

## **Submission of Scoping Study Report on Ganajur Project by SRK Mining Services (India) Private Limited, Engineers and Consultants (SRK)**

---

Bangalore, India  
February 6, 2012

Deccan Gold Mines Limited – "DGML" (BSE Scrip Code: 512068) is pleased to announce that SRK has completed a Scoping study for the Ganajur Main Prospect and submitted the final report on February 3, 2012. DGML had earlier commissioned SRK (details of which are already in the public domain) to produce an updated mineral resource estimate and to undertake a Scoping Study and Preliminary Economic Assessment for the Ganajur Main Gold Deposit located in the Ganajur-Karjagi PL Block of Haveri District in the State of Karnataka.

Our comments on the key elements of the study are noted below. Shareholders are however encouraged to read the scoping study report in its entirety. The report from SRK has been uploaded on our website ([www.deccangoldmines.com](http://www.deccangoldmines.com)).

### Key aspects:

- the Study revealed project economics that appear to be sufficiently robust and which could be improved given, for example, the potential for a number of other satellite exploration targets identified on the current prospecting license area to add to the Mineral Resource over time.
- The study addressed the mine optimization, process design, capital expenditure estimates, operating expenditure estimates, project economics (including key risks and opportunities) and future work programme.
- The Scoping Study has demonstrated that at a sustainable gold price greater than USD 850/oz, the Ganajur Main Project has the potential to be developed into a viable open-pit mining operation. Additional in-fill and deep drilling planned for completion within 2012 has the potential to further improve project attractiveness.
- This report provides justifications for the preparation and undertaking of a comprehensive feasibility work program to enhance and increase the level of confidence in the resource model and to define reserves as well as for completing additional detailed engineering, environmental, socio-political and commercial site studies supporting the development of the project.

