do we have any hurdles still there and whether it will go ahead like 1 month, 2 months, 3 months, and it will impact the production date or not? What is your feeling?

**Hanuma Prasad:** As I said, in any mining operation, the first land that you need to acquire is the land within the pit. That is where the resource is. The 80 acres of land that we have purchased, that covers the entire pit area where the east block deposit is and also some areas around it where the pilot plant has been set up. The next stage is the land where processing plant is going to be built. That is next 50 acres which we target to.... Now as we speak, surveys are going on on the ground. So, that 50 acres will be brought by the end of this month. While the construction is going on which is going to take 12 months, balance of land which is required for the tailing dam, which is required to the waste for dumps, which is close to around 200 acres, that is going to be purchased. Once these two are done, construction would go on. So, it will not impact the production timelines. Rest is the process; it will go on. We will have sufficient time to acquire that balance of land also. The most key things are the pit and the processing plant. By the end of this month, that will be done. To sum it up, I don't see any problem with the production timelines as far as the land acquisition is concerned. Yes, the land acquisition is, you can never say it is straightforward or simple; once this is done, next I will do it. It will have its own complications and we need to tackle that one. But I think major hurdle has been passed. Only smaller hurdles that will be there throughout next year also.

**Moderator:** We have the next question from the line of Varun Gaur. Please go ahead.

**Varun Gaur:** Congratulations on the success so far. I think in the last 2 years as an investor, I have been pretty happy and satisfied with the progress that you have been making. Various derisking our initial finds as well. My question is more in terms of the current regulations that we have. I remember in the past that some of our RPs and PLs were put on hold in Karnataka because we exceeded the total area that we can apply for in the PL, which was I think around 24 or 25 sq km. Has that regulation changed in the new MMDR orders? And I will tell you the reason why I am asking that. In Chhattisgarh, the Bhalukona win that we recently had, that had an area of around 18 to 24 sq km as a PL that we can apply for post our exploration which will happen over the next 2 years. The reason I am asking is will that prohibit us from going for more auctions in the mineral states like Chhattisgarh?

**Hanuma Prasad:** I need to check because even if you take the case of Vedanta which have acquired.... I just take an example. They have acquired blocks in Chhattisgarh. They have, I think, more than 5 blocks as on today. There is 1 gold block and they have acquired a nickel block and recently I have seen they have acquired a bauxite block also. All put together, I think close to 75 or 80 sq km they already have. Till we reach, I need to check with it. It's a very good question that you have asked. I have not put my mind fully onto that. I think about 100 sq km, there is no problem to acquire in each state. That is what my belief is but I will come back to you on this. This is a very pertinent question. But I can only take the example of Vedanta which has acquired almost close to 75 sq km in Chhattisgarh itself. So, that is permissible.

**Varun Gaur:** And that 75 sq km, Hanuma, is purely from RP perspective? Is it a composite license that they have acquired and not filed for PL yet, I am assuming?

**Hanuma Prasad:** It is mainly composite license that they have acquired, and from there, they will go to the mining lease. It is composite license. One is bauxite I think that is a mining lease. The gold one and the nickel one they are all composite licenses.

**Varun Gaur:** The second question I have was related to the 10A (2)(b) decision. In case that goes through and in worst case scenario, we lose our initial fines in Karnataka. What do you think is the thought line of the government in terms of compensation? Because I am sure there would be some clause. In case it goes through and we fail to get, there should be a huge compensation for us given the gold where it is. Any thoughts in your various discussions with various stake holders or any tidbits on that?

**Hanuma Prasad:** The only compensation that they have been talking as far as the policy is concerned is to give back the money that we have invested in terms of exploration. They have a set formula of each meter of drilling, this much expense. They will calculate the expense, and obviously in our prospecting license, reports, and all, we would also mention how much we had spent. They will cross check and then give that kind of money. For the discovery and then resource percentage, those things they are not going to give. Whatever we have invested, I think that is going to come back in the worst case scenario. Beyond that, they are not going to give anything.

**Varun Gaur:** One last question about Bhalukona. I am pretty excited about that mine per se apart from our gold portfolio that we have. It's a pretty large block and I read that we have outbid Vedanta and got it at a pretty premium rate. What do you think would be the initial estimates on this? It would be in the air, I know it, don't want to put you in a spot. But given your experience of decades, some.... And if we have outbid Vedanta, I am sure it's a pretty lucrative deal for us. And I don't see any estimates of that specific mine given in the presentation. That's why I am a little curious to get your thoughts on it and just a thought, right?

**Hanuma Prasad:** Varun, you are asking an optimistic geologist to give an answer. So, you will get an optimistic answer.

**Varun Gaur:** I will discount that.

**Hanuma Prasad:** We need to work out the numbers. With nickel deposits people say geologists are always poets but what happens is on the surface, you may get very small shows, but it is at the depth where you get the bigger resources. In my mind, I have some number, but I think it is a bit too premature to talk any of the numbers. But as far as the potential is concerned, I can vouch for it.

**Varun Gaur:** So, it's going to be deep mines. It's not going to be an open-mit mine per se as such basically?

**Hanuma Prasad:** Generally not, though there are combinations of open pit and underground mines in the nickel deposits. But there are many other scientific factors. I think that is the thing which we have achieved so far. I think it's going to be a very lucrative business for us. That's why we went ahead and offered that high premium. But having said that, whoever was our opponent, they were also very keen. Because they got a small block north of us. So, they are our neighbors now and they also know that when we are here, that premium is going to increase. There is no way it's going to come down because everyone knows that Deccan Geomysore have explored this ground or they are bidding. This is the first time we bid in any project, if you know, combined both Deccan and Geomysore. We haven't bid for anything. This is the first one. So, they know that we have come in that means there is a potential here. I think that is the credit we have to pay for our geological experience and knowledge.

**Varun Gaur:** While we understand the gold exploration and mining process pretty well given that some of us are pretty old investors in this company, in terms of nickel and palladium, I think we don't have that kind of knowledge. Does it require a lot of tools as such again to set up plants or is it a pretty much simple leaching process or something like that or a...

**Hanuma Prasad:** In terms of exploration experience, I can very confidently say because this nickel PGE, exploration in a way was initiated by our group. When I say our group, it is like AIR has funded a large amount of money because there are no nickel mines in this country. So, AIR has put in money to do the basic research on this. For many years, we have done research which probably only we have done it. That kind of exploration team we have to explore these things. And in terms of processing, it is not very complicated. It is almost like doing a copper-lead-zinc processing which we are very familiar with in India. So, it's not problematic. If nickel-cobalt deposits which are kind of laterite deposits – that's what we call – they are more complicated. They require a lot of investment upfront. But these kind of deposits, nickel-chromium-PGE and all, they are not that complicated. Yes, it is more cumbersome than a straightforward gold like Jonnagiri but they are not something of a process that would stop the entire project. No, it's not.

**Varun Gaur:** As I said, I am pretty excited about this specific find because this really diversifies our portfolio.

**Moderator:** We have the next question from the line of Viraj Mahadevia. Please go ahead.

**Viraj Mahadevia:** Question is when you place bids or when you are going after a certain mine, are you exploring or you going in knowing that they are proven reserves with a high level of certainty? What I am trying to understand is the execution risks or the exploration risks.

**Hanuma Prasad:** In the composite licenses, generally whatever data that is made available by the Geological Survey of India and other state exploration agencies, that is what is provided to the bidders. That is the bid document along which they give information. One advantage that we have as a

team, other than the bid documents that have been provided, most of the places in India which are, we have been doing a lot of research, as I said previously. A lot of research we have been doing. So, we have a certain geological understanding. I think that is the kind of patented technology of each geologist or a geological team. That also plays an important role in finalizing the bid and offering the premiums.

**Viraj Mahadevia:** How many geologists you have as part of your team and what are they? Ph.D. or what is their qualification typically?

**Hanuma Prasad:** I am one of the geologists and I have a Ph.D. in geology. Other than that, we have about 5 geologists at this point of time. Two are in Libya. One of them has a Ph.D. as well and he has worked extensively in East Africa like Sudan and also in West Africa Ivory Coast and all those places. Now, he is placed in Libya. Recently, we picked a couple of geologists from Hutti. They are also working with us. Of course, they are younger ones, not the senior guys. Then, we have our exploration director who is also doing consultancy with us – one Mr. Peshwa – who is with hell a lot of experience working in gold projects including Bharat Gold Mines. He is also pretty much with us. And also, what we are doing is like for Tanzanian project, we have a guy called Nicholas Sloo who himself is a very good geologist and he is a kind of resource estimation specialist; he is also working with us. As we build projects outside, we also need to have people working there. Like for example, for Finland, we are going to work with a guy called Mikhailov. He is a Russian and he is a very good geologist also. That is how we are seeing it. And as the need arises, we are increasing the team. But these are the key people who will be working.

**Viraj Mahadevia:** When you bid, it's clear how you do it in India with the bids coming up with the data being already provided. But when you are going into overseas projects, is it a similar approach where something has been bid or it already has proven reserves and you are stepping in and buying equity and infusing money for the program?

**Hanuma Prasad:** It all depends on from country to country. Like in Kyrgyzstan if I take as an example, we – we means AIR and Deccan – have been doing consultancy. We have been helping in expanding a mine and expanding the processing plants. So, we know firsthand what it is going to be. So, we are taking equity in that company which is operating that mine; it is like this in that case. And in the case of Tanzania, it is basically an Australian company which has got the license, which had spent money. They have completed the drilling; they have got the resource, and then they have done complete pre-feasibility; they acquired the land. It is through the interaction with them. And again, we are taking equity in that particular company to get to the project. So, it varies from place to place. We have not gone into the bidding because countries like Saudi Arabia, they also operate very similar clause. They offer their bid document with a lot of geological information that they have and they bid it. And because we are a bit distant from that, we are not going into the bidding but it's all...

- Viraj Mahadevia:** So, you are really using your consulting arm as the feeder for the....
- Hanuma Prasad:** Recently also when I went to Saudi Arabia and negotiated with the company, what we said was we will give our technical expertise for which you give a certain amount of equity, a very small equity. But in a year or two if we understand the project is going to be good, then Deccan will have an option to invest money and acquire a significant stake. That is how we are structuring a deal.
- Viraj Mahadevia:** My next question is, is the Government of India giving any sops or benefits for new investments? Given the amount of gold import, they must be trying to encourage gold mining in the country. Are there any kinds of benefits or sops coming from the government or none at all either from taxation, CapEx breaks, whichever way?
- Hanuma Prasad:** I think there is no benefit as far as the taxation is concerned. Because, on one hand, we import a lot of gold and the government is feeling the pinch of it. There is no doubt about it. Thousand tonnes of gold I think no one in the world is importing. So, they feel the pinch of it. But they do not know how to unlock at least the policy is not helping to unlock the number of small and big prospects that are there in India. And of course, we are one of the sufferers of the policy itself. But having said that, they have come up with a policy, particularly for the precious commodities. If someone to take composite license, there is a provision to fund them up to a certain point through NMET.
- Viraj Mahadevia:** So, this should be for the platinum-palladium-nickel, that project?
- Hanuma Prasad:** Correct. There is a possibility that we may get some seed funding to explore. I need to check exact numbers, so please don't quote me on this. But I think somewhere close to Rs. 3 crores to Rs. 4 crores, government may give to encourage the discovery of these critical minerals which are hugely important.
- Viraj Mahadevia:** Lastly, in difficult overseas jurisdictions – India is one matter because you obviously understand the landscape – Tanzania, Libya, Kyrgyzstan, how do you ensure your interests are protected and that you are aligned with not only local government, other shareholders, majority shareholders? And in some places, even safety and security threats. This is a tricky business.
- Hanuma Prasad:** Yes, it is. I think that is the way we function; that's the nature of this business. But to mitigate the risks, one is you need to have a strong local partner and in terms of Kyrgyzstan, we not only have a company local partner, we have another partner who owns a number of medical colleges in Kyrgyzstan. If you know that Kyrgyzstan and Kazakhstan, they all have medical colleges which mainly the Indians run. Those kind of partners we have. Essentially, in these jurisdictions, we need to have the partners. And some jurisdictions like I have seen in Tanzania, it is very straightforward. Their policies are pretty clear. That's why if you see, many

Russian companies also operate in Tanzania. Certainly, Tanzania is one of the leading producers....

**Viraj Mahadevia:** It's the most stable countries in Africa.

**Hanuma Prasad:** I must say one of the stable countries in terms of policies. And sometimes you choose the best jurisdiction like in Finland once it is granted.

**Viraj Mahadevia:** Finland is a non-issue, but what do you do in places like Libya?

**Hanuma Prasad:** In Libya, it's a consultancy project. We definitely weigh the risks. In Libya, one issue is with safety. That we closely monitor it. Again, the investors there are also in this and they are based out of Dubai. But we closely monitor the safety for the geologists, the team that we are sending. But I think there is somewhere you have to take some risk. Same risk that we have taken in India.

**Viraj Mahadevia:** Last question, sir. When you partner with the local Indians as you say in Libya, Kyrgyzstan, and Tanzania, etc., are they typically sleeping financial partners and they give you operating....

**Hanuma Prasad:** No, we don't want that sleeping partners. They operate because some of.... like dealing with the local communities, government departments, they take the responsibility of it. And we come with the technical expertise and money. That's what we are very clear. On that basis only, we move forward.

**Viraj Mahadevia:** The production in countries outside India can technically be sold anywhere? Or the idea is to bring it back and sell it in India? Or is it sold locally? You have ready buyers?

**Hanuma Prasad:** That is one thing India is going to face going forward because in these countries – many of the countries actually including the poor Kyrgyzstan kind of countries – they are not allowing any gold dore bars to be exported out of their country. The Right of First Refusal is always with the central banks of the respective countries. Only when there is no....

**Viraj Mahadevia:** So, you very much sold local.

**Hanuma Prasad:** Yes. I mean you have to give it to the central banks. That's what every country is doing now.

**Viraj Mahadevia:** It's not a bad thing. You have ready buyers without a lot of hassles.

**Hanuma Prasad:** And that would place a lot of thing in India which is mainly import dependent as far as gold is concerned. In India when you operate, because there is a 12% import duty, we get better revenues here because the sale price is always included the 12%. So, that is a big plus of operating in India.

**Viraj Mahadevia:** I think a lot more detail can come into your presentation over time but I think it sounds like you are really on your way to create something special. Thank you.

**Moderator:** That was the last question. I would now like to hand it over to Mr. Hanuma Prasad for closing comments.

**Hanuma Prasad:** Once again, I thank all the investors and stakeholders of this company. As a team, as I said, we have a dream and we want to deliver it. And with a vision, we are going forward and we are putting sustained efforts to make that vision come through and I am confident that we will be able to reach our goal. Once again, a big thanks to all of you for your inputs and the way the questions are being asked, that itself shows how much you are all involved with this business. As we move forward, I think we will have more frequent this kind of interactions where I can take your inputs formally and then use it for the growth of our company. Thank you very much; see you soon.

**Moderator:** Ladies and gentlemen, on behalf of Deccan Gold Mines, that concludes today's session. Thank you for joining us and you may now click on the exit button to disconnect.