Management Discussion

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Thank you very much. Uh, Good morning to all the shareholders, analysts, and, uh, probably the potential new investors for joining the call. Uh, I mean, at the outset, I would like to say there was a bit of a delay because we were waiting for the court hearing that was happening on one of our key projects. That's one of the reasons. Otherwise, we could have done this call a few days back. So I think, uh, To start with, I would like to say a few things. Like, this quarter we have been growing steadily, and the growth is quite significant, and it also validates 3 things.

One is the- as we have always been talking about the profitability of the gold mining operations, now I think this quarter has clearly demonstrated the profitability of the gold mining operation that is from the Jhonnagiri Gold Mines, whose name I think many of you are aware that has been changed from Jhonnagiri to Jhonnagiri. So that speaks a lot about the technical capability of the team and the way the work has been carried out. And as a result, we are able to see on table now whatever that has been predicted So that is, I think, a significant achievement as a company and as a technical team.

And the second one is our capability of executing these kind of projects both in India and overseas. In this quarter, as you know, we have commissioned the Gold Project in Kyrgyzstan as well on 12th of September. So that also shows the capability of the team to execute projects across the multiple jurisdictions Which is very, very important because, uh, our portfolio includes both India as well as overseas. So as a team, we need to have the confidence to, uh, execute this kind of projects, which we have- I think this quarter has clearly shown to us that we are capable of doing it.

And the third one again is, uh, our ability as a company to foresee and seize the opportunities, particularly in the critical mineral sector. And this is one sector which is going to be very, very significant. It's going to change the fundamentals of the mining business as such in the next 10 to 20 years, because it is not just the making money out of it, but this is a kind of- it's required for the country against the geopolitical risk, or I mean even for the growth of the country, these metals are required.

And we could, as a company, foresee it about 5 years back And we secured a large portfolio of assets in spite of facing stiff competition overseas. We got the assets. So I think these are the 3 things this quarter has clearly validated, um, and it's a big achievement for Deccan Gold Mines. I am sure that many of you have seen the presentation which is, uh, uploaded actually yesterday, uh, so that I don't have to spend much of the time on these numbers. Which of course you are- I'm happy to take the questions, but I will run through the slides as quick as possible, and also I'll speak only the gist of the slides.

Next one. So if you come into the financials of Q2 FY27, I think the most significant factor is Jhonnagiri has produced about 135 kilos of gold, which is up from 89 kilos in Q1. And that means effectively we are reaching to about 40 kilos per month. This is what again in the last quarter, if you remember, this is what we have said. It would be reaching to 45 or 40 kilos per month, and going forward it could, with the new approvals that are coming in, it could go to almost like a tonne per annum.

So again, this has clearly proved in this quarter the viability and the scaling up of the Jonagiri project. And the second one is the gold recovery. I think this is, uh, kudos to our team. Um, the 90 to 95% recovery in the gold circuit is quite a significant thing. And, uh, this again based on number of test works that have been carried out over the years, that, that's how we are able to recover this

much of gold from the system. And the third one is, of course, our profitability has increased, uh, to, uh, this quarter.

The profit after tax which is coming into our books is increased to 13.91, which is again as against, I think, around 6 crores in the previous year- so previous quarter, sorry. So the total in this quarter, in this first half of, uh, 2027, our profits gone to almost 20 crores, which, uh, almost like 50% of the, of the PAT. And the- so the project is running at 50% PAT or 70% EBITDA margin. Again, this is what we have been consistently telling- the gold mining business is going to deliver these kind of EBITDA margins and profit margins.

I think in all the, uh, aspects, again, I wish to again reiterate that we have been validated with our predictions, which is of course based on significant amount of scientific data. And the numbers are there to see for yourself, the standalone results and the net profits that have increased. And why I am stressing on this particular point is tomorrow when we are going to have the production coming out of Kyrgyzstan, that also going to give predictable results. Whatever that we have been predicting, that is going to come.

Next one, please. Again, uh, these are the numbers that, uh, you can see. I think total income, net profit, all these things have been, uh, shown, uh, both in the BSE releases as well as subsequently press release. And also you can see it here. You will- if you have any questions, you can ask. My team is pretty much there. I think two things I wanted to stress on this is one is the first gold Dore consignment that we have dispatched to. It's about 1.2 kilos of Dore. Now the amount of gold in that, how much we are going to get, and more importantly, this consignment we have sent to see how the whole circle of like the it will go to a refinery.

And the refinery will process, and then bullion is sold in the national to the national bank. That is a mandatory in Kyrgyzstan, and national bank would release the money, and then that will come into the our accounts. So we wanted to see the entire process. That's why we have sent a small amount of Dore to the refinery. I just wanted to inform all the shareholders and the investors. At this point in time that there is a difference in, uh, the operations in Jhonnagiri and also Swarnagiri and, uh, Altintor.

In Swarnagiri, we have our own, uh, refinery. So the Dorebar is taken into the refinery and it is refined and we sell it to the jewelers, whereas in Kyrgyzstan that is, uh, not allowed. Actually, there is only one refinery that is available So Dorebar is produced at site, and from there it will go to the refinery which is owned by the government, and that refinery will refine the gold and take it to the- and sell it to the National Bank and settle the amount. So that is how it works. Actually, in many of the gold mining projects, that is how it works.

If you actually see, Hattie also does the same thing. They actually produce gold Dore bar on site, and Dore is shipped to a refinery in Bangalore, and Bangalore refinery will produce the bullion, and that bullion is sold in the market. Whereas in Jhonnagiri- or sorry, we decided to set a refinery attached to our Dore bar facility. So that's why you are able to produce refined 24-karat gold. Of course, when you set up the refinery, are many other things that you have to get- the, uh, LME, the branding, the- all those things will come into the play as well.

So anyway, uh, that being the difference, uh, it doesn't make much difference for the business as such. So 1.2 kilos we have sent. Let us wait and see, uh, for the actual results, how much and how the process is, and then subsequently we'll start sending the Dore as it is produced. From the site. The another important aspect is we have, uh, if you all know, we have raised about 137 crores, uh, which is, uh, I think in the month of August we had the board meeting and then AGM we had in

September.

Uh, it took a lot of time for the BSE to give the approvals to us and that approval has come very, very recently. And now in the- we are in the process of collecting those funds and these funds are going to be used for the development of other projects, primarily the exploration projects that include Finland, the gold project in Finland, and then our range of critical mineral projects, that is nickel-copper project in Balukona and tungsten project in Spain, and also the lithium tantalum project in Mozambique.

That is where most of the money is going to be used. So hopefully in another 3-4 days we are able to close this one And then, uh, touch wood, we get the money and move on with the other projects. Next one. So I think you are all familiar with this, but I always try to reiterate because as a company we should not forget from where we have actually traveled this far. That's why I always try to keep next 2-3 slides which you can also go through leisurely when you have time. Now, but then, uh, but it is essential to remember these things.

And sometime back, we were just India-focused, primarily exploration-led and gold-centric, uh, company. But as of now, if you see, we are into the gold and critical minerals spread over the world, and, uh, we are now actually a global entity, uh, along with our Indian operations. And it is not just exploration, we are into production at least 2 projects come into the production, and we are building a diversified portfolio across the multiple geographies. If you see in the growth sequence of the company, the first inflection point is of course the production in Jhonnagiri, which we have now achieved, and the second inflection point is Altintor production, which again we have started.

I think these 2 have, as I said in my initial remarks, that clearly validated our capability, both in technical, in terms of otherwise the ability to manage the projects. And the third one, the new growth platform, which I personally believe is going to be a much bigger one, that is critical minerals. I think many of you are also aware how the critical minerals are getting traction all over the world, not just in India. So it makes a lot of sense for us to be around the world to get these projects.

And develop them. So Deccan Gold is no longer just an exploration- exploring for resources, but it is building a global mining business. I think this quarter has provided that kind of platform and confidence to us as well. Next one. So again, uh, you know, shown in a different way altogether, um, this July 2026, we got into the production in Jhonnagiri. And September 2026, we inaugurated the gold project in Kyrgyzstan. So which clearly it shows it's a continuous evolution, but in the last 3-4 years it has really picked up the pace.

I mean, I once again thank all the shareholders and investors who have supported this growth in the last few years. Next. And India, of course, the, the minerals that we are concentrating. That's primarily gold and critical minerals. The gold, as you know, it is not just the jewelry anymore, it is investment. And having gold reserve is very, very important for the country's security. That is where gold comes into the picture. And the critical minerals, of course, this is a requirement. That's a requirement for the country in a completely different way to progress the growth of the country.

These metals are required And I'm very happy to say the projects that we are running or we are exploring at this point in time, they are going- they are actually address many of these different sectors, the like EVs, the batteries, energy storage. That is one thing India is going to have a big, big requirement because our energy storage is very, very small as of now and we are completely exposed. So energy storage, is going to increase significantly in this country. That is where the projects like lithium, graphite, they are going to be, uh, very, very useful because these metals are used in the storage batteries, um, and also nickel, of course.

So, uh, we are in those metals which are required for the energy storage, storage. And also tungsten is used in defense. And, and you all know that the defense manufacturing How that is going to grow in this country. So the portfolio that we have addresses these key sectors that India is growing in the next few years. So by having the capability to produce raw material from these sectors, for these sectors, I think that Deccan Gold is going to be benefited in the future. That's why I'm very, very confident that the projects that we have, particularly the lithium, nickel, and tungsten projects are going to deliver, um, good returns to our shareholders and, uh, um, add lot of growth to the company.

Next. So let me get into our business. Uh, what are the projects that we have? As you all know that we have, uh, 4 gold projects. One is the Swarnagiri Gold Mines, that is in Andhra Pradesh. I don't have to say more about it. And similarly, Altintor Gold Project in Kyrgyzstan, Then we have Finland, the gold project in Finland, where the exploration resource licenses that are- that's going- that's- we are going to drill there this year depending on availability of the money that we are going to receive in the next few days.

And of course, Tanzania, we have some exploration licenses, but that is slightly on the next level because most of the money is going into the other projects, of course, because of the results that we have received from the other projects. That includes the critical minerals and of course the big one, the Ganajur project in Karnataka, which I am sure most of the shareholders will be following up. I have a slide separately on this which I, at that time, I will explain about this project and also the legal process, what is happening, etc., etc.

So these are the 4, uh, gold projects. I have one slide each for each of these projects which I briefly will explain. How this is going to progress. Next one. So the- in terms of this Jhonnagiri Gold Project, as I said, it has almost come to 40-45 kilos of production per, per month. Uh, the grades have now come to about 1.4-1.5 grams per tonne that is being operated, and then 135 kilos of gold is produced, and about 50.4 kilos of refined bullion has been sold. And the total sales in the first half of this year is about 109, uh, kilos of bullion.

And from where we got the- as I said in the first slide, about 50% profit after tax or 70% EBITDA margin we got from the, the sale of those things. And there is a large amount of inventory, that's about 133 kilos of Dore plus bullion, uh, that is available as inventory. Uh, and the, uh, of course, many- I mean, the inventory has been kept because at the end of September we are heading towards a festive season in India. Generally during the festive season there is a lot of gold sales. Gold sale is never an issue, but the pricing is an issue.

And, uh, the expectations were that during the festive season prices could be, uh, more, and that's why it was kept in. And October, November, a lot of gold has been actually sold. So those results will be reflected in the next quarter results. So we have a sufficient amount of inventory that is primarily in the Dore and Bullion. And one thing I wanted to say, in the financials it has been shown as Rs 134 crores of inventory in terms of the value. So what happens is when we put the inventory, it is not the sale price that is being put in as the value here.

Is actually the production cost. So the inventory in any gold mining operations will be valued- I mean, will have 4 components. One is the, uh, run-of-mine, the amount of ore that is mined, uh, from the pit and which is stocked for the processing in the, in the coming days. So the run-of-mine would be, uh, would be quite large, and it's calculated- it is valued based on its production cost, that is the mining cost. And then other one is the gold in the circuit that is in the process. When you put the ROM into the gold, uh, the gold plant, then that, that circuit will be running continuously and some

gold will be in different parts of the equipment, like in the ball mill something will be there, in the filter press some gold will be there.

So, uh, other than the gold that is coming out of the system, there will be locked in the different parts of the system. So gold in circuit also to the best of the efforts, it will be calculated. That also will be valued again based on the cost of production. That means part of the processing cost also is involved in it. And then finally, you produce Dore. And the, uh, the Dore, again, it's based on the production cost. That is what is added, and, uh, that is what, uh, the Dore is valued based on the production cost.

And finally, the Dore will be converted into bullion. So an inventory in a gold mining operation generally involves all these 4 components, and the valuation is made- the value has been estimated based on the production cost. It is not the sale price here, at least in, in the case of Jhonnagiri. The, uh, sale of the gold happens in the last stage, that is the bullion. All others are on the site. So I, I, I'm bit elaborate on this because this is a new business Uh, so I thought our shareholders or investors would understand how this works.

So these are the 4 places. The 134 crores that are seen there, that includes all the 4 components. Generally, uh, ROM will get more because there will be thousands and thousands of tons of, uh, mined material that is available. They actually get more value in this 134 crores, just for information. And those figures, it's very difficult to provide all those things because they keep on changing. So, but I think I have explained the gist of how the valuation of the inventory is done in a gold mining operation.

So moving forward, in the next phase, this Jhonnagiri project- this, of course, we have been always telling there is 40 tonnes of gold. That is the final target that we wanted to have. And a minimum target of 90, uh, kilos per quarter. That is with the current approvals, and as you can see, we are already exceeding it. So obviously we are going beyond whatever the minimum targets that we are keeping, we are keeping. And, uh, as, uh, projected previously, around 450 or even more is possible in this year itself.

Going forward with the new approvals that is coming in, now we will increase the production at least 1,000 kilos per annum. And the long term, once the all the resources are identified, it could produce around 2 tons per annum. So this is the capacity of this mine. And as I said, the standalone profit from the operations in H1 is about 80 crores now, with the sale revenue of around 160 crores. So that effectively shows 50% profit after tax, and Deccan share of profit is around Rs 20.57 crores. Uh, again, I don't have to tell the same thing again and again, but these are the kind of numbers which have always been projecting in a gold mining operation.

So, in fact, demonstrates what a private sector capital and capability can build in India's gold sector, and it's a clear-cut example of that. Next. Moving forward to the Kyrgyzstan project. Kyrgyzstan project, again, um, you all know that we have, uh, first gold Dore was produced in 2026. Um, you can see how the construction has progressed, and the right side is what, uh, the final stage is, how it looks like. And then, uh, then with Merrill Crowe system was started And from where leaching has been commenced, and first consignment of Dorebar has been sent to dispatch to the refinery.

As I explained, we will wait for the results. And the inauguration was also in fact attended by our honorable ambassador, Indian ambassador to Kyrgyzstan. That is whom we can see on the far left in that picture. And Dore was shown to him. That is actually refined. Small button of gold that has been shown to him. It's a- I think it's a very big, uh, success for us, and we are, uh, uh, moving forward with the complete commissioning of the processing plant. I'd say it's wintertime. I mean, let's be

very realistic as well.

It's wintertime. There is about 30,000 tons of, uh, ore, ROM, as well as semi-processed material that is available, and we are currently running that material so that entire circuit is properly understood rather than only leaching tanks. Once the proper circuit is commissioned, we'll get into the, um, leaching of the tailings. I think that is, uh, as I, uh, we have always been, uh, telling our shareholders, the idea is we start with the processing of tailings, uh, for the next, uh, 2 to 5 years.

We'll be working only on the available material so that operational cost is quite low. But at this stage, while commissioning, we need to commission the entire plant. And I'm happy to say about 30,000 tons of material that is available and in various formats like ROM, etc., etc. That's going to be processed, and I think this quarter we will have some results, uh, which we will obviously at the end of December we will be able to show it. So, uh, as you all know, uh, the corporate structure- now this because, uh, some people did send messages and ask what is exactly the corporate structure.

We I thought we have been explaining it very clearly, but once again I would like to, uh, really mention how- what is the structure there. We have a company called Avalum Partners, which is, uh, which is in a revenue-sharing arrangement with the government company that is Kyrgyz Altyn. Kyrgyz Altyn is, uh, like, uh, Indian public sector company. That's like an MBC, if I take an example. So Kyrgyz Altyn is a government company. They get 17% revenue and we get 83% revenue. We means Avalum Partners get 83% revenue, and in that one we are 60% shareholders, which effectively means we have 49% in the revenue.

So that, and the balance 26% is held by Vira Group, and then 14% is held by Medetio. And you all know that they are also shareholders in the So that is the corporate structure. Um, so effectively, that is, uh, Avalum Partners is our subsidiary company. Okay, uh, so let's move on. And, uh, this is the resource. Again, uh, excuse me for me being a bit technical in this because this is something which we, uh, all of us when we are in the business, we need to clearly understand. Now, and if you see the right-hand side, the image on the top, there is a line above that.

There are gray areas that have already been mined since 2003. This mine was operational, so that has been mined. And below that, there are- there is another line which is the planned pit, open pit. And within that one, there is a resource. That is what the in-situ resource is. That is about 4.5 tonnes. At an average grade of 1.69 grams per tonne. And we have stockpiles that includes tailings as well as low-grade stockpiles which contains about 1.09, uh, tonnes of gold. So total what it is, 5.67 tonnes of gold available up to the line which is in the bottom.

That's like a flat line at the bottom. And below that you can see, that is where we wanted to develop the underground operation. And, uh, Um, the next target is increase another 3 tonnes. The initial drilling has already shown the continuity of the ore bodies below that flat line, which means the overall inventory is going to increase. And, uh, after 4 or 5 years, when we finish with this low-grade stockpiles, we will move into underground operation, which actually will give it higher grades. The underground grade could be anywhere around 2.5 to 3 grams per tonne.

So that is when the production capacity, or the yield, or the production capacity would significantly increase. It could even double. Those 700 to 750 kilos has been projected once we get into the underground mining operation, which would take some time. Till that point in time, we'll be operating with the low-grade stockpiles and the tailings where OpEx is significantly lower because there is no mining activity. So this is how the ore body looks like, and this is the plan of action for this one, um, in terms of, uh, uh, Kirghizistan project is concerned.

Next. So coming to our 3rd project, that is the gold project in Finland. I think most of these things I presented last time also, But, uh, again, there are 2 areas here. One is Kuika Gold Project where the average grade is significantly high, and also Pakalampi Gold Project. Again, there is- the grade is around 3.5 grams per tonne. So the ultimate recovery would be pretty high in these projects, and we are planning to drill about 1,000 to 1,500 meters of drilling. Unfortunately, because of this delay in BSE approvals we could not commence the drilling.

But now, once the money comes in, we are going to start the drilling and enhance the resource with a final, uh, aim of producing a- setting up 800-tonne-per-day processing plant. And, uh, if you actually take 3 grams as the average that is fed into this plant, we'll be looking at anywhere around 2 to 2.5 kilos of gold per day. So that will take it to almost like 700-800 kilos of gold, uh, from this project. Of course, it's based on the success of the drilling program and proving the resources. Couple of other things I wanted to add.

I mean, many people would think that why Finland? I mean, it's European countries, it's very difficult, and so on and so forth. But view- we view it slightly differently. Yes, the approvals, the environment clearances could be, could be, uh, tougher. I think in a way that's good also because we become more compliant with the environment. Uh, financially, if you look at it, the royalty rate in Finland is 2.5%. You just compare that one with the royalty rate in India, which is close to 5%. And on- and if the mines are auctioned in this country, the royalties could go up to 60%, as it has been seen in other projects.

And where the recently won auctions, the royalties, the Offrent payments, all that are significantly high. Whereas in Finland, the royalty is at 2.5% and the corporate tax is around 20%, which is less than India. So it makes a lot of commercial sense for us to operate here. If you actually become more compliant with the operations and start the operation, the resources are good, the grades are good, and financially it makes a lot of business sense for us. And, uh, there is not much of competition also in Europe because of various other things.

So that we- I personally feel, and as a company we believe, that Europe is something which we could actually invest and take these projects forward. So that is the thought process behind, uh, going into this kind of projects. But, but we are going to develop these projects as well, as well Once we get the money. Next one. Now coming into the our big one, that is Ganajur project. I mean, this is probably the biggest that we have in terms of resources and grade. And I think many of you are fully aware what is the kind of resource.

But for those who have probably just joined, who became shareholders very recently, or planning to become shareholders of this company. See, this project we have already identified or proved about 9 tonnes of gold, and the average grade- then the open-pit average grade is around 3.8 grams per tonne. If I just compare that one with the Jonagiri project, Jonagiri has an open-pit grade of 1.4 grams per tonne, whereas this has about 3.8 grams per tonne. I think that itself will give you, uh, what it can deliver.

So a 1,000-tonne operation per day Uh, could easily give a ton of gold every year. That means our OPEX would be much lesser than what we have been doing in Jhonnagiri. So you can, uh, see what is the kind of, uh, value that, uh, this project can add to us. And it is a complete discovery of Deccan Gold Mines. So I mean, that's the background of it, but unfortunately it got into the legal tangle and we have been fighting for this for quite long time, and we are- we never let this go. That's definitely not the thought process of the company.

And, uh, uh, I think many of you know that it is, uh, matter is coming up in the- as a part of the batch

matters in Supreme Court. And in the last hearing that was held on 17th of November, the Honorable Court observed that all connected matters, because there are many such cases involved in this. That includes, I think, L&T, Dalmia, Sri Cements. There are about 8 or 9 companies whose cases are all connected, which are involved. Of course, Indocil being the name which always being pronounced upfront.

So all these cases are involved in this, and court clearly said they are going to listen to all of them holistically. I think that is very important for us because please remember that we are intervenors. Our actual case is in High Court. So as an intervener, we- our voice also should be heard. That is what Supreme Court judges, uh, they pronounced last time. And this matter is now posted, uh, for hearing on 1st of December. Again, it was a request of Union of India. They asked for the postponement, and, uh, Supreme Court judges have agreed for it.

And it is on the top of the board. So That shows clearly the importance and the priority that Supreme Court is giving to it. And Deccan Gold, from its side, has engaged very experienced senior counsel, and we are closely monitoring, actively pursuing the matter at every stage. You all know how much it would cost to us to hire an experienced senior counsel, but that is the commitment that we have for this project because It has two angles. One is a financial angle, and this is the first big project that has been discovered by us way back in 2002 to 2005.

So there is a large part of us feel that we have to get this project. Yes, it has uniqueness and the strength as far as the court case is concerned. I think this is the only one among all the cases that are being heard which has progressed from reconnaissance permit to prospecting license. To ML, uh, so through a seamless transition. At least that's the old policy. So that has clearly, as I am hearing, that seems to be the big strength of our application. Apart from that, it has already been recommended by the state, uh, way back in 2010, and then subsequently Ministry of Mines granted prior approval, uh, in 2015.

And subsequently, you know what happened? The Karnataka government asked its legal branch to give an opinion on this approval, and they have given a clear-cut opinion that the mining lease has to be granted. Then subsequently, the state also had few doubts. They went to Ministry of Mines. Ministry of Mines in 2017 has reaffirmed its approval and directed the state government to proceed with the lease execution. So these are the very, very strong points that are backing our case. Of course, it is in the court, so we cannot say much beyond this.

We can only say our case is very, very strong. And so the view is the project- our case should not be viewed as just an advanced-stage project, but it is a project with a long history of exploration, regulatory reviews, government approvals, and sustained investment. These things actually give vested rights to us. This is what we have been presenting rather than treating just as a pending application which is made based on whatever the data that is available. So I think these facts would certainly help us in presenting our case properly, which we are in the process of doing it.

Yes, it's a government, it's a court matter. It could take time, but I think we are on the strong footing as far as our case is concerned. So let's hope for the best, and shareholders will be of course updated as and when things happen in the court. So that is our gold story. We all pray that we get the Ganajur so that our gold portfolio would significantly increase. So let us wait and see. So that is one half of the story. The second half, which is also very important and which is growing, uh, very quickly, I must say, and which will probably grow much larger as we move forward, that is the critical minerals.

There are 3 projects in this where we are working, um, in all the projects, particularly drilling in 2

projects, and the third one we are planning to drill this year, which is already delayed, of course. And you can see the price changes in the critical minerals over the last few years. And if you see the commodities that we are in and the kind of growth that is seen- I mean, I'll start from the lowest one, that is nickel. It is already increased by 10%. Tin is increased significantly by what Uh, I'm not able to say it anyway.

The tungsten, the tantalum, uh, lithium is increased by 108%, tantalum by 100%, and tungsten is increased by 622%. These are the metals that we are involved with. So going forward, we see a lot of things happening out of these projects. Uh, so let me go to the next one. So as I said, these are the 3 projects. The Balukona nickel-copper PGE project, where we completed 2,000 meters of diamond drilling, mineralized zone extending over 1.3 kilometers has already been identified. A large resource drilling is ahead.

We are going to do after the rainy season now because there are crops now. Metallurgical process flow sheet is already in the process. So very soon we will know what is the metallurgical process. And we are also, uh, planning to launch, launch the mine waste application by, uh, first half of 2027. That is the plan. So we are moving very aggressively on this project. Obviously it is based on the results, of course. And the other one is the tungsten project in Spain, um, where 5,400 meters of drilling already completed.

And in fact, as I show in the next slides, some of the drill holes we drilled up to depth of 600 meters, which is quite deep, uh, and every completed hole has intersected potentially economic tungsten and tin mineralization. And in the adjoining license, that is Maria license, we are also drilling for gold and antimony, and we are waiting for the results from those holes. Once they come, we'll update the market. The third one is Mozambique. It's for lithium and tantalum. We have a large area of about 150 square kilometers, multiple pegmatite zones.

I will show those maps, which I think were already shown once. And those areas we are going to explore, 1,500 to 2,000 meters of drilling has been planned. But again, as I said, the drilling in Mozambique and, uh, Finland was delayed because of the delay in the BSE approvals. If it had come and then if we had got the money, we would have started drilling by now and I would have projected more results during this quarter itself. Next one. Yeah, Balukona Nickel Copper PGE Project, and you can see the drill cores with lot of sulfides, and these are the sulfides which carry nickel, copper, and platinum.

Uh, 15 drill holes were completed. Very conservatively, we have taken the estimate as of now 0.24% of nickel equivalent, and about 4 million tonnes of economic ore has been already delineated. We'll put some more drill holes so that it can be a G2 kind of resource in India, on based on which we can apply for the mining lease. That is the plan that we are going to do. And I also would like to add, only part of the known mineralized zone has been explored, and in fact Uh, this 1.3 kilometers is also one of the mineralized zones, and we expect that there are repetitions to the mineralized zone.

So I think once we complete the entire drilling, which may take years, now we'll have a much bigger resource. But for the mining lease purpose, we are going to drill, uh, comprehensively in this 1.3 kilometers, and we are going to apply for the mining lease based on G2 or G1 kind of resource which is required in this country. So that's what, uh, uh, we are going to do. I think, uh, we are, as I said, aggressively moving forward with this. And, uh, uh, the kind of resource that we are going to prove- and we already have a rough idea what's the kind of processing plant that we are going to establish.

It could be a 3,000-tonne-per-day processing plant. That means it could be twice bigger than the Jonagiri plant. And of course, it has its own implications on the capital requirement for this project.

But nickel being a very sought-after metal in India, and I think many of you know that there are- government has come with some incentives for particularly nickel and lithium. These are the 2 commodities which we have been exploring as well. Next. So coming to the Lobrosson tungsten project, again, the tungsten is a very, very important metal.

Uh, I don't have to go in depth into the importance of that metal. It is used primarily in defense industry, uh, because of the high melting points. It won't melt even at 3,000 degrees. So it is used in warheads, and also it's used in space vehicles, so on and so forth. And there is a lot of demand for this metal, and, uh, it's good that we got into this in the last year itself. Now we have been doing due diligence for quite some time on this project. We have completed, as I said, almost 5,000 meters of drilling.

So we identified a small resource in a small part of the mineralized zone. So I again reiterate, the kind of resource that we are projecting here is only a very small part of the large area that needs to be further drilled. So in any exploration project, you will see phase by phase more resource will be added to it. So the thing is, the, the first step, we are able to see this kind of resource. I mean, just to give you an idea, if 2.3 million tonnes of ore is there Um, even if you have 3,000 tonnes per day or a million-tonne plant, we are already looking at 2 years of production.

So if I increase it by 5 times, I am looking at around 10 years of mine production. So that is how it needs to be seen. Um, so just don't look at the numbers as of now because numbers keep on growing in this. Uh, so there are 3 areas. Uh, in the- I think you can see on the map also there, uh, it's, uh, in fact, uh, tungsten and tin. Tin also is present, which would come in as, um, additional credit to us. Uh, the HESA, we have completed 8 holes. Last Brujas, we have completed 553 meters of drilling.

Each way, each, uh, entire hole has a sheath length, which is a tungsten mineralization. I think we have also been uploading some pictures where tungsten mineralization is seen through the ultraviolet rays. The simple ultraviolet, uh, camera will show you the tungsten. In fact, that reflects quite strongly. So that we have been putting in our social media for quite some time. And Maria, that is a gold antimony project, there also we have drilled a few holes and 5 holes are planned. In fact, and first results of Um, antimony is already about 1,000 ppm, which is also very, very important to us.

One other thing before- obviously we have a plan to drill a few more holes and then launch the mining lease application. One other thing that I would like to add in terms of tungsten: Spain has no royalty on tungsten. Zero royalty is paid on the tungsten produced in this country. That makes a lot of sense to be part of this. And Spain has a policy where you can export the concentrates, so you can bring the material to India, same as the case with Finland. You can export the concentrates to India, probably get the price advantage of these metals in India itself.

That is from the business point of view. And the corporate tax is around 25%, which is also very, uh, competitive. Compared to, uh, India. So it makes a lot of business sense, and it also provides a possibility of bringing those metals to India. Ultimately, our aim is to bring these things into India, you know, and process it. So I think these are the positive steps why we actually went into, uh, expanding our portfolio in, uh, Europe. So the third one, this is the lithium tantalum project in Mozambique.

Total license area, as I said, is about 150 square kilometers. We have completed- there are 2 projects here. One is, uh, it's called Inchocha, which is on the eastern side, and the third one is- it has some number, license number, uh, it's called Mota, I think. So that project, uh, in the left-hand

side, you can see number of pegmatites. Each have a lot of tantalum, and the tantalum is a very, very important material for the semiconductors, etc. And that we are going to drill in this season. Already targets have been identified.

All the blue dots that you see there are the drilling targets which have been identified, and we are going to drill them, uh, in this quarter, uh, once we get the money, of course. And, uh, on the eastern side, that is Inchocha, which has already been, uh, through artisanal miners have been producing lot of lithium, and we are going to drill. And, uh, this is one project Um, where we are focusing both on the hard rock operations and also we are evaluating the possibility of getting the tantalum particularly from the regolith profile.

Regolith means the top soil profile. There is a possibility of getting a tantalum from the soil profile, which makes the mining very, very easy and can get into the production very quickly. In any case, among all these exploration projects Uh, we strongly believe Mozambique is one project which can go into the commercial operations very soon. Very soon means not, not next couple of months, but at least in 2028, this could get into the commercial production. Now, other projects may follow it a bit later.

And again, uh, the royalty on the lithium in Mozambique is actually less than 3%. So these are some of the things which in the long term make a lot of sense for us to operate and bring the material to India as well. So we will probably drill and then, uh, come back with more results. Next. So I think building, uh, the aim of us is to build a global Indian mining company, which I think we are pretty much on the path of doing it. We started production in 2 projects And we have advanced project in gold, and also we are into the critical minerals.

But having said that, any mining company, um, and particularly in the modern era, you need to have portfolio of assets for 2 reasons. One, there has to be continuous expansion of the company. Uh, yes, financial constraints could be there, but the second point is once you lose the ground a geologically potential ground, you are never going to get it back. You can raise more money if you have a good ground, but if you don't have any ground, you cannot raise money also. So it is necessary for us to look for the projects, which we have been continuously doing it.

In the last quarter, I think I did present there are 3 projects which are doing due diligence. These are the projects under due diligence. There I must say that due diligence is not one-day process. It's going on, but I thought I would present a brief about all these 3 projects. 2 are gold projects, one is a graphite project. Let me start with the gold project, but it's in Finland, of course. Uh, it is 45 square kilometers of the granted tenement. There are 2 clusters. It has about 6 tons of gold at various stages of development, plus 9 tons of silver also in one deposit.

So, uh, the 6 tonnes could be increased significantly with further drilling. So we are doing the due diligence in terms of, uh, of course, the financial terms and conditions that we are negotiating. And personally, I feel that it is a good project to have because we already have a gold project in Finland. And for the various reasons, in particular the commercial and business development reasons, Being in Finland, um, is, uh, it makes a lot of sense. And the second one is a brownfield gold project, uh, that is close to Terek.

Uh, it's a- Terek is another big project there. We are very close to it. It has already an estimated 3.3 tons of gold, which is in C1-C2 category, with AG and silver and copper credits. And it also has the potential to go up to more than 10 tonnes. It has a small open pit and it can go into underground. Once you go into underground, the grades are going to be high and the productivity is going to be much higher. Uh, this also we are in, uh, negotiating in terms of commercials. The third one is

graphite project.

This has been our target because, um, as I mentioned, we need to have, um, In India, because of the battery storage is going to be increased significantly, India would require a lot of these battery metals, and every battery, 50% is graphite. So the, uh, having lithium and nickel in our portfolio, it's good to have a graphite project. That's what we have been scouting for. This is one of the projects where we have already explored about 1,000 meters, that's about a kilometer. And another 10 kilometers have to be explored.

5-meter-wide mineralized zone has been continuously traced, and beneficiation test has also been carried out. It has about 94% recovery, and it is a flaky graphite. That is what required for the battery makers. Some flakes are quite large, like 5 mm size flakes. You can see the sample from the site, and this project Um, we- it can liberate through a simple flotation circuit. Now, 94% recovery has been proved through the metallurgical test work. Uh, again, we are in the advanced stage of, uh, negotiation with them.

So idea with this is if you- with all the critical metal projects, particularly lithium and graphite, if you can bring the concentrates to India and, uh, set up a downstream unit It may not be making our own batteries, but if you can have an advanced material which can supply to the battery makers, that would create a lot of impact in India. So that is the idea. Let us see how it progresses. But that is the thought process behind looking at this kind of graphite projects. Just to give you an idea, in terms of critical minerals, India was a net exporter of graphite few years back, and it has already become net importer of graphite, and it is going to be much more- I mean, it's going to import much more graphite as we move forward.

So we definitely look into all those aspects before targeting these commodities. I think very soon we'll be able to update on these 3 projects where we are and how they are going. So obviously our ambition to build a globally relevant Indian mining company, responsibly developing the resources that matter to India particularly, and of course to the world. Um, so that we continue to do, and, uh, we thank the shareholders for the support that they have given all through. And, uh, we will deliver, and we have been delivering, uh, to whatever the promises that we have made I think, uh, there will- there, there are frustrations in the, in the process because of the delays which are sometimes beyond our control, but, uh, we are definitely steadily- we are growing, and, uh, I'm sure we will be able to deliver to the aspirations of our shareholders.

Thank you very much.

Operator
Thank you, sir. Should we open the lines for questions now?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yep.

Questions & Answers

Operator
Thank you. We will now begin the question and answer session. Ladies and gentlemen, anyone who wishes to ask a question may click on the raise hand icon from the participant tab on your screen. We will wait for a moment while the question queue assembles. Each speaker will have 2 minutes to express their views or ask queries. You can return to the queue for more questions, if any. To rejoin

the queue, you may click on the raise hand icon again. We will take our first question from Ashrit Kothi, who's an individual investor.

Please go ahead, uh, Miss Ashrit Kothi.

Ashrit Kothi - Individual Investor
Yeah, uh, good morning, sir, and congratulations on multiple Projects which are going on stream in coming months and years. Only question, sir, over here is how are we going to further fund in our

Sagar Parekh - Analyst, Renaissance Investment Managers
Cash

Ashrit Kothi - Individual Investor
Flow requirements? Because this Jonagiri, till the time they declare a dividend, the cash flow will not- it won't contribute to the direct cash flow. That is one part of it. And the Ganajur Supreme Court case, any any deadline the Supreme Court has given or it can still get delayed? Hello.

Operator
So

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
How do I respond after all the questions? Hello. After all questions. Okay.

Ashrit Kothi - Individual Investor
[Foreign Speech] serious meaning sorry okay

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Ashrit I will certainly respond to this

Ashrit Kothi - Individual Investor
Yes sir

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Get there

Ashrit Kothi - Individual Investor
Thank you you can

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
Take the next speaker imba

Operator
Okay we'll invite Next participant, that is Jay Prakash Dargad from Jainan Science College, Latur. Mr. Jay Prakash Dargad, could you please unmute and ask your question now? Hello. Yes,

Jay Prakash Dargad - Unidentified Participant, Jainan Science College, Latur
Sir. Ah, good morning, everyone. So my question is regarding, uh, despite the improvement in the standalone profitability and the significant profit contribution from the associate company, consolidated results continue to show a loss of Rs 9.28 crore for the first half, uh, during, uh, '26-'27. What are the principal reasons for this difference? When can shareholders realistically expect the consolidated business rather than the just the standalone or associate operations to

become consistently profitable?

This is my first question. And in continuation, the second question regarding- can you hear me? Yes, yes, yes, yes. Okay, particularly regarding as far as the inventories are concerned. And, uh, whether the inventories are continued to be a part of the profitable, uh, in the second, third quarter. As you mentioned, the inventories you have, the company has, and whether can be converted in the third quarter in the profit.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah.

Jay Prakash Dargad - Unidentified Participant, Jainan Science College, Latur
Okay.

Operator
Yes. So I'll just move to our next participant for the question.

Avinash Mule - Shareholder
Yeah.

Operator
Okay. We'll take our next question from Avinash Mule, a shareholder. Mr. Mule, please go ahead with your question. Your mic is still muted, sir. Could you please unmute and ask your question? Hi everyone.

Avinash Mule - Shareholder
Hi Anuma. So I hope you can hear.

Operator
Yes, we can hear you.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, yeah, yes, yes, sir.

Avinash Mule - Shareholder
Uh, it's unmute already. Okay, yeah, thank you. Uh, my first question is regarding our RT in September and it is 1.2 kg. So almost one month, 1.2 kg. So somehow can you explain? Okay, because we are targeting 180 kg per year something. That is my first question. Why it is less? And okay, any tentative prediction or analysis that when we are going to go for production for the Balukona project? Yeah, thank you everyone.

Operator
Okay, thank you. Um, our next question is from Viraj Mahadevia of Moneygro. Ah, Mr. Mahadevia.

Viraj Mahadevia - Analyst, Moneygro
Hi, hi, congratulations and thank you for all the hard work. You have a lot of project optionality coming up. What would be helpful, Hanuma, is to get a perspective around the 4 near projects: Balukona, Finland, Spain, and Mozambique. When are these projects likely to go live in terms of actual sales? And what could be the lifetime revenues in your best estimate, guesstimate, even as a range? In crores of rupees? Because, you know, we get lost in this conversation around tonnage and

raw ore versus finished product.

It's very hard to get a perspective. So what could be the lifetime revenues for each one of these projects? Uh, that would be really helpful. Um, and, and number 2 is, um, is Kyrgyzstan now likely to ramp up and, and target the 150-kilo production for this financial year? As has been indicated earlier, and then ramping up to, you know, 300 in next year and moving up from 300 to 450 and subsequently 600, 800 over the next few years. Is that still the expectation? Thank you.

Operator
Thank you. Our next question is from Imran Ghani, an individual investor. Mr. Ghani, please go ahead.

Imran Ghani - Individual Investor
Yeah, hi, afternoon everyone. Can you hear me?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yes, afternoon. Yeah, hi. Yeah, Hanuma.

Imran Ghani - Individual Investor
Hi, hi, how are you doing? How is your-

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, good, good, thank you.

Imran Ghani - Individual Investor
Good, good. We pray for you, all of us, to be honest. Uh, my question is about Kyrgyzstan. 2 questions, very short and crisp. What is the plan for winter operations for Kyrgyzstan? Will it be operating at Plant hundred percent capacity, whatever we have planned or established. And did we get the money of 1.2 kg Dore or or how much time will it take? Like you said that this is the test sale of 1.2 kg. So it has it completed its circle of getting the money. These two questions and congratulations and thank you for everything.

Operator
Thank you. Uh, next question is from Shrigopal Bajaj from Trade Hi-Fi Stockbroking Private Limited. Uh, Mr. Bajaj, please go ahead. Uh, Mr. Shrigopal Bajaj, could you please go ahead with your question? Your connection is unmuted.

Shrigopal Bajaj - Analyst, Trade Hi-Fi Stockbroking Private Limited
Uh, Anuma ji, uh, what about Swarnagiri's inventory management? Why do we, why do we keep this inventory rather than selling as and when the production is done? Second question is that, uh, what is your say in the board of policymaking? Third is, are you looking to exit this completely, or you wish to continue with the company as it is. And, uh, I request you to make it more interactive, to answer questions then and there rather than, uh, what do you call, um, you take down the questions. It, it's- it just gets lost in the thing.

Thank you.

Operator
Thank you. Our next question is from Hitesh Gupta, an individual investor. Mr. Gupta, please go ahead with your question.

Hitesh Gupta - Individual Investor
Yeah, hi. Am I audible?

Operator
Yes.

Hitesh Gupta - Individual Investor
Yeah, my question is regarding the PLI scheme for the critical minerals which has been introduced by the government. So I just want to check how much percentage are we expecting to receive, uh, and at what time for our nickel and lithium mines, and what are the plans and, you know, uh, development on that? And my second question is on the, uh, Ganajur Supreme Court case. As what we understand, uh, that Indocil case is little weaker than Uh, what, what we have assessed so far. So is it right that we have tagged our Ganajur case alongside with Indocil rather than going independently as a separate, uh, appealing in the case, right?

Because our merit stands apart from all the applicants, uh, basis what we know regarding the past approvals and the various MMDR section applies. So will it impact somewhere if Indocil case comes out to be weak than Deccan? And in that case, did we do sufficient consultation with our legal counsel and to represent the case apart from this all applicants in the similar case? So how do we plan to approach through our legal counsel in the court? Thank you.

Operator
Thank you. Next question is from Abhishek Lika of Nest Wealth. Please go ahead. Abhishek Lika, please unmute your mic and ask your question. Mr. Lika, please go ahead with your question.

Unidentified Speaker - Chief Financial Officer, Deccan Gold Mines
Take some time questions and answers on that. There's

Operator
No response coming in from this line, so maybe move to the next participant, or would you like to answer the questions first?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
I will say three next. We have three next.

Operator
Okay.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
The lights are closed. Yeah, then we can have the three and then yeah, I mean

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Okay. One six and I mean I will answer. But definitely we'll take more questions if there are any issues. I mean, sure, sir, they want more.

Operator
Okay, um, so we'll take Mr. Krish Salot from AG Ventures LLP. Uh, Krish Salot, please go ahead. You may unmute. Your connection is unmuted. Please ask your question now.

Krish Salot - Analyst, AG Ventures LLP
Hello, am I audible? Yes. Yeah, good afternoon, sir. I am actually new to this company, so I just wanted to understand, uh, can we increase our stake in Jhonnagiri, which is a profitable and a growing company? And the second question is on the brownfield projects. I understand the mining process- our current projects might also get delayed based on how there could be challenges during mining operations as well. So the commercialization could get delayed, and you might not give us a fair understanding when it can get commercialized, and so how the business works.

But the brownfield projects, would it be possible that they are much more established than our current projects and which we can commercialize and materialize them faster? Uh, so how are we looking at that, those projects? Thank you so much.

Operator
Thank you. Our next question is a follow-up from Jay Prakash Dharwar from the Anand Science College. Uh, please go ahead, sir.

Jay Prakash Dargad - Unidentified Participant, Jainan Science College, Latur
Oh yes, uh, as I asked regarding the consolidated profit, in the same follow-up question is what is the expected consolidated PAT for '27 and also for '28, and what are the assumptions behind these estimates which you can do? Thank you.

Operator
Thank you. Um, we unmute the connection for Pratik Kothari from CR Kothari and Sands Stockbroking. Please go ahead.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
Stop with this question.

Operator
Mr. Kothari, may I go ahead with your question? No, there's no response coming in from this connection.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
I think in we can now at this point let him let us answer the questions.

Operator
Sure, sure, sure.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
Okay. Yeah.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, um, hi Ashit. Um, I mean, your query is how we are going to fund these projects further because there is no cash flow from Jonagiri. It is true, unless they give dividends, uh, we are not going to have money coming from Jonagiri project. And, uh, how we are going to fund it I think, uh, now the funds are required primarily for the exploration, for which we believe we have raised this Rs 137 crores, which will be used for the drilling operations. Once we have a clear idea based on the drilling operations, uh, the amount of money required for the CapEx, for at least even out of 4 projects, if 2 or 3 or 2 are going to be successful and require immediate cash flow, the immediate

funding, then we are looking at obviously raising money through the market.

Previously also, we, um, in fact, we explained that we might, uh, raise through, um, one of these instruments, yeah,

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
Uh,

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Debt or equity. So that's what we are looking at. And at the same time, particularly from some of the critical mineral projects, what we have been seeing is there are always downstream players in this from whom we can tie up through an offtake arrangement. In fact, a couple of people, they have already approached us in terms of like having an offtake for nickel or for Uh, lithium and also for tungsten. So in fact, we have talked- we are talking to them now in case if we- that is one other route which we believe can fund these, uh, these projects, particularly the critical metal projects.

That is a strategy we have. I think primarily we are waiting for the results based on the next round of drilling that we are going to do. With the available or the funds that are going to be available to us. So that is one. And in case of Supreme Court hearing in Ganajor, they are- there is no date that they have given. But it is our general observation is once it comes to the regular hearing, our legal team also feels that in another 4 or 5 hearings, this could shape- some shape would emerge. That means we may reach to the last point.

That's- I think I still believe that's an opinion. We cannot give any deadline to this. But looking at the way this case particularly is being handled, uh, the Supreme Court also wants to clear it as quick as possible. And I think there is also pressure from government to clear it, I think, because some of the key projects are Kind of concern

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
And loss weight is in this concept.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Some of these projects are also held, and then they are stopped because of this. This this particular judgment could unravel many of them. So hopefully in the next month or so, we would be able to have some conclusion on these cases. But again, I would say that is our. Our opinion based on the legal counsel's opinion also. Yeah, yeah, I think Jay Prakash's queries and the CFO will answer afterwards. Let me finish with all the technical queries that have come to us. The third one is Avinash Mule.

1.2 kilos of Dorebar that we have sent. That includes, uh, some gold and some amount of copper, silver, and everything. That is the analysis we have, and that is being under refinery. It's being refined now. In fact, before coming into the call today morning also, I spoke to them. It's being refined, and once it is refined, we'll have the Dorebar maybe in a day or 2, and then subsequently it will go to the bank. So I think it will take maybe another a week or so And also, please remember, this is the first time Dorebar is going from Altintor project.

Previously, when the government was handling this project, they were simply taking out the concentrates, particularly gravity concentrates, and giving it to the, uh, some downstream operator. Like, they leach and produce the Dorebar, and then that Dorebar used to go to refinery, whereas now it is directly coming from here. So this is first time, so they are taking their own time in terms of procedures and establishing the clear route for it. But having said that, uh, I think next week we will

have the Dorebar going into the bank.

That is what we understand. And, uh, we have, uh, sent this one only as a part of, uh, uh, as a first step to understand how it is, uh, going to happen and to validate the process itself. And, uh, in the- yes, we are targeting about 180 kilos, uh, in this current financial year. I think this winter operation, um, is something which will tell us in the next 15 to 20 days. I think, Avinash, you have to give me that much of time. Next 15-20 days, once we run the complete Circuit with currently we are going to run with the actually ore.

It is not with tailings. So within next 15 days, we will have a clear idea how much we are going to produce in this, particularly during the winter. I also would like to say this is the first time this entire plant is being operated during winter. So it is not that we are not going to face any challenges, but We would like to see, and you have to give me that much of time, at least another 15-20 days, how this is going to happen. And the second one is the Balukona production. Balukona production, uh, it would take definitely 2 to 3 years, not before that, because even if you look at the timelines, next year if you lodge mining lease application, it would take about at least a minimum 6 to 12 months to get all the clearances.

And in the meantime, even if you go ahead and start building the processing plant, uh, the processing plant construction itself would take about a couple of years because this plant is going to be a bigger one. Uh, so I, I think in 2029 is a likely scenario when we are going to have the production. But based on the one other thought process that we have is to start the pilot-scale operation. We don't, don't go for the bigger one immediately, but a pilot-scale operation which can start producing smaller amount of the concentrate and start selling the concentrate to the refineries in India.

There are copper refineries in this country, obviously owned by all big players. So that is another option that we are looking at. I think that we will have a clear idea once we have The, um, beneficiation test work results which we are expecting very soon. And based on that, we will take a call and you will be updated on that. So, uh, Viraj, I think these projects- Balukona, Finland, Spain, and Mozambique- as I have been mentioning now, um, see, in all these projects, building the bigger plants would definitely take time.

There could be around 2029, or in some cases it could be 2030 also. But on a smaller scale where it can be operated is Mozambique is one place where on a smaller scale you can operate. And we are also evaluating the same process in the Balukona also. If that is done by 2028, uh, we should be getting some revenues out of these projects. Uh, in terms of lifetime revenues, I also would like to prepare those kind of things. But, uh, the 2 important aspects in this- based on the initial drilling results, we need to know the average grade and the recoverability.

Then only we will be able to estimate the operational expenditure. CapEx, we always have an idea, it could be around 400 crores to 600 crores. But operational expenditure can be Assessed based on this, particularly for, uh, once that is available, I will be confident in actually circulating those kind of numbers. Now, I think we have to wait till that point, but otherwise we have some plans, some revenues based on a very established generalized numbers across the industry, but that is not something which we want to throw around at this stage.

And in terms of, uh, Avalum, uh, as I said, uh, this winter, um, at least give me a little bit time, but further ramp up in terms of 300 kilos, uh, next year. And also, uh, some issue, uh, sorry, can you show it to me? Yeah, uh, 600, 300 kilos from the next financial- next year, and also the 600+ kilos, uh, going forward when we go into the underground operation. That is perfectly achievable. Why I

am very, um, kind of non-committal, if I- if you say, uh, in the first year, this year, because of the winter operations, um, and we are going to start- these operations are going on.

We need to understand how it is going to work. So, but the going forward, I don't foresee any problem because everything has been aligned properly. And if there are any issues this winter, it will be solved so that in the following years during winter there will never be any problems. Uh, so I think Imran Ghani's- that is a point. I think both the points also I have answered, uh, in terms of plant winter operations as well as Uh, the Dorebar. I think next week we'll be able to update the market.

So in terms of, uh, Gopal Bajaj, the Svanagiri inventory management, why keep it rather than selling as when the production is done, as and when production is done? Yes, it is, uh, in a normal business that's what it happens, uh, but I think in, in terms of gold, uh, there is always a price advantage in terms of the either festivals or any other major events that happen in India. And gold always gets more attraction during certain periods. And it's not like other commodity where you need to find buyers.

Even if you have 2 tonnes as an inventory, one day you can sell the entire gold, uh, on a good brighter day where prices are higher. And the lot of gold has been kept Whatever the inventory worth 135 crores has been kept because in the following season, that is the festive season. You all know how it is being managed, how the prices are going to be in the festival season. So that is how it has been kept. But I assure you, in October and November, good amount of gold has been sold. It will be reflected in the month of December in those No, this- in those financials you'll be able to see.

See, in terms of, uh, you were saying the board and the policy making, uh, I mean, I don't know what exactly that means because, uh, most of it runs based on the company's policy, which is based on

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
The board of directors.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
They approve, uh, these, uh, things. Not necessarily when gold is going to be sold or any of those things, but on broader things like what are the other aspects that we need to do, ramping up of the facilities and the policies like dividends and so on and so forth. And also in case if it is going into public and etc., etc. So those things board definitely discuss and they will take our opinion. It is not that they simply throw us out. So it has been very cordial. I think whatever 26% gives the advantage, that obviously we have.

We can say that to them as well. Are you looking to exit this company or you wish to continue with? It is not Jomaisor. It is Triveni Swarnagiri Private Limited. Again. Our take on this is once we have this continuous production, see, there are two aspects here. One is the commercial aspect, and the second one is being part of the first gold mine in this country. I think that also has its own own value. And then in terms of commercial value, I think next two to three quarters when the numbers, the companies, the Uh, the operating company's policy is also like, we'll see next 2-3 quarters, and there may be a possibility that, that we'll get into a, um, a kind of listing, which of course that is a thought process.

Once it is done, done, I feel there will be a lot of value created out of this. And in another 1-1.5 years, based on the lot of drilling that is happening, the overall resource in the project also will increase. See, initially when we started off, it was 12 tonnes is the resource. But if you reach 30 tonnes, the inherent value of the project will significantly increase. Attached to it, if we get all the approvals and we ramp up the production to more than a tonne, uh, that would give a lot of value to our 26%.

I think if, if shareholders and board all feel that that is the time to exit, obviously it is not my own decision. Uh, if everyone feels that is the time that we need to exit, I think we need to wait up to that point and try to exit if that is the wish of the shareholders and board. As of now, we don't have any thought process, uh, to exit from this, uh, Dharwani Alloys, that's Jhonnagiri project. Uh, Hitesh Gupta, the PLI scheme for critical minerals introduced by Government of India How much percentage?

I think the scheme that they have brought in, which is more than 2,000 crores, which is for the downstream processing, uh, particularly from the, uh, advanced materials. If I just take an example, lithium concentrates are brought to India and made lithium hydroxide or carbonate to make into a battery, or graphite is brought from, let us say, Zambia and we make spherulized graphite which is sold to the battery makers. So for those kind of downstream facilities, they have kept this material- mine, sorry, this money.

But at the same time, uh, even the concentrate production within India, if it happens, there is a provision to apply for it. I think once we have a- these things would require process flow sheet, how we are going to set up, what is the cost of operation, etc. Once we have that, we'll approach the government. My understanding- it is only my understanding, it is not on the paper- at least 20-30% of the required capital they could provide. And then we really, really need to estimate what is going to be the capital required for it.

And I personally feel there is a lot of advantage because we are one of the first players who are developing this kind of nickel mine in this country. So we stand a good chance And my thought process is around 20-30% of our requirement could come from the government. And in terms of Ganajur, is it right that we tied ourselves with Indocil? There is a bit of a history to it. Let me split this into 2 parts. The first part is our case is in the High Court, Karnataka High Court. That is where we are.

And at the time when it was It was heard, the judge felt that Indocil case is already in the Supreme Court. Let us wait for the outcome of that court, that case, and come back. And so that is what he said. So it was basically put in abeyance. Still, we have the Supreme Court judgment on Indocil case. That is point number one. So then that made us to think at that point in time Uh, we thought it is better to join as an intervener, so just to protect our interest and be part of this whole exercise in the Supreme Court so that we can also put our inputs into it.

So these are the thought processes we have at that time which made us to go as an intervener in this particular case. Now, um, your point is right. In case if something goes wrong with Indosil case, what will happen to us? To, to us. I think this Indocil case itself- again, I am not a legal guy, but whatever I understand, I am telling you. The Indocil case also included, uh, there are 3-4 other parties that includes Dalmia, Shree Cements, and also us as intervenors. And in fact, uh, Dalmia and, uh, Shree Cements, their mining leases were also Actually, grant.

Hello. Grant order was issued. So their cases are also strong. Um, even though Indosil has not got the approval from the Ministry of Mines, uh, but their case, uh, in combination with others is, uh, seems to be strong. Actually, the Karnataka judgment also, again, our legal counsel feels that it is a very, very well-worded and very strong judgment. So there is a hope, um, uh, that the- these cases are dealt properly in Supreme Court. And the third one is, uh, it is good. I mean, in the last couple of hearings, the Supreme Court judges clearly felt that it is, uh- and they also pronounced that they are going to hear everyone, uh, not just, uh, Indocil, but whoever is involved in this.

They are going to hear. That gives us a significant voice, at least to present ourselves. That is the

reason why we also brought a senior counsel who is very well known in Supreme Court. We have been- we brought him into this and then he is going to argue and present our case and we are not going to sit back. Yes, our interest is to safeguard and see that there is no adverse impact. On our particular case, even though Indocil loses its case. But, uh, so our first step is to present to the judge that we are different.

We are different from Indocil. Our case is much stronger. We have got all the approvals. These are the strengths of the case. That is what we plan to argue. And from that perspective, it is good that the Supreme Court judges have- are going to give us an opportunity for everyone to Talk. So I think we these are some of the strategies that we have in mind. We hope that it will come. We we will have a positive outcome, and then obviously with that outcome we have to come to High Court and then argue our case in High Court.

So that is how it is going to be. But if industrial judgment is going to be positive, then it will be a cakewalk. Obviously. In high quota. So that is how we see it. We'll safeguard our interest and we'll do our level best to safeguard that one. Uh, Krish, uh, first point is, uh, can we increase our stake in Jhonnagiri? I think there is no further equity infusion because there is a lot of, uh, money that it is generating. And so the whatever that is required for the projects can be met from the profits that are coming out of the by the production, the revenues coming out of the Jonagiri project, Svanagiri project itself.

And also there is going to be, um, I mean, if at all they are going to raise some debt if it is required, but I don't see any, um, possibility of the equity infusion, hence increasing our stake. And in terms of, uh, brownfield projects, can they be commercialized faster? See, commercialization, yes, as I said, uh, previously, in some cases if you can, uh, reduce, uh, particularly from the open-pit operations- underground operations we cannot commercialize very easily because you have to develop the underground mine in the first place to bring any ore outside.

But whereas wherever there are open-pit opportunities- opportunities, please excuse me for being a little bit technical, but it needs to be explained in that way. If there are going to be open-pit operations, there is always a possibility of building a smaller processing plant and developing, uh, the resources quickly and commercialize it, even though it's on a smaller scale. That can be done. So, um, as I said, Mozambique and, and the nickel project in Chhattisgarh have those kind of opportunities where we can start on a smaller scale and increase on a bigger scale.

That we are definitely looking at. And if that can be done, then maybe in 2028-29 itself, or in the '28 itself, we may be able to see some small amounts of production and small commercialization. But that purely depends on the beneficiation test work which we are going to do on all these- both of these 2 projects. Why these 2 projects I put ahead? Because They are the open pit operation. They are going to be open pit operations. That is the reason.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
Okay, okay. Yes, sir. So questions about what, sir? EBITDA margins for Altinto, how much are they going to be? Yeah. After accounting for royalty and taxes?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, yeah.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
And generally, because of the exchange rate, you downgrade everything by 0.9 more times. What

has led to this? Why? Reasons?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, I think we got a WhatsApp from Pratik Kothari. His points are like, what is the all-in sustaining cost? See, in Kyrgyzstan, which we have always been maintaining that the PAT margins are going to be anywhere around 30 to 35%, and the maximum being 40%. So that is what we are going to obtain. And in terms of EBITDA margins, um, they will be similar to- I mean, not similar because we have much higher, um, we are in the revenue sharing arrangement with the government. But, uh, in terms of PAT margins, we stick to those numbers like anywhere around 35 to a maximum of 40%.

That is what I can say at this point in time. I think we need to wait for one other quarter results. That is when we have this, uh, the exact numbers in terms of EBITDA and PAT also. In terms of mineral reserve grade, uh, can I see the slide where it is? 0.99 is an average grade, if I remember, of the stockpiles, which includes 2, that is, uh, tailings as well as low-grade stockpiles. Low-grade stockpiles have an average grade of 0.8 grams per tonne, or 0.78, and the tailings have a grade of about 1.9.

So it is a combined grade of, uh, that is shown as 0.99. And in-situ resources, if you show in this presentation, that is from the ore, that is coming as 1.69 from the pit. So the first one, the stockpiles, uh, includes both. That is a low-grade stockpile of about a million tons and also a tailing stockpile of about 0.6 million tons at 1.29. So what you are seeing as 0.99 grams per ton is a, uh, combined value for both So there is no revision. No, it has not come come down. And in terms of in situ resources, that is 1.69 within the pit.

And if you take outside the pit, obviously the grades will be much higher than this because the underground grades are much higher. As regards, can I? As regards anything else. Yes, sir. With regard

Unidentified Speaker - Chief Financial Officer, Deccan Gold Mines
To reason for the consolidated loss being- yeah, as regards the consolidated losses, see, as you all understand, except for, I mean, Jhonnagiri, which is an associate company, that's the only contributing factor at this stage, so which contributes to the bottom line of the consolidated financials. And see, apart from this project, we have tier 2 projects and other subsidiaries also, which till they reach the commercial production will continue to incur losses. Because, you know, that is how even Jhonnagiri was, or Avalum also.

Avalum also will become capital expenditure. And there is a lot of capital expenditure also is being, you know, spent on Avalum, which is almost close to production. So that's the reason where, you know, the consolidated losses will continue till our other type of projects also comes into commercial production. Hope that answers your query. And actually, you can see that the consolidated losses are actually narrowing due to the increase in contribution from short making. Yeah, if you can just add up.

Yeah, just to add on what he said, the consolidated losses, you know, significantly narrowed down during this quarter, and we hope that it will continue in the ensuing quarters also. So that we have answered the accounting bit also. Now next batch of questions. We want to enlarge one by one. Okay, I think one by one

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Will be better.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
That is easy. That is easy. Imran, can you take your next question?

Operator
Sure, sir. Uh, we have Mr. Hitesh Gupta, an individual investor, who has a follow-up. Please go ahead.

Hitesh Gupta - Individual Investor
Yeah, hi. Uh, am I audible?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, yeah.

Hitesh Gupta - Individual Investor
Okay, so, uh, thank you. Thank you, sir, for answering my questions. I have a few more questions. Uh, one is on the analyst meet we have since long with Anand Rathi, and they're a group of investors who visited our Altyn plant. So, uh, we haven't seen any participation from this analyst in terms of, uh, you know, getting into, uh, the company and buying shares, uh, which would eventually boost confidence of retail investors. And we haven't seen any large-pocket investors, you know, uh, since the time we, uh, are an exploring company and getting into production.

I didn't see any, any new big names, uh, making an entry. So is there any possible plans, uh, you have probably around Q3, Q4 to have some roadshows and, uh, you know, meet up this more frequently to have them participate in our company? Second is, uh, uh, on the promoters, uh, we had discussed this in the past, uh, we really want someone to be face of Deccan to the market. And as on what we know, Rama Mines and AIR are not participating from the promoters end, uh, which primarily Indian markets are also looking, uh, on the- as a promoter face.

So are we planning to bring in Anyone along with the current promoters to, uh, you know, have a wider visibility in terms of, you know, more bringing more credibility and having some mining name, uh, induced, uh, in the list of promoters. Yeah, that's, that's all my, uh, from my answer. Thank you.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, thanks, Hitesh. Um, in terms of, uh, Mananand Rathi, they have been associated with us, and, uh, they arranged couple of visits, uh, to this site. Actually, Anand Rathi's team came about, I think, 1.5 years back, and more recently, uh, they brought few others and the analysts, etc. I mean, we have, uh, done whatever is required, and they're pretty happy to look at the project, the growth, the way it has grown, all that. Um, I mean, I, I may not have any specific answer why they have not participated, um, in any of these rounds or buying from the market.

Um, but having said that, we will continue to put our efforts in terms of disseminating the information, talking to analysts, etc. Yes, we are, uh, we will be doing. And in fact, what happened is last few months we are completely tied up with the development of this particular project the one in Kyrgyzstan, and also raising bit of money. And then I think last time we met many of them in the month of July, if I remember it correctly. July we met and we explained our story. Uh, so now having come into the production and results look decently good, uh, I think we will again go back, uh, to the analysts and conduct some meets in this quarter itself, uh, before December 15th.

We are contemplating to do it, but I think I will announce it, or we will kind of- once it is materialized, we would let the market know. And in terms of promoters, I think we have discussed this topic

number of times, uh, the Australian promoters, their involvement. I think the- we should give full credit to them for bringing a company to this, uh, I mean, like, even thinking of doing something like this, which is in a long term is helping, uh, the, uh, the kind of industry itself. Because now we have become some kind of pioneers in this kind of industry.

That, uh, credit we should clearly give to the Australian promoters. And bringing another promoter along with them, um, I, yes, I agree, it's Indian markets, uh, definitely look for a strong mining promoter attached to the company. We are kind of putting our efforts now because within our group, uh, there are a couple of big names, at least one big name which could come in. But, and, uh, how it is to be done, how it, uh, that, that thought process is there, uh, I think. But we need to work out the details.

And then only I can say anything concretely on this particular issue. Next. Yeah.

Operator
Thank you. Our next question is from Rajiv Agrawal of Sterling Capital. Rajiv, you may unmute and go ahead.

Rajiv Agrawal - Analyst, Sterling Capital
My question is that the numbers, production and sales numbers you show in the presentation [Foreign Speech]

Operator
We can't hear you clearly can you hold the mic little closer and repeat your question

Rajiv Agrawal - Analyst, Sterling Capital
My thanks for the opportunity my question is that the production numbers you are showing in the presentation 150 kilo and 135 kilo are this attribute the gold to decam gold only and this are the total

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
It is not to the Deccan Gold. As you know, we own 26% in Triveni Lloyds Jhonnagiri Private Limited, and we, uh, the profit after tax will come into our books. And these numbers, whatever is shown, is of that company.

Rajiv Agrawal - Analyst, Sterling Capital
Okay, thank you.

Operator
Thank you. Um, next question is from Shrigopal Bajaj from Trade Hi-Fi Stockbroking. Please go ahead.

Shrigopal Bajaj - Analyst, Trade Hi-Fi Stockbroking Private Limited
Um, Hanma ji, will you be now disclosing monthly production and sales on, uh, Jindal and Altyn? Uh, second question is, so let's assume that you win Ganajur in High Court, what is the probable time of operations and how much is an expected revenue from that?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, monthly production, particularly from Altintor, we will announce. There is no doubt about it. And in terms of, uh, Jhonnagiri project, uh, it is actually quarterly, uh, reports that we get from them. Uh, that is what we have been presenting. We will make an effort Definitely to talk to them and then

get the monthly production from them, from that company, so that we can announce to the market. From Altentor, certainly we will do it. That is one. And in terms of Ganajur project, Ganajur, as I said, it will take, uh, even if mining lease is granted, let's be very, very realistic in this, uh, the kind of timelines here.

Even if it is granted in the next few months, then it would take about 6 months minimum to get the mining MOU clearance and the IBM approvals, because mining plans and all have been prepared, in fact. So it would take that much of time, and then land acquisition, at least 18 months of construction that is required. So minimum we are looking at around 2 years, and considering, um, uh, land, land acquisition issues and various other things, it could definitely can spill over to another 6 months to 12 months.

So even if we get it, uh, by say March 2027, it could, uh, take- I think by 2030 March we would be able to run the plant. And in terms of production, as I said, the grade is very high. Even if you set up a 1,000-tonne plant- that is the plan we always have- a 1,000-tonne plant will be producing anywhere around 3.2 to 3.3 kilos of gold every day, which equates to about a tonne per annum, uh, in that project. And the profit margins, I believe, would be higher than what we are getting in Jhonnagiri.

Because of the grade, uh, the- it will be a lower OpEx. So the grade with the higher grade, our profits will increase. Maybe the EBITDA margins upwards of 70, close to 75, or even 80 is possible, of course depending on the gold price. So I think these are the very, very, uh, I mean, initial numbers on that project. And as of now, we have 9 tonnes of gold, about 330,000 ounces. If you see our feasibility report, which is pretty much on our website, you can see that as well. 330,000 ounces of resources there, which is- which equates to about 10 tonnes.

And there is a potential to increase the resource also.

Operator
Thank you. Uh, next question is from Ashut Kothi, an individual investor. Ashut, please go ahead. Uh, Ashut, could you please unmute your mic?

Ashrit Kothi - Individual Investor
Thanks, uh, for giving opportunity again. Couple of questions. One is on, uh, are we using, uh, satellite imaging or hyperspectral, uh, for ascertaining the mining- mine's capabilities or the area to be covered, and how much does it save in terms of time? That is one part of it. Second part is, sir, with regards to critical minerals, do we consider that critical minerals over a period of next 2 years Possibly would contribute more than gold, and gold would be more like a as it as a glittering and investors fancy.

It would remain that way, but majority would come in from our critical minerals only. Yeah.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
In terms of satellite images and hyperspectral images, etc.,

Ashrit Kothi - Individual Investor
Can

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
You please unmute? Yeah, a lot of noise. Yeah, yeah. Uh, in terms of satellite images and hyperspectral images, we have a separate team actually doing that, and in fact, a couple of our team

members are very well experienced in doing that kind of thing. But the reality is that will help in the initial stages of work. So if I take the overall contribution of, uh, satellite and hyperspectral data, it may contribute 5 to 10% of our exploration phase. Like, uh, if we come up with 1,000 square kilometers of the area, if we use- by using hyperspectral data, maybe we'll be able to bring it down a rather potential area of around 200 to 250 square kilometers.

But from then onwards, it would be a lot of work that needs to be ground- done on, on the ground. And in terms of expenditure, the exploration expenditure, uh, they may bring it down. I think another 10-15%, they will bring it down. And we have been using it for quite some time, uh, in all the commodities, commodities We have been using it. So that is the reality of it. But you cannot actually discover and go completely with it. And in fact, nowadays there are a lot of AI packages, uh, where people are using a lot of data analysis and try to target and pinpoint targeting, which is not that successful.

But more and more data obviously will help. We are also building a small AI kind of team within our exploration team itself. That is one. And the second one is, in terms of critical minerals, I still believe 60% of our revenues will come from gold. Uh, it is primarily because, uh, see, a lot of critical minerals, the value addition comes from the downstream. As long as you are in the upstream, particularly you are in mining and then mining to I mean, if I just take an example, lithium concentrate to lithium hydroxide to lithium battery- if I take all those 3 steps, lithium concentrates which we produce from the mine, uh, to the lithium battery that comes eventually out of it, there is a significant difference in terms of value addition.

So the way I media for us is actually to jump into the next stage like lithium concentrates to hydroxide, then sell it to the battery. That is where the value addition is. A good amount of valuation can be done. So that is what we are also thinking of by using National Critical Mineral Mission funds. We would come into that intermediate stage of value development and then sell it to the battery makers. But that is a long step that involves so many other things. But for the time being, it makes a business sense for us- commercial sense rather- to think that 60% of our money is going to- from coming from gold business, at least in the next 5 years.

And beyond that thing, I do not know how it is going to be. If Ganador comes, then significantly it will alter the entire equation. That's how I-

Ashrit Kothi - Individual Investor
Sir, uh, with regards to promoters holding currently, uh, does it make any- doesn't it make any commercial sense, uh, for them to increase the stake in the company? And, uh, does, uh, Deccan in thinking of increasing stake in Kyrgyzstan?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, I mean, in terms of Promoters, in fact, again, I think this has been articulated for a long time. They are here since 1994, and many of them, they disconnected. Some of- many of them are disconnected. At least couple of them are fully connected, of course. So they increasing the stake here. Now we have been pursuing with one particular, uh, promoter in that group of promoters. Um, I cannot exactly say whether that will happen or not, but we are pursuing that situation. The second one is in terms of increasing the- our equity in Kyrgyzstan.

Um, yes, there is a possibility that I can clearly say, and we are working towards it. And once we have a concrete discussion, that would be probably acquisition of stake from other shareholders, which we might do. And I will let the market know.

Operator
Thank you. We'll move to our next question from Chetan Shah of Prime Corporation. Please go ahead. Uh, Chetan, yeah,

Chetan Shah - Analyst, Prime Corporation
Can you hear me?

Operator
Yes,

Chetan Shah - Analyst, Prime Corporation
Sir. I want to know what is our ultimate, uh, stake in the Altentor mine, and, uh, can you also tell who are the other shareholders in Altentor?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, see, uh, I think I have explained during the presentation also, uh, in terms of Uh, it's a joint venture between a company called Avalum Partners and, uh, the Kyrgyz Altyn, which is a public sector company of Kyrgyzstan. So whatever that is produced out of that mine, 17% revenue goes to them, 83% revenue comes to Avalum Partners. So now coming to the Avalum Partners, which is the company, uh, in which we have 60% 26% is with, uh, Hera Group, and that is Hera Group who owns Godavari Power and ISPAAT and those entities.

And 14% is with MedEdu, that is a medical college owners, uh, they are based out of Dubai. So that is the shareholding. And as I said just now, there is a possibility for us to increase our stake So that we can also get to complete 83% revenue coming into our subsidiary fully. So that possibility is there. We are exploring those possibilities, and as I said, we will update once we have some concrete news on that.

Chetan Shah - Analyst, Prime Corporation
Yes, sir. So currently, what is our net stake?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
I mean, it's too difficult for me to explain those things. I mean, it could be complete hundred percent or it could be eighty percent.

Chetan Shah - Analyst, Prime Corporation
No, what?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Sorry.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
He's asking present stake.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Sixteen.

Unidentified Speaker - Unidentified Speaker, Deccan Gold Mines
Sixteen.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Can you hear us? Hello.

Operator
Sir, give me a moment. Looks like Chetan Shah is muted. Mr. Shah. Could you unmute? Uh, Mr. Chetan Shah. Yeah,

Chetan Shah - Analyst, Prime Corporation
Hello.

Operator
Yeah, could you repeat your question?

Chetan Shah - Analyst, Prime Corporation
Yeah, sir, currently what is our stake in Altentor? Net, net stake?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Net stake, it is about, uh, 49%.

Chetan Shah - Analyst, Prime Corporation
49%. Okay, sir, thank you so much.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Okay, correct. No, 50%, 60%.

Operator
Uh, ladies and gentlemen, uh, due to time constraints, we will be taking our last 2 questions. Uh, that's from Sagar Parekh of Renaissance Investment Managers. Please go ahead.

Sagar Parekh - Analyst, Renaissance Investment Managers
Yeah, hi sir, can you hear me?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yes, I can.

Sagar Parekh - Analyst, Renaissance Investment Managers
Hello?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Ah, yeah, yeah.

Sagar Parekh - Analyst, Renaissance Investment Managers
Sir I have questions yeah I have three questions one is on the accounting side so firstly I wanted to understand why standalone revenues higher than they consolidated revenues I understand profit on sale of assets is coming from this Jonagiri mine separately

Unidentified Speaker - Chief Financial Officer, Deccan Gold Mines
Yeah, yeah. Just to answer your question why standalone revenues are more than the consolidated. So standalone revenue consists of you know the we are eliminating the intercompany transactions predominantly standalone revenue consists of an interest income. You must be aware that you know Deccan Gold has lent about 276 crores to Kyrgyzstan at a rate of 15% interest. Those interests are

recognized in Deccan standalone books. Then apart from that, you know, Deccan continues to do some consultancy work for Avalum, which we bill at a small margin.

So that is also reflected as income in standalone, which on a consolidated basis gets eliminated. That is why even if you see profit as well as this one, there'll be a difference between consolidated and standalone. So this is purely because of intercompany transactions.

Sagar Parekh - Analyst, Renaissance Investment Managers
So the way to look at is only the consol numbers is what? Yeah, actually consol, as I

Unidentified Speaker - Chief Financial Officer, Deccan Gold Mines
Previously explained, see consol consist of lot of projects you know included in it like now the only contributing factor is Swarnagiri apart from that all other projects are you know and the only Tyron project

Sagar Parekh - Analyst, Renaissance Investment Managers
Is in Kyrgyzstan apart from that there are other subsidiaries and associates which till theirs coming from, uh, Jonagiri mine. I guess if that would be- I mean, now given that H1 is done and we have done about 100 kilos, what would be our overall guidance in terms of volumes both from Jonagiri as well as from Kyrgyzstan projects? And, uh, simultaneously with this gold price falling currently to, uh, you know, 3,500 in, uh, this thing, so, uh, and even in India it's fallen. So now what would be the revised guidance in terms of revenues, EBITDA, and PAT?

That much at the start of the year.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, uh, in terms of, um, the production, um, 100 kilos is the sold material, but if you actually look at the inventory, we have already reached close to 250 plus. So obviously this whole thing is going to be sold in this financial year itself. So in the first half itself, about 250. So we could be reaching anywhere between 450 to 500 If not more, because if you see the previous quarter and this quarter, there is significant jump. So we will be, in my view, we'd be reaching close to 500 kilos. And we have always been telling this could be anywhere between 500 to 600 kilos in the first year, and then it will be enhanced later.

So, and in terms of Kirghizstan project, as I said, I mean, 30,000 tonnes of semi-processed or processed material is there, which has about 30 to 35 kilos of gold, which we will be producing as a part of commissioning in the next couple of months. And I am not able to give the exact numbers at this point in time. As I said, explained previously during my presentation, give us another 15 days' time and see how the plant is functioning in the during this wintertime, and then I will be able- I'll be more confident in giving those numbers and guidance value.

So guidance in terms of Kyrgyzstan project. The second one is the falling gold prices. Yes, obviously it will eat into our profits, there is no doubt, but in terms of our, uh, cost of operation, particularly in India where it is more or less established now, we are looking around Rs 4,000 to produce a gram of gold as against Rs 13,000 or Rs 14,000. Even if you take Rs 13,000 in the market, uh, so our numbers, the 70% EBITDA may come down a little bit to 65-67 in that range. That's what I, I foresee if these prices continue to be like this.

Operator
Thank you. Due to time constraints, we'll take our last question now. That's from Abhishek Lekha of

Nest Wealth LLP. Please go ahead.

Abhishek Lika - Analyst, Nest Wealth LLP
Yeah, hi sir, thank you for the opportunity. Uh, my question is like, uh, we have, uh, Vira Group in the Kyrgyzstan project, so any plans of like divesting in any other project? Because Since now we have the cash, so I think we should be doing standalone basis. So just having, uh, thought process on the same.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Sorry, divesting. Uh, thank

Abhishek Lika - Analyst, Nest Wealth LLP
You.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, yeah, sorry, Abhishek. Divesting means like, uh, coming out of- like, like

Abhishek Lika - Analyst, Nest Wealth LLP
We have- like divesting in the sense like we have inducted like 10% or 15% share for Hira Group or probably a strategic partner to collaborate. So for funds basically in the initial past. So now like going on to Chhattisgarh project or Finland project on a case-to-case basis, do we still need, uh, to dilute our stake?

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
I mean, we can go

Abhishek Lika - Analyst, Nest Wealth LLP
Standalone basis.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, I think that's what I've been trying to say, uh, particularly for this critical mineral projects, uh, where, uh, like Chhattisgarh Uh, or other projects overseas like Mozambique or Spain, there are people who are willing to do offtake arrangements. So on those projects, I, I don't think we have to dilute ourselves. Rather, we look at the offtake arrangements so that, uh, the offtake, the company can provide the funds to develop those projects. That is the first option that we are looking at, and we are talking to a few other people as well.

And, uh, I think that is the strategy as far as Balukona project also is concerned. So idea is not to dilute in the project level, rather than increase our stake in the project. So that opportunity, particularly in Kyrgyzstan, we are looking at so that we get more equity in the project, which is, uh, which has helped to consolidate more and more of the cash that is generated in that project in Deccan itself. So these are the thought processes at our end. And in terms of divesting, we haven't thought about it really.

So Gopal,

Abhishek Lika - Analyst, Nest Wealth LLP
So I understand your point of view. I was divesting in the sense like it was an auto kind of dilute. If we are inducting a strategic partner, something like that, so it's automatically our stake goes down. I'm just looking at that since now we are in a better position, so we should be concentrating more on

Like developing all the projects on standalone basis on our own balance sheet.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Okay, I mean, it's an interesting thought. We can certainly look at it, and I think I will also discuss with others and consolidate those thoughts.

Unidentified Participant - Unidentified Participant
Yeah, thank you. Thank you for the opportunity.

Operator
Thank you. That was the last question for today. I hand over to Dr. Hanuma Prasad Murali for closing comments. Over to you, sir.

Hanuma Prasad Modali - Managing Director, Deccan Gold Mines
Yeah, thank you, thank you very much, uh, all the shareholders. Uh, I mean, it's a very interesting session. We always- we are very happy to explain these things, um, and in fact, we thank you for giving an opportunity to explain ourselves in this fashion, um, and we hope next quarter we will deliver much better results Than what we are seeing today, and the growth, as I said in the beginning, is going to be good, steady, maybe slow at times, but it's a steady growth towards our goal. Thank you very much, and see you soon.

Operator
Thank you, ladies and gentlemen. If you have any unanswered questions, you may write to info at deccangoldmines dot com. With this, we conclude today's IR call. On behalf of Deccan Gold Mines Limited, thank you for joining us. You may now click on the leave icon to exit the meeting. Goodbye.