



DECCAN GOLD MINES LIMITED

(CIN : L51900MH1984PLC034662)

Corporate Office & Correspondence Address

No.1285, 5th Main, 7th Sector, HSR Layout, Bengaluru - 560102. Tel . : +91 80 45384000 Fax : +91 80 45384001 Email : info@deccangoldmines.com Website : www.deccangoldmines.com

January 23, 2023

Corporate Relationship Department BSE Limited

Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai — 400 001

Scrip Code: 512068

Dear Sirs,

Sub.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – entering into a Term Sheet for acquisition of stake in gold project in Tanzania

We write to intimate that the Company has entered into a Term Sheet (non-binding) with Lake Victoria Gold Limited, Tanzania (“LVG”) which gives Deccan Gold Mines Limited (“DGML”) an option to acquire stake in a company owned by LVG in Tanzania that holds a granted Mining Lease for Gold. Details are as under.

Background Information:

- LVG is an Australian Company which owns an advanced stage gold project (Imwelo Gold Project) in Tanzania over which a granted Mining Lease is held by LVG through a Tanzanian Company owned by it.
- **Highlights of Imwelo Gold Project:**
 - (a) Completion of pre-feasibility study.
 - (b) 85,000 Oz (~3t) of open pittable Reserve with a further 200,000 oz Resource and potential to increase the Open Cut and underground resource.
 - (c) All permits are in place to commence open pit mining and process plant construction and gold production can commence in 12 to 15 months @ 20,000 Oz / pa.
 - (d) Capital required is USD 12 m.

Proposed transaction with LVG:

- DGML can initiate steps to acquire 26% stake in the Tanzanian Company through a combination of cash investment (USD 3 m to give 18% stake) and share swap (additional 8%) within 7/30 days of entering into Definitive Documents.
- Option to acquire additional 24% stake through a share swap to take its stake in the Company to 50% (by end-2023).
- Option to DGML to provide debt of USD 9 m to Imwelo Project to facilitate mine / process plant and other infrastructure development (by end-2023).
- Whilst DGML has completed technical due diligence on the Imwelo Gold Project, it may be noted that Definitive Documents would be entered into only post raising of funds (details will be provided going forward) by DGML to make the above investment. A period of 180 days (from the date of entering into Term Sheet and extendable by mutual agreement) is available to DGML to enter into Definitive Documents.
- Share swap transactions noted above will be as per and in compliance with applicable statutory / regulatory guidelines applicable to DGML as well as the Tanzanian company.

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- In the meanwhile, DGML will continue to engage with LVG regarding structuring of the transaction in a tax neutral manner and also address the documentation / compliance requirements in the concerned jurisdictions.

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

Yours truly

Subramaniam S
Company Secretary
Membership No. A12110

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