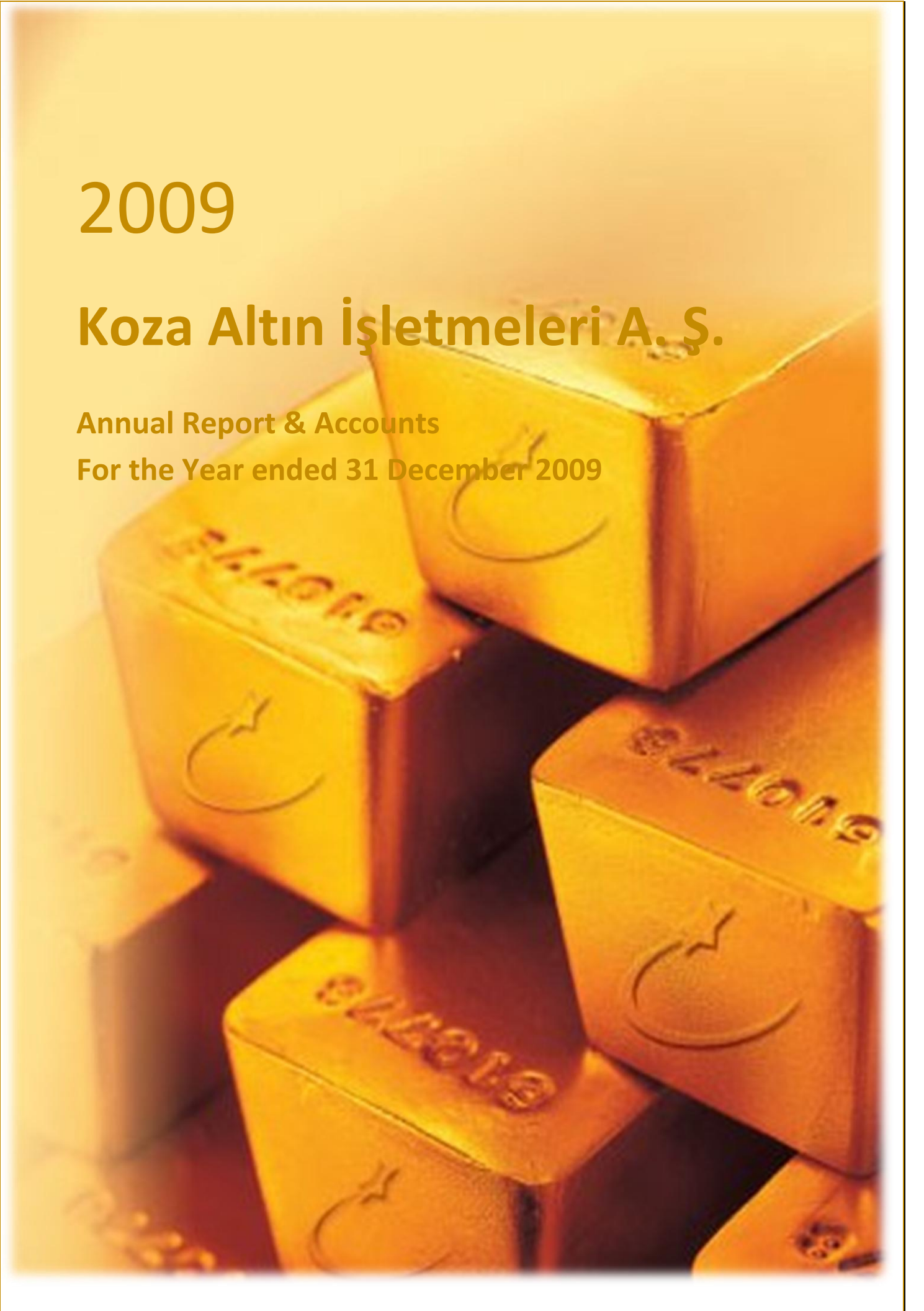


2009

Koza Altın İşletmeleri A. Ş.

Annual Report & Accounts

For the Year ended 31 December 2009



Our Strategy

Our goal is to develop our portfolio of existing gold assets and find, develop and selectively acquire gold projects in Turkey to grow our resource base and maximise profitable production.

This goal aims to capitalise on our position as the leading gold producer in Turkey, our hub operating strategy and our track record of successfully growing resources and production.

We also seek to provide leadership in safety, stewardship of the environment, including responsible rehabilitation of the completed areas, and social responsibility to local communities.

Koza Gold is a leading Turkish gold mining company with a track record of sustained profitability underpinned by low costs. We produced 228koz of gold in 2009 and generated revenues of TL 342.4m



2009 Scorecard

- Production of 228koz in 2009
- Generated revenue of TL 342.4m in 2009
- Grew profits, maintained strong balance sheet
- Expanded reserve and resource base
- Produced first doré from the second process plant, Mastra
- Started purchasing equipment for the third process plant, Kaymaz, to begin production in early 2011
- Mine development and open pit production start-up at Gicik and completion by the end of December 2009.
- Invested TL 96.5 million in capital projects and TL 9.5 million in exploration



Our Performance

2009

2008

| | | |
|-------------------|---|---|
| Production | 228koz of gold (6.56g/t) 212koz of silver (10.29g/t) | 167koz of gold (7.18g/t) 170koz of silver (11.57g/t) |
| Cash Costs | \$270/oz | \$312/oz |
| Revenue | TL 342.4 million | TL 196.1 million |
| EBITDA | TL 244.7 million | TL 124.6 million |
| EBIT | TL 183.6 million | TL 99.2 million |
| Reserves | 1.7 M ounces of gold 1.3 M ounces of silver | 1.5 M ounces of gold 1.1 M ounces of silver |
| Resources | 8.1 M ounces of gold 5.8 M ounces of silver | 7.1 M ounces of gold 5.6 M ounces of silver |

The accompanying financial statements are prepared in accordance with the financial reporting standards issued by the Turkish Capital Market Board. The financial reporting standards issued by the Turkish Capital Market Board differ from International Financial Reporting Standards ("IFRS") with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of the Company in accordance with IFRS.

About Us

A leading Turkish Gold producer

We are a leading Turkish gold mining company based on our gold production of approximately 228,000 ounces in 2009. As at 31 December 2009, we had 21 operating licences and over 500 exploration licences throughout Turkey in the Aegean and Marmara regions, the Black Sea region and Central and Eastern Anatolia.

We currently own two operating mines: an underground mine at Ovacık, and a mine at Mastra where we utilise both underground and open pit mining methods. Our mining operations at our Gıcık open pit mine, located in Central Anatolia approximately 20 km east of Ankara, were completed in December 2009. We expect our mining operations at Kucukdere, an open pit mine located 80 km from the Ovacık mine, to be completed in the beginning of March 2010. At Kucukdere, we have stockpiled the run-of-mine and low grade ore for transportation to the Ovacık processing plant. At Gıcık, the high grade ore has been transported to our Mastra processing plant. We have stockpiled and are in the process of transporting the run-of-mine ore to Kaymaz where we expect a new processing plant to be commissioned in early 2011.

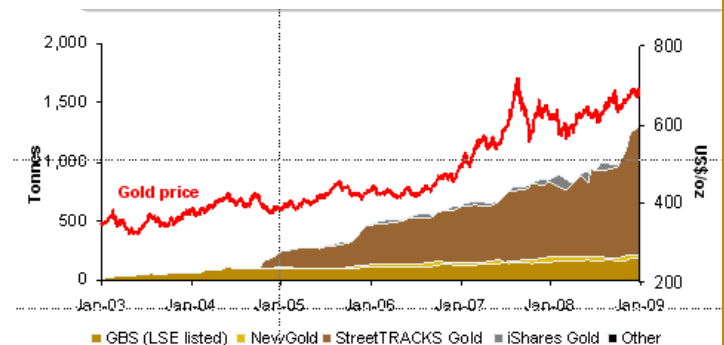
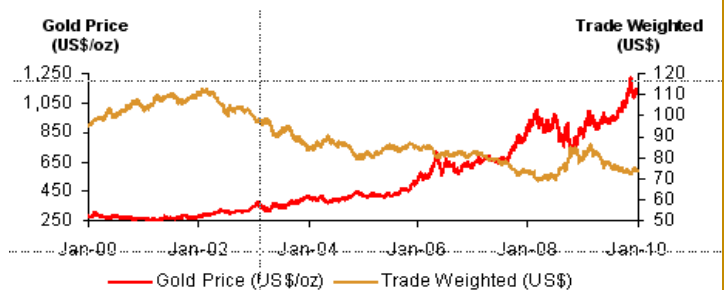


In addition, we have three advanced development projects: Cukuralan and Coraklık Tepe in the Ovacık area and the Kaymaz project in the Kaymaz area. The Cukuralan project will involve both open pit and underground mining methods, and the Coraklık Tepe and Kaymaz projects will involve open pit mining.

We have a pre-feasibility stage project, Mollakara, located near Ağrı in the north-east of Turkey. In addition, our properties also include 17 exploration prospects in Turkey, ranging from early-stage to advanced exploration prospects with resource estimations completed in 2009. At most of our exploration prospects, mapping and sampling programmes are ongoing or completed and drilling and geophysical surveys have already commenced or are planned for 2010. Additionally, we have identified several target exploration sites where the nature of the mineralised deposits suggests that there is potential for resource development.

Exposure to the gold price and gold fundamentals

Substantially all of our revenues are generated from the production and sale of gold, and as a result our financial performance is, and will continue to be, influenced by the market price of gold. Historically, we have not hedged our exposure to gold enabling us to benefit from the positive trend in gold prices in recent years. We intend to continue to operate as an unhedged producer. Between 1 January 2000 and 31 December 2009, the price of gold as quoted on the London Bullion Market ranged between a low of \$255.95 and a high of \$1,212.50 per ounce, based on the P.M. fixing price



We are a leading Turkish gold mining company

We are a leading Turkish gold mining company producing approximately 228,000 ounces of gold in 2009. Turkey has a rich mining history which dates back thousands of years and today is one of the few underexplored developed countries in the world. According to SRK, as of 2006 Turkey's gold endowment was estimated at 31.5 million ounces of gold contained in 51 deposits. SRK believes that there is promising potential for greenfield exploration in Turkey because over half of the known gold resources in Turkey are in relatively recent discoveries.

"As of 2006, Turkey's gold endowment was estimated at 31.5moz gold contained in 51 deposits ... Since over half of the known gold resources in Turkey are in recent discoveries, there is great potential for greenfield exploration within Turkey." (SRK)

Sector

Changes in mining law Turkey, increasing gold price trend and developments in technology have led to the increase in gold potential in Turkey. Studies indicate that there are approximately 6500 tones of gold in Turkey.(resource:Turkey's Gold Potential and Mining Resources Cutting Methods, Ayhan Erler, METU, Geology Department,1997) Only 10% of this, which is 650 tones are classified as reserves. Therefore, when market's current situation is examined, it is seen that priority is given to gold exploration. Under the current procedure, exploration licence is issued for 3 years and can be renewed for two years. Afterwards this license is to be converted to operational license.

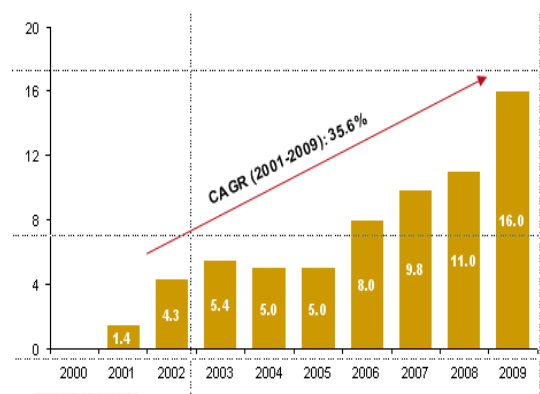
With foregoing reasons, the competition in this sector has intensified on exploration activities. Koza Gold has been pursuing these two activities in paralel. In next three years, competition will be from domestic and foreign companies and intensify at West Anatolia. In the production areas, competition is expected to be from Eldorado(Tuprag, which is currently in production

and Anatolia minerals (YAMAS,Cukurdere), currently in permitting stage. Domestic companies who are involved in exploration activities are thought to be starting production at later stages.

Despite 6500 tones of gold potential and 650 tones of reserves, Turkey only produces between 10 and 20 tones of gold and 250 -300 tones of gold need to be imported to meet the demand.

Company

Koza Gold Operations Company is a Turkish company formed by 100% Turkish capital to explore and operate gold mines in our country. ATP Construction and Trade A.Ş. and Koza-Ipek Holding A.Ş. have acquired all the shares of from Normandy Mining A.Ş. and Newmont Mining Corporation Limited in 3 March 2005 thus becoming first Turkish company in the history of Republic of Turkey to realize gold production in this country. Company's Ovacik Gold Mine situated at Bergama, Izmir has been a key factor in turning the country's big gold potential into economical gain and it is the first gold mine operated in the Republic of Turkey.

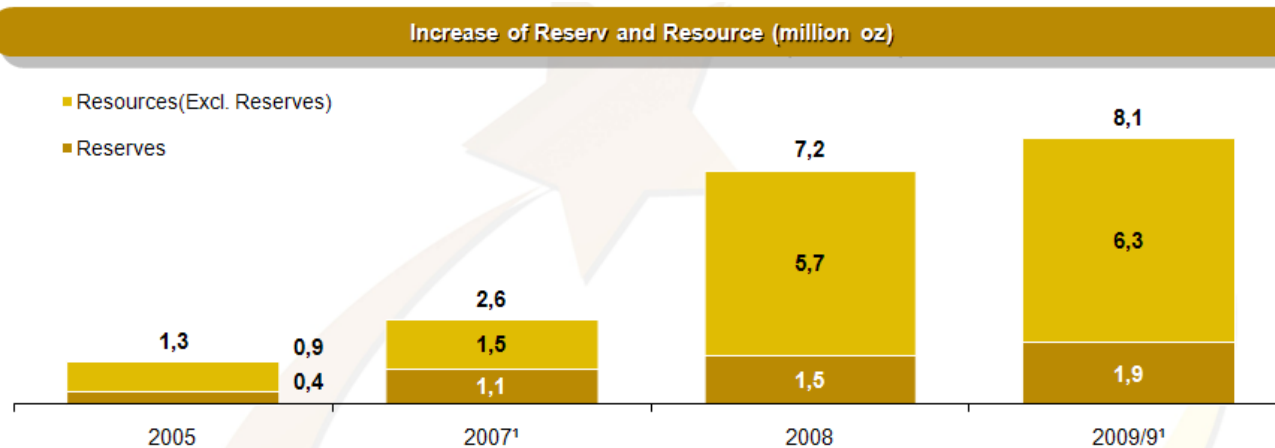


We have a track record of growing production, reserves and resources

We have demonstrated an overall trend of growing production levels since our inception in 2005, and we believe that our mines, development projects and exploration prospects provide significant potential for continued growth. In 2005, we successfully restarted ore production at the Ovacik mine after acquiring it. We developed and brought into full production the Kucukdere mine in 2006, the Mastra mine in 2008 and the Gıcık mine in 2009. We produced approximately 187,000 ounces of gold in each of 2006 and 2007. In 2008, our production dipped to approximately 167,000 ounces due to the depletion of the open-pit mine at Ovacik in 2007. We produced 228,000 ounces of gold in 2009. Ore production at the Cukuralan mine, which has measured and indicated gold resources of 1.3 million ounces, is expected to begin from open-pit operations in 2010, which we expect to enable us to continue operating the Ovacik processing plant at its current levels of gold production.

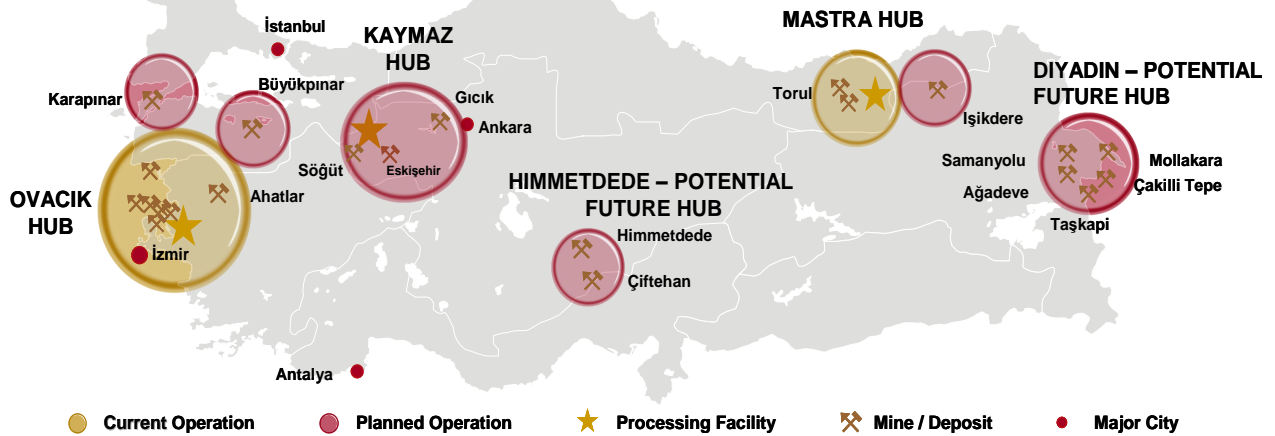


Since March 2005, we have successfully increased both our reserve and resource base as a result of acquisitions, exploration activities and the increase in gold prices. As at 30 September 2009, our total measured, indicated and inferred resource base had increased to 8.1 million ounces of gold from 1.3 million ounces, and our total proven and probable reserve base had increased to 1.9 million ounces of gold from 0.4 million ounces. As of 31 December 2007 and 30 September 2009 all of our reserves and resources were audited by SRK⁽¹⁾.



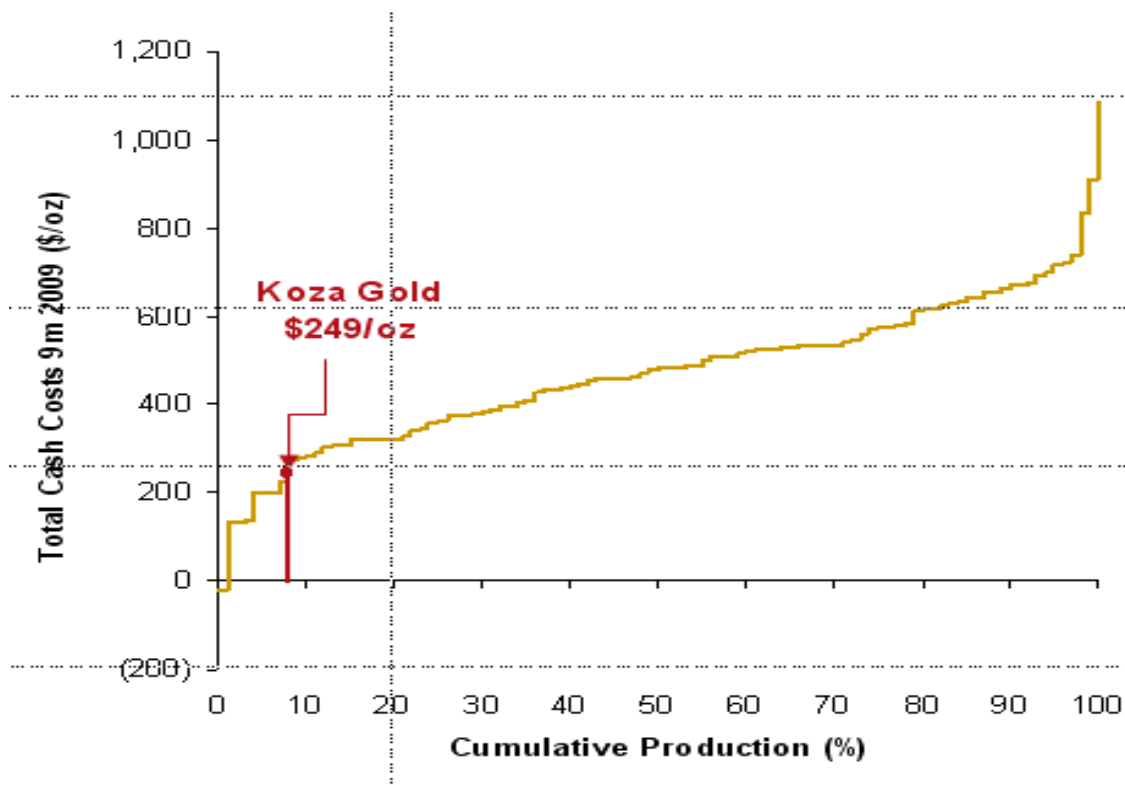
Our business model focuses on a regional hub strategy to maximise profitable production

We are pursuing a strategy of using our processing facilities as hubs to process ore from regional deposits. We expect that this centralised processing will minimise our capital expenditure requirements, enabling us to develop relatively smaller deposits in each hub area that are high grade but not of sufficiently large scale to justify the construction of dedicated processing facilities. Our first application of this business model has been the development of the Ovacık hub and the Küçükdere deposit, located 80 km by road from the Ovacık processing plant. We plan to replicate this model for other deposits located in the vicinity of Ovacık, such as Çoraklık Tepe. In addition, we established a second processing hub at Mastra in 2009 and are planning to establish a third processing hub in Kaymaz in 2011.



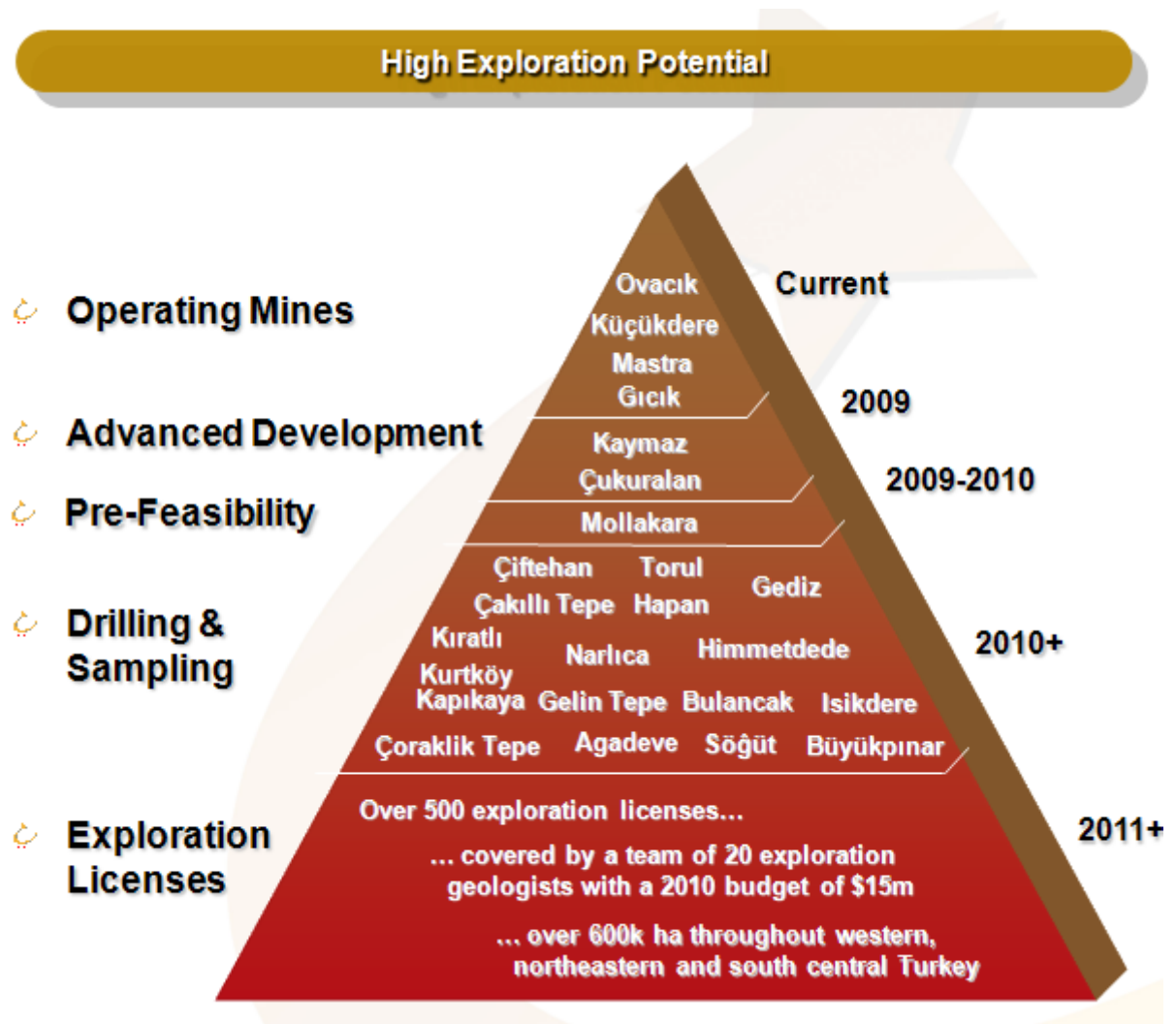
We have historically had low cash costs

Historically we have enjoyed relatively low cash costs, on an adjusted basis, in part as a result of our use of regional hubs for gold production, our reliance on third party contracting for open-pit mining, low logistics costs and sales of silver by-products. Our unit cash costs derived from our accounts for 2008, 2009 and the first nine months of 2009 amounted to \$311.7, \$270.1, and \$249.2, respectively. Our unit cash costs for 2008 and the first nine months of 2009 placed us in the lowest quartile of the GFMS gold cash cost curve.



Turkey Highly Prospective: We have a significant pipeline of development and exploration assets in Turkey

We believe that our growth opportunities include the expansion of existing operations through discovery of additional resources adjacent to currently delineated deposits as well as the development of our pipeline of projects and greenfield exploration .



Health and Safety

We are committed to the highest standards of safety and continuously seek to develop, improve and implement new safety programmes and procedures to protect the safety of our employees. We continuously improve the safety of our working conditions by implementing practices such as monthly workplace inspections and weekly safety committee meetings. We regularly conduct safety audits and assessment programmes to ensure the adequacy of our health and safety policies. We also strive to improve our employees' response to emergencies by maintaining an underground and a mine rescue team for each site. For example, at Ovacık we have two emergency response teams, an underground rescue team comprising 13 employees and a mine rescue team comprising 22 employees. We believe we are currently in material compliance with all health and safety regulations. We pay specific attention to include in our subcontractor agreements clauses regarding health and safety measures and guidelines that are required to be followed by the contracting parties



Environment

Our environmental department is responsible for filing EIA reports with the MEF and ensuring that our operations comply with all applicable environmental rules and regulations

The MEF considers several categories of environmental factors and compares the projected impact of the proposed mining activities to previously set environmental thresholds

We ensure that our employees and contractors understand and comply with our environmental policies and management plans as well as our high level of commitment to environmental management. Beginning in March 2007, the environmental department also conducts environmental awareness training for all employees. We have timely made all required emissions payments in full and have not faced any fines or penalties

According to the Competent Person's Report, in the seven years since the mining of ore began at Ovacık, no claims have been made against us by any governmental entity in respect of environmental non-compliances. We believe that we are in material compliance with all relevant environmental laws and regulations



Chairman's Statement

Our strategy: Our strategy is to develop our existing portfolio of assets and find, selectively acquire and develop gold projects to grow our resource base, maximise profitable production and enhance shareholder value.

I am pleased to be presenting Koza Altin's first set of results following our successful listing on the Istanbul Stock Exchange on February 12th, 2010. It has been a landmark year for the Company and I would like to extend my thanks to all those who made it possible: our directors, management, workers and shareholders. Our listing marks the beginning of a new stage in Koza Altin's corporate lifecycle.

2009 has been a successful financial year for the Company where we have continued our track record of growing profits and maintaining a strong balance sheet, demonstrating the strengths of our exploration, processing and cost control. Our revenues for 2009 of TL 342.3 million, represent a 74.6% increase compared to 2008 and our 2009 profit increased 82.9% vs 2008 to TL 146.8 million. Our profit growth is attributable to maintaining a low cost operational platform coupled with strong gold sales and production. We sold 31.7% more gold in 2009 than 2008, selling a total of 223,742 ounces of gold in 2009.

Market prices for gold rallied 25.0% in 2009 on the back of significant investment demand as the economic environment improved from March onwards and the USD weakened during the year. The average spot price for gold in 2009 was US\$974.0 per ounce. Looking forward, we continue to see upside in the gold price as we see increasing demand growth on the back of an improving economic backdrop, declining confidence in major currencies and against a low US real interest rate environment.

Without any interruption, we continue to explore new resources throughout Turkey as we expand our current reserves and resources.

The works are underway as planned to enable commissioning new production facilities. I believe number of production facilities will increase in parallel to the success of our exploration and planning teams.

As you know, we have successfully concluded IPO process and our Company is now being listed on the Istanbul Stock Exchange.

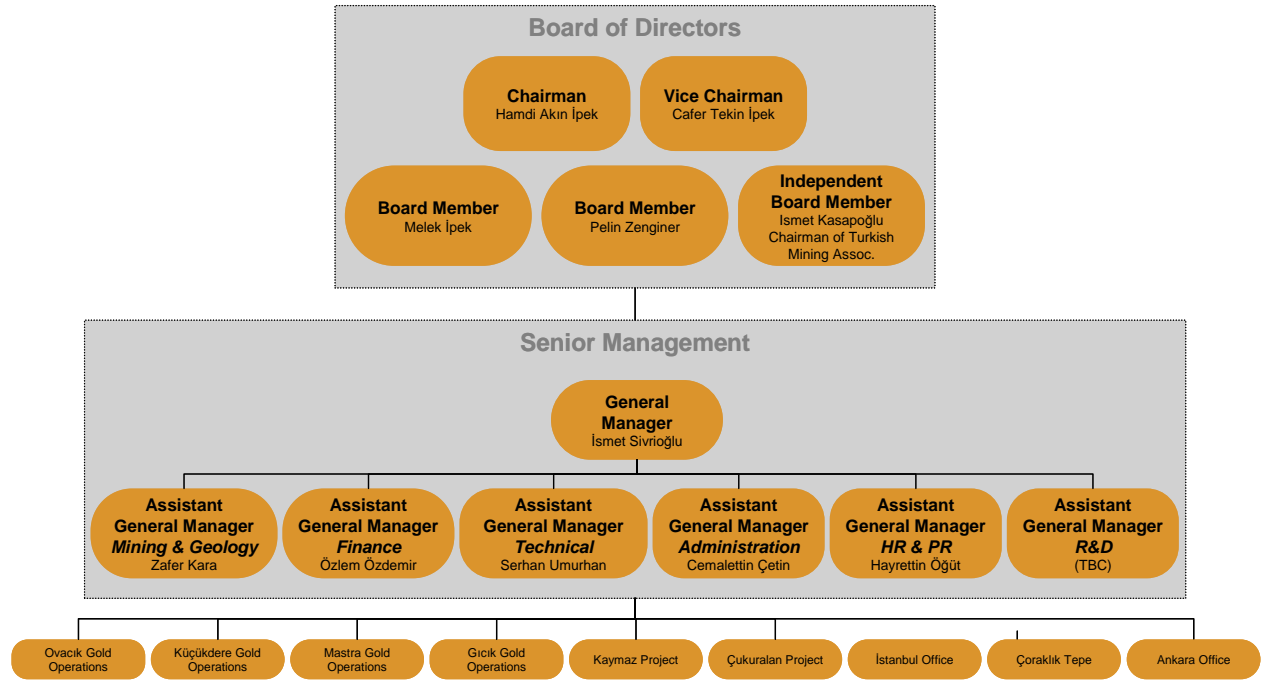
Despite to fluctuations in the world's financial markets, Koza is fully aware of the importance of confidence and responsibility extended by our investors .

Committed to this confidence and responsibility, I have firm belief that Koza Gold's team will, as in past, successfully continue to strive the rate of success in next stages.

I extend a warm welcome to all our new shareholders and thank you for your support.

Akin İpek
Chairman

Board & Management Structure



Board of Directors

Hamdi Akın İpek

Cafer Tekin İpek

Melek İpek

Pelin Zenginer

İsmet Kasapoğlu

Denetim Kurulu

Selim Elmasoğlu

Enver İman

Şirket Yönetimi

İsmet Sivrioğlu

Zafer Kara

Özlem Özdemir

Serhan Umurhan

Hayrettin Ögüt

Cemalettin Çetin

Hasan Giray

Ali Vedat Oygur

Chairman

Vice Chairman

Board member

Board member

Independent Member

Auditor

Auditor

General Manager

Assistant General Manager- Mining and Geology

Assistant General Manager-Finance and Commercial

Assitant General Manager-Technical

Assistant General Manager-Human Resources and Public Relations

Assistant General Manager-Administration

Operation Manager

Project Manager

Directors

Hamdi Akin İpek

Chairman

He worked as the marketing manager of Koza Anadolu Metal between 1992 and 1996, where he also serves as the chairman of the board of directors. Between 2004 and 2008, Mr. İpek has served as the chairman of the Board of Directors of Koza İpek Gazetecilik. Additionally, Mr. İpek also serves as the chairman of the Board of Directors of Koza Holding, ATP, ATP Havacılık, İpek Matbaacılık and Koza İpek Sigorta. In 1986, Mr. İpek received a Graduate degree in Economics from Harlaxton College, UK (British Campus of the University of Evansville, Indiana, USA) and a Bachelor's degree in Business Administration from Hacettepe University, Ankara, in 1990.

Cafer Tekin İpek

Vice Chairman

He worked as the finance manager for İpek Matbaacılık between 1992 and 1997 and was named its general manager in 1995. Since 2004, Mr. İpek has served on the Board of Directors of Koza Holding, Koza İpek Gazetecilik and Koza İpek Sigorta. Additionally, Mr. İpek is a member of the Board of Directors of Koza Anadolu Metal, ATP, ATP Havacılık and İpek Matbaacılık. In 1990, Mr. İpek received a Bachelor's degree in Economics from Harlaxton College, UK (British Campus of the University of Evansville, Indiana, USA).

Melek İpek

Board Member

Mrs. İpek is a philanthropist and has worked with many charitable organizations such as Hospital Volunteers Foundation and Children's Care. She is

the chairman of the Board of Directors of the Turkish charitable organization YOYAV. Mrs İpek also serves as a member of the Board of Directors of Koza Holding, İpek Matbaacılık, Koza Anadolu Metal, ATP and ATP Havacılık.

Pelin Zenginer

Board Member

Mrs. Zenginer is a member of the İpek family. She worked as the manager of foreign trade for İpek Matbaacılık between 1992 and 1997. In addition, starting from 2003, Mrs. Zenginer serves as a member of the Board of Directors of Koza Holding, Koza Anadolu Metal, ATP, ATP Havacılık and İpek Matbaacılık. She is also a board member of ATP. In 1992, Mrs. Zenginer received a Bachelor's degree in Business Administration from Hacettepe University, Turkey.

İsmet Kasapoğlu

Independent Board Member

Mr. Kasapoğlu has more than 40 years of mining experience at a variety of different domestic mining companies. Between 1985 and 2001, he worked as a manager, and later as a board member of Soma Local Operations; between 2001 and 2006, he served as the chairman of the Board of Directors of the trona and natural soda company, Eti Soda A.Ş. He has served as the TOBB(the Union of Chambers and Commodity Exchanges of Turkey) chairman of the Turkish Mining Assembly since 2006, the chairman of the Board of Directors of the Council of Chairmen of the Mining Sector since 1999 and the chairman of the Turkish Miners' Association since 1991. He received a master's degree in mining engineering from the İstanbul Technical University, Mining Faculty in 1963.

Management

İsmet Sivrioğlu
General Manager

Chemical Engineer with more than 40 years of experience in several production plants and management positions. Between 1970 and 1983, Mr.Sivrioğlu worked at the sulphuric acid, borax, asitboric and perborate plants of Etibank where he held numerous positions, including, as shift engineer, chief engineer and assistant general manager, technical. In 1984, he was appointed the general manager of Kütahya Silver Mine where he worked until 1994, supervising the plant's construction, commissioning and operational stages. He was promoted to Etibank Corporate and served as its assistant general manager between 1994 and 1998. During this time he also served as the chairman of the Board of Directors of Çayeli Copper Operations Inc. He served as the advisor to the Minister of State during 1997 and 1998. He joined Koza Gold in 1999 as the General Manager for community relations and government relations. Since 2005 he served as the General Manager of Koza Gold.

Zafer Kara
Assistant General Manager, Mining and Geology

He has served as Assistant General Manager responsible for Mining and Geology since march 2007, but has worked for all of our predecessor entities since 1988. He has more than 20 years of mining experience, including from Newmont and Normandy, as a mine and exploration geologist. Additionally, he has been involved in exploration projects in Iran, Kazakhstan, Ghana and Australia. He is a member of Australian Institute of Geoscientists.

Özlem Özdemir
Assistant General Manager, Finance and Commerical

She has Bachelor's degree in Business Administration and serves the Company as CFO since 2007. She has worked for all of the predecessor entities since 1996. She served Newmont as the Financial Controller being responsible for

the preparation of the budgets, forecasts and financial reports in accordance with US GAAP and Turkish Accounting Standards.

Serhan Umurhan
Assistant General Manager, Technical

He serves as Assistant General Manager, Technical, and is responsible for gold processing facilities, maintenance, environmental compliance and the assay laboratory. Between 2001 and 2005 he served in various positions with Normandy and Newmont during their respective ownership of Ovacık, including as project and infrastructure manager. He graduated in 1997 with a B.Sc. degree in Electrical and Electronical Engineering.

Hayrettin Öğüt
Assistant General Manager, Human Resources and Public Relations

He serves as Assitant General Manager of human resources and public relations. Between 1993 and 2005, he worked for Newmont and Normandy as their respective public relations manager. He obtained a B.Sc. degree in Chemistry.

Cemalettin Çetin
Assitant General Manager, Administration

He serves as te Assistant General Manager in charge of administration. He has held various management positions in the public and private sectors. He has held senior management positions at İpek since 2001. He obtained a Bachelor's degree in Mechanics.

Financial Review

- Revenue increased by % 74.6.
- EBIT increased to TL 183.6 million in 2009 by % 85.1 when compared to TL 99.2 million in 2008.
- First dore production started at Mastra in March 2009
- %30.0 of the company is listed in Istanbul Stock Exchange (ISE) in February 2010.

Production

We are a leading Turkish Gold Mining Company based on gold production of approximately 228,000 ounces in 2009. As at December 31, 2009 we had 21 operating licences and over 500 exploration licences throughout Turkey.

We currently have two processing plants. Our first processing plant at Ovacık has been operating since 2001. The plant is currently processing 900,000 tpa. In 2009 we produced 141koz of gold and 174koz of silver from Ovacık processing plant. Our second processing plant at Mastra has been commissioned in 2009 and has been operating since March 2009. It is currently processing around 40,000-45,000 tpm. Plant feed grades have been approximately 8.48 g/t Au. In 2009 we produced 87koz of gold and 39koz of silver from Mastra processing plant. We produced 228koz of gold in total in 2009 with an increase of %36.5 from 167koz of gold in 2008.

The increase in gold production resulted principally from the fact that our ore processing plant at Mastra commenced operations in March 2009, processing stockpiled ore from our Mastra mining operations. The decrease in gold production at our Ovacık processing plant in the 2009 period resulted principally from processing lower grade ore mined from Küçükdere.

Revenues

Our revenues increased by TL 146.3 million, or %74.6 to TL 342.4 million for the twelve months ended 31 December 2009 from TL 196.1 for the twelve months ended 31 December 2008. We sold 223,742 ounces of gold in 2009 compared to 169,847 ounces of gold in 2008, a % 31.7 increase. Attributable production of 228koz was higher than the previous year's 167koz, following the start-up of production in our second process plant at Mastra. The average realized price per ounce for gold sold was TL 1,508.02 (\$990.75) in 2009 compared to TL 1,134.64(\$ 883.41) in 2008.

Cost of sales

Our cost of sales increased by TL 58.6 million or %97.2 to TL 118.9 million from TL 60.3 million in 2008. The principal reason for the increased cost of sales during this period was an increase in depreciation and amortisation expense, staff costs, direct

materials, maintenance costs, utilities and transportation costs. Depreciation and amortisation increased by TL 35.6 million, or % 140.5, to TL 61.1 million from TL 25.4 million in 2008. This increase was principally caused by an increased depreciation and amortisation related to additional mine development costs incurred mainly at our Ovacık and Mastra projects. Staff costs increased by TL 3.1 million, or % 40.9, to TL 10.5 million from TL 7.5 million in 2008. This increase was mainly attributable to additional employees hired by us in connection with the commencement of operations at our Mastra ore processing plant in March 2009 and to a lesser extent an overall increase in wages which was generally in line with inflation. Direct materials costs increased by TL 6.0 million, or %72.1, to TL 14.4 million from TL 8.4 million, Maintenance costs increased by TL 4.7 million, or %118.2 to TL 8.6 million from TL 3.9 million, Utilities increased by TL 1.9 million, or %63.1 to TL 4.8 million from TL 2.9 million due to the start up of production at our Mastra processing plant. Transportation costs increased by TL 3.3 million, or % 241.3, to TL 4.7 million from TL 1.4 million principally due to the additional transportation costs incurred for the transportation of the high grade ores from Gıcık Project to Mastra Processing Plant.

Cash cost was US\$ 270per ounce, down from US\$312 per ounce in 2008. The decrease in the cash cost is mainly due to the increased production with the start up of the second processing plant at Mastra.

Selling and Marketing Costs

Our selling and marketing costs increased by TL 1.0 million, or %24.1, to TL 5.2 million from TL 4.2 million in 2008. This resulted from an increase in sales commissions as a result of increased export sales.

General Administrative Expenses

Our general administrative expenses increased by TL 1.2 million, or %4.7, to TL 25.6 million in 2009 from TL 24.4 million in 2008. These increased expenses were principally attributable to an increase in staff costs. Our staff costs increased by TL 1.9 million, or %19.9, to TL 11.2 million in 2009 from TL 9.3 million in 2008. This increase resulted principally from the recruitment of new staff for our Mastra Project. The donation expense incurred in 2009 was 0.9 million TL.

Exploration Costs

Exploration costs increased by TL 1.8 million, or %21.3, to TL 10.0 million in 2009 from TL 8.2 million. This increase resulted primarily as a result of the increased scope of our exploration and surveying of various development and exploration projects principally in Diyadin and Himmetdede.

Profit for the Period

As a result of the foregoing, our profit for 2009 increased by TL 66.5 million, or %82.9, to TL 146.8 million in 2009 from TL 80.3 million in 2008. Our profit margin for 2009 increased to % 42.9 from %40.9 in 2008.

Capital Expenditures

We primarily incur capital expenditures to build new mines and processing plants, expand, upgrade and improve existing mines, processing plants, and related infrastructure, purchase mining and processing equipment to replace aged, inefficient, or obsolete machines and explore our licence areas for new resources. Our mining and non-mining capital expenditures for 2009 are as below with comparison 2008.

| | 2009 | 2008 |
|--------------|---------------------|----------------------|
| Ovacık | 25,737,746.3 | 34,158,726.6 |
| Mastra | 47,408,810.1 | 73,052,311.5 |
| Küçükdere | 11,662,589.1 | 12,394,837.4 |
| Gıcık | 767,924.8 | 68,961.0 |
| Other | 10,941,656.7 | 9,101,821.3 |
| Total | 96,518,727.0 | 128,776,657.7 |

Cash flow

Net cash generated from operating activities increased TL 66.1 million or %60.1 to TL 176.0 million for the twelve months ended 31 December 2009 from TL 109.9 million for the twelve months ended 31 December 2008. This increase resulted principally from a TL 82.2 million increase in profit before taxation and a TL 44.5 million increase in depreciation and amortisation partially offset by a TL 23.3 million increase in stocks. The increase in depreciation and amortisation principally resulted from the commencement of the depreciation of machinery and equipment purchased for our Mastra operations. The increase in changes in working capital principally resulted from the increase of our stockpile in Mastra and Küçükdere.

Our corporate tax for 2009 has increased to 38.7M TL from 18.4M TL due to the higher revenue in 2009 when compared to 2008 which was attributable to increased production and higher gold price.

Our debt structure is strong. Currently we are financing our capital expenditures from cash that we are generating from operations.

With the construction of our third processing plant in Kaymaz, our plan is to increase our production in 2011 with maintaining strong balance sheet and debt structure.

| RATIOS | 31.12.2009 | 31.12.2008 |
|---------------|-------------|-------------|
| Net Sales | 342,381,493 | 196,104,544 |
| EBIT | 183,632,403 | 99,219,555 |
| EBITDA | 244,698,521 | 124,612,043 |
| Net profit | 146,819,752 | 80,271,838 |
| EBITDA Margin | 71.5% | 63.5% |

Liquidity ratios

| | | |
|---------------|-----|-----|
| Current Ratio | 2.2 | 1.7 |
| Quick Ratio | 1.2 | 1.1 |
| Cash ratio | 0.4 | 0.3 |

Financial Leverage Ratios

| | | |
|----------------------|-----|-----|
| Debt Ratio | 0.3 | 0.4 |
| Debt-to-Equity Ratio | 0.5 | 0.6 |

Profitability Ratios

| | | |
|------------------|-----|-----|
| Return On Equity | 0.6 | 0.5 |
| Return On Assets | 0.4 | 0.3 |
| EBIT/Sales | 0.5 | 0.5 |
| Net profit/Sales | 0.4 | 0.4 |

Investment Policy

Exploration activities of the Company consist of exploring new gold and silver deposits, calculating resources by sampling and modelling; and directing the pre-production process for the areas that are economically feasible. Company's exploration team is continuously exploring the potential areas. In case of any positive result, the Company applies for an exploration licence, and the exploration team is sampling and modelling the licenced area. All the samples taken are analyzed by the Company and by the international consultants for resource calculation. If any economically feasible resource deposit is explored, the production is planned by a construction of a new process plant or by processing the ore in the nearest hub.

We had a loan of 25M USD in 2008 to finance Mastra process plant.

Dividend Policy

Our company firstly aims to grow in present areas of production and operational facilities, to make strategic investments in new gold fields and to weigh on exploration activities within current exploration licenses. Within this framework, our Company has been targeting to meet all these investments by cash inflow derived from production areas

Within the framework of strategically targets, growth trend, investment policies, profitability and cash status and the provisions of Turkish Trade Act, Capital Market Regulations, Taxation Regulation and relevant clause of our principal contract related to the distribution of profit, Our Company will pay the dividend in the form of cash and/or unpaid shares in minimum proportion of it as basically specified by the Capital Market Board. The dividend, which will be distributed in pursuant to the

decision to be taken at General Board meeting may be paid in full or in the form of unpaid shares or be determined to be as partially in cash and unpaid shares.

In parallel with the profit distribution policy of the recent years, it is always possible for the Board of Directors to decide proportion of profit distribution to be above the minimum ratio and submit this to the General Board for the approval.

Payments of dividend will be effected within the legal period based on the articles of associations.

Financial Risk Management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, existing and prospective debt requirements, the Group treasury aims to maintain flexibility in funding by keeping committed credit lines available. The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

In addition, the Group's liquidity management policy involves projecting cash flows, considering the level of liquid asset, monitoring balance sheet liquidity ratios against the budgets, maintaining debt financing plans. Cash flow forecasting is performed for each operating mines and aggregated by the Group treasury and finance. Such forecasting takes into consideration the Group's financing plans.

Foreign exchange risk

As the Group's trade receivables and bank borrowings are mainly denominated in USD, foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The price in global gold market predominately is USD which also exposes the Group to the foreign exchange risk. The Group is exposed to foreign exchange risk through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities. These risks are monitored by analysis of the foreign currency position.

Price risk

The main operational risk is derived from gold price risk. Gold price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the price of gold. The profitability of the Group's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold, such that a fall in the price of gold relative to the Group's operating cost of production for any period may lead to a decrease in operational profitability of the Group. The Group does not anticipate that prices in global gold markets will decrease significantly in the foreseeable future, and therefore, has not entered into derivative or other contracts to manage the risk of a decline in prices in global gold markets. Furthermore, the Group reviews its outlook for the market prices regularly in considering need for active financial risk management. This risk is closely monitored by analysis of the prices in global gold markets.

Interest rate risk

The Group's interest rate risk arises mainly from long-term borrowings. Borrowings issued at variable rates and other interest bearing liabilities expose the Group to cash flow interest rate risk which is partially offset by interest bearing assets. The interest rate risk is partially managed through the balancing of assets and liabilities that are responsive to the fluctuations in interest rates.

Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. As the Group sells the does to only refineries, one in Turkey other in Europe, with a maturity of less than one month, the credit risk for the Group is very low. The Group management, in line with the past experiences, there were never defaults or delays in payments, thus, believes that the credit risk is well managed and monitored effectively and credit risk is limited to carrying amounts of the financial assets.

Personnel

Personnel details are below:

| | 2006 | 2007 | 2008 | 2009 |
|--|------------|------------|------------|------------|
| Total personnel-Beginning of Year | 292 | 344 | 421 | 631 |
| Administration personnel (non-unionized) | 62 | 53 | 195 | 317 |
| Administration personnel (unionized) | 11 | 25 | 101 | 131 |
| Other personnel (non-unionized) | 116 | 145 | 29 | 74 |
| Other personnel (unionized) | 103 | 121 | 96 | 109 |
| Total personnel-Year end | 344 | 421 | 631 | 711 |
| Administration personnel (non-unionized) | 53 | 94 | 317 | 87 |
| Administration personnel (unionized) | 25 | 41 | 131 | 41 |
| Other personnel (non-unionized) | 145 | 129 | 74 | 235 |
| Other personnel (unionized) | 121 | 157 | 109 | 348 |

| Location | 2006 | 2007 | 2008 | 2009 |
|------------------------|------------|------------|------------|------------|
| Ovacık Exploration | 25 | 29 | 18 | 51 |
| Ovacık Production | 122 | 123 | 158 | 134 |
| Ovacık Other | 152 | 183 | 236 | 213 |
| Mastra Mine Geology | - | 10 | 11 | 21 |
| Mastra Production | 4 | 27 | 71 | 145 |
| Mastra Other | 28 | 25 | 101 | 107 |
| Küçükdere Mine Geology | - | 7 | 7 | 8 |
| Küçükdere Production | 3 | 6 | 11 | 14 |
| Küçükdere Other | 10 | 11 | 18 | 18 |
| TOTAL | 344 | 421 | 631 | 711 |

Incentives

Our mine which is located in Gümüşhane is under the decree No: 5084 "Investment and Incentives" and therefore the %80 of the Income Tax of each staff is subject to the deduction and the balance is only declared. The incentivization amount for each person can not exceed % 80 of the income tax calculated from the minimum wage declared officially. % 80 of the Social Security premium is incentivized and the balance is declared. Again the incentivization amount for each person can not exceed % 80 of the Social Security tax calculated from the minimum wage declared officially.

%20 cost of the Energy Expense is met by the Treasury and %0.5 incentivization is added for each additional staff over 10 employees. Maximum payment of energy met by the Treasury can not be over %40.

Post Balance Sheet Events

Based on the resolution by the Company's Board of Directors dated 25 November 2009 and no: 2009/19, Company's application in relation to the public offer in form of partner sale, of the company shares owned by ATP and Koza Holding to match 30 % of the Company's total capital was recorded by CMB's (Capital Market Board) no: 2/50 on 27 January 2010.

By the resolution of Executive Council of İstanbul Stock Exchange dated 28 January 2010, it was decided that to be effective from 12 February 2010, and based on the public offer price of 36.8 TL., our Company shares, offered to the public between 3-5 February 2010 with nominal value of 18,000,000TL are to be traded on the İstanbul Stock Exchange (IMKB) with "KOZAL" code. Company's shares have been traded on the IMKB since 12 February 2010.

Koza Anadolu and Ipek Matbaacılık have lodged request during public offer and after the allotment, they have purchased the public offer's lot shares of 1,193,467 and 1,145,729 as to match 6.6% and 6.4% respectively, at a price of 36.8 TL per lot with total amount of 43,919,586TL and 42,162,827TL respectively.

Changes in the Articles of Association

Company's General Meeting for the year 2008 was held on 29.04.2009 at 11.30 a.m. at the address of Istanbul Yolu 10. Km No: 310 Yenimahalle/Ankara, under the supervision of the Commissioner of Ministry. 4,434,999,994 shares in person and 6 shares by proxy totaling 4,435,000,000 shares representing the company's capital 44,350,000TL were represented. Clause 6 of the Articles of Association changed and the General Board approved the increase in capital from 44.350.000 TL to 60.000.000 TL.

| Shareholder | Lot | TL |
|---------------------------|---------------|---------------|
| Koza İpek Holding A.Ş | 2,399,593,346 | 23,995,933.46 |
| ATP İnşaat ve Ticaret A.Ş | 3,600,406,622 | 36,004,066.22 |
| Hamdi Akın İpek | 8 | 0.08 |
| Cafer Tekin İpek | 8 | 0.08 |
| Melek İpek | 8 | 0.08 |
| Pelin Zenginer | 8 | 0.08 |
| Total | 6,000,000,000 | 60,000,000 |

Company's Extraordinary General Meeting for the year 2009 was held on 30.12.2009 at 10.00 a.m. at the address of İstanbul Yolu 10. Km No: 310 Yenimahalle/Ankara, under the supervision of the Commissioner of Ministry. 5,999,999,984 shares in person and 16 shares by proxy totaling 6,000,000,000 shares representing the company's capital 60,000,000 TL were represented. Following matters were submitted for General Board's approval:

The amendment of the Clauses 3,4,6,7,8,10,11,13,15,17 and 18 of the Company's Articles of Association, which was adapted to comply with requirements as stipulated in Circular of CMB serial no:1 no:26 within the frameworks of the opinions received from the Capital Market Board to meet the principles and aims of the Act and the Board's arrangements and approved by the Capital Market Board on 25.12.2009 for securing the public offer in the form of partner sales of the 30.0% of the capital, if further demanded, an additional 4.5%, thus totalling 34.5%.

BALANCE SHEETS
AT 31 DECEMBER

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

| | 31 December 2009 | 31 December 2008 |
|--|--------------------|--------------------|
| ASSETS | | |
| Current assets: | 123,081,336 | 56,793,233 |
| Cash and cash equivalents | 20,826,910 | 8,480,909 |
| Trade receivables from related parties | 34,892,688 | 7,505,648 |
| Other receivables from related parties | 9,309,183 | 11,386,732 |
| Other receivables | 4,404,473 | 5,632,325 |
| Inventories | 52,731,103 | 20,998,991 |
| Other current assets | 916,979 | 2,788,628 |
| Non-current assets: | 212,396,217 | 189,283,620 |
| Property, plant and equipment | 199,431,106 | 173,881,728 |
| Intangible assets | 919,929 | 955,951 |
| Goodwill | 2,784,852 | 2,784,852 |
| Deferred income tax assets | 4,188,089 | 2,064,434 |
| Other non-current assets | 5,072,241 | 9,596,655 |
| TOTAL ASSETS | 335,477,553 | 246,076,853 |

BALANCE SHEETS
AT 31 DECEMBER

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

| | 31 December 2009 | 31 December 2008 |
|---------------------------------------|--------------------|--------------------|
| LIABILITIES | | |
| Current liabilities: | 56,319,583 | 33,303,596 |
| Borrowings | 9,188,029 | 2,147,513 |
| Trade payables to related parties | 208,502 | 334,861 |
| Trade payables to other parties | 19,681,619 | 20,028,588 |
| Other payables to related parties | 28,383 | 277,070 |
| Other payables | 730,377 | 450,567 |
| Current income tax liabilities | 16,466,835 | 4,237,633 |
| Provisions | 7,437,841 | 4,337,583 |
| Other current liabilities | 2,577,997 | 1,489,781 |
| Non-current liabilities: | 48,590,384 | 59,371,525 |
| Borrowings | 28,955,769 | 38,153,717 |
| Provisions | 18,093,604 | 20,198,569 |
| Provision for employment benefits | 1,541,011 | 1,019,239 |
| TOTAL LIABILITIES | 104,909,967 | 92,675,121 |
| EQUITY | 230,567,586 | 153,401,732 |
| Share capital | 60,000,000 | 44,350,000 |
| Adjustment to share capital | 3,578,596 | 3,578,596 |
| Legal reserves | 29,504,842 | 22,761,202 |
| Accumulated losses/ Retained earnings | (9,335,604) | 2,440,096 |
| Net period income | 146,819,752 | 80,271,838 |
| TOTAL LIABILITIES AND EQUITY | 335,477,553 | 246,076,853 |

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS AND YEARS ENDED 31 DECEMBER
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

| | 1 January - 31 December 2009 | 1 January - 31 December 2008 |
|--|---|---|
| Revenue | 342,381,493 | 196,104,544 |
| Cost of sales | (118,904,889) | (60,283,431) |
| Gross profit | 223,476,604 | 135,821,113 |
| General administrative expenses | (25,585,931) | (24,426,727) |
| Exploration costs | (9,975,717) | (8,220,729) |
| Selling and marketing costs | (5,221,297) | (4,207,224) |
| Other operating income | 948,750 | 485,193 |
| Other operating expenses | (10,006) | (232,071) |
| Operating profit | 183,632,403 | 99,219,555 |
| Finance income | 11,021,550 | 16,380,195 |
| Finance expense | (11,291,092) | (14,456,516) |
| Profit before taxation on income | 183,362,861 | 101,143,234 |
| Taxation on income | (36,543,109) | (20,871,396) |
| - Current income tax expense | (38,666,764) | (18,359,698) |
| - Deferred tax income/ (expense) | 2,123,655 | (2,511,698) |
| Profit for the year | 146,819,752 | 80,271,838 |
| Other comprehensive income | | |
| for the period/ year, net of tax | - | - |
| Total comprehensive income for the year | 146,819,752 | 80,271,838 |
| Earnings per share | 2.4470 | 1.3379 |

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

| | 1 January - 31 December 2009 | 1 January - 31 December 2008 |
|---|---------------------------------|---------------------------------|
| Cash flows from operating activities: | | |
| Profit before taxation on income | 183,362,861 | 101,143,234 |
| Adjustments to reconcile profit to net cash generated from operating activities: | | |
| Depreciation and amortisation | 75,015,703 | 30,495,906 |
| Interest income | (957,384) | (2,159,218) |
| Interest expense | 651,380 | 2,482,248 |
| Provision for employment benefits | 761,370 | 232,332 |
| Exploration costs | 9,975,717 | 8,220,729 |
| Depletion cost | 1,286,300 | 429,152 |
| (Gain)/ loss from sales of property, plant and equipment and intangible assets- net | (630,673) | 117,184 |
| Taxes paid | (26,437,562) | (19,264,193) |
| Net cash generated before changes in assets and liabilities | | |
| Changes in assets and liabilities: | | |
| Decrease in trade receivables | - | 16,252 |
| Increase in inventories | (31,732,112) | (8,447,365) |
| Increase in due from the related parties- trade receivables | (27,387,040) | (806,667) |
| Decrease / (increase) in other assets and receivables | 3,129,974 | (2,981,188) |
| (decrease)/ increase in trade payables | (822,834) | 11,034,854 |
| (Decrease)/ increase in due to the related parties- trade receivables | (126,359) | 292,764 |
| Increase / (decrease) in other short and long term liabilities | 3,715,169 | (173,130) |
| Payment for rehabilitation activities | (3,985,351) | (2,720,168) |
| Payment for exploration activities | (9,499,852) | (8,295,021) |
| Employment benefits paid | (239,598) | (87,761) |
| Foreign exchange (losses)/gains on cash and cash equivalents | (89,410) | 373,512 |
| Net cash generated from operating activities | 175,990,299 | 109,903,456 |
| Cash flows from investing activities: | | |
| Interest received | 1,732,816 | 6,344,056 |
| Purchases of property, plant and equipment and order advances given | (95,171,527) | (117,303,343) |
| Proceeds from sales of property, plant and equipment and intangibles | 1,141,431 | 523,214 |
| Proceeds from the related parties- non-trade receivables | 18,733,697 | 52,399,500 |
| Loans granted to the related parties- non-trade receivables | (17,458,728) | (41,478,895) |
| Net cash used in investing activities | (91,022,311) | (99,515,468) |
| Cash flows from financing activities: | | |
| Redemption of bank borrowings | (2,322,476) | (2,196,421) |
| Proceeds from bank borrowings | - | 38,492,983 |
| Interest paid | (486,336) | (2,201,182) |
| Loans granted by the related parties- non-trade payables | 13,684,825 | 296,028 |
| Repayment to the related parties- non-trade payables | (13,933,512) | (299,830) |
| Dividends paid | (69,653,898) | (53,449,606) |
| Net cash used in financing activities | (72,711,397) | (19,358,028) |
| Net increase/ (decrease) in cash and cash equivalents | 12,256,591 | (8,970,040) |
| Cash and cash equivalents at start of year | 8,480,909 | 17,824,461 |
| Foreign exchange gains/ (losses) on cash and cash equivalents | 89,410 | (373,512) |
| Cash and cash equivalents at the end of year | 20,826,910 | 8,480,909 |

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

| | Share capital | Adjustment to share capital | Legal reserves | (Accumulated losses)/ Retained earnings | Net period income | Total equity |
|---|-------------------|--------------------------------|-------------------|--|----------------------|--------------------|
| 1 January 2008 | 44,350,000 | 3,578,596 | 13,852,168 | (9,386,850) | 74,185,586 | 126,579,500 |
| Transfer of prior year net period income to accumulated losses | - | - | - | 74,185,586 | (74,185,586) | - |
| Transfer of retained earnings to legal reserves | - | - | 8,909,034 | (8,909,034) | - | - |
| Dividend payment | - | - | - | (53,449,606) | - | (53,449,606) |
| Total comprehensive income | - | - | - | - | 80,271,838 | 80,271,838 |
| 31 December 2008 | 44,350,000 | 3,578,596 | 22,761,202 | 2,440,096 | 80,271,838 | 153,401,732 |
| Transfer of prior year net period income to retained earnings | - | - | - | 80,271,838 | (80,271,838) | - |
| Transfer from retained earnings to Share capital | 15,650,000 | - | - | (15,650,000) | - | - |
| Transfer of retained earnings to legal reserves | - | - | 6,743,640 | (6,743,640) | - | - |
| Dividend payment | - | - | - | (69,653,898) | - | (69,653,898) |
| Total comprehensive income | - | - | - | - | 146,819,752 | 146,819,752 |

Operational Review

- Second process plant construction was completed in March 2009.
- First dore production started in the second process plant in March 2009.
- Open pit operation at Gicik started up in August 2009 and ended in December 2009.

We currently own two operating mines: an Underground mine at Ovacık, and a mine at Mastra where we utilise both underground and open pit mining methods. Our mining operations at our Gicik open pit mine, located in Central Anatolia approximately 20 km east of Ankara, were completed in December 2009. Our mining operations at Küçükdere, an open pit mine located 80 km from the Ovacık Mine, to be completed by the end of March 2010. At Küçükdere, we have stockpiled the run-of-mine and low grade ore for transportation to the Ovacık processing plant. At Gicik, the high grade ore has been transported to our Mastra processing plant. The run-of mine ore has been transported to Kaymaz where we expect a new processing plant to be commissioned in early 2011. In addition we have three advanced development projects: Çukuralan and Çoraklık Tepe in the Ovacık area and the Kaymaz Project in the Kaymaz area. The Çukuralan project will involve both open pit and underground mining methods, and the Çoraklık Tepe and Kaymaz projects will involve open pit mining.



Mining Operations

Ovacık

The Ovacık mine is located near Ovacık village in western Turkey, approximately 100 km north of İzmir. It is an underground and open pit mine complex. Material from the open pit operation was depleted in September 2007. The open pit has been partially backfilled and no further production is currently planned. The current underground ore reserves give operations at Ovacık an expected lifespan through the end of May 2012; however drilling is currently being undertaken with the aim of increasing the ore reserve at depth to extend the mine life.

The table below presents an overview of our mining operations at the Ovacık mine:

| | 2009 | 2008 |
|-----------------------------|---------|---------|
| Ore mined (t) | 170,776 | 235,886 |
| Open pit (t) | - | - |
| Underground (t) | 170,776 | 235,886 |
| Au average head grade (g/t) | 8.23 | 7.18 |
| Ag average head grade (g/t) | 5.29 | 11.57 |

The table below presents an overview of our processing operations at Ovacık (including processing ore from Küçükdere):

| | 2009 | 2008 |
|-------------------|---------|---------|
| Ore milled (t) | 808,136 | 758,382 |
| Recovery rate, Au | 94.59 | 95.66 |
| Au poured (oz) | 140,468 | 167,059 |
| Ag poured (oz) | 175,197 | 170,330 |

The Ovacık processing plant is our regional processing hub for ore located in the Ovacık area. It is currently operating mainly on feed from the Küçükdere mine along with some materials from the Ovacık underground mine. Stockpiled ore from Küçükdere mine is expected to be available for treatment until late 2010. After processing of the Küçükdere material is completed, the plant is expected to process material from the Çukuralan project which is expected to be available starting in 2010.

Ovacık & Surrounding Properties



Mastra

Our mining operations at Mastra are located 80 km south of the Black Sea, in northeastern Turkey. Mastra comprises both open pit and underground mining operations. Mining operations at the Mastra open pit are scheduled to complete in July 2010.

The table below presents an overview of our mining operations at the Mastra mine:

| | 2009 | 2008 |
|-----------------------------|---------|--------|
| Ore mined (t) | 613,915 | 41,194 |
| Open pit (t) | 484,598 | 38,350 |
| Underground (t) | 129,317 | 2,844 |
| Au average head grade (g/t) | 11.06 | 5.24 |
| Ag average head grade (g/t) | 5.26 | 2.67 |

The table below presents an overview of our processing operations at Mastra(including processing ore from Gıcık):

| | 2009 | 2008 |
|-------------------|---------|------|
| Ore milled (t) | 347,071 | - |
| Recovery rate, Au | 92.09 | - |
| Au poured (oz) | 83,548 | - |
| Ag poured (oz) | 37,135 | - |

The construction of the processing plant has been completed and the commissioning has began in March 2009. Feed to the plant is blended from open pit and underground material from Mastra. Plant throughput is currently around 40,000tpm.



Küçükdere

The Küçükdere mine is located 80 km from the Ovacık mine. We acquired this property in November 2005 from Tüpraş and we started the production in several small pits in 2006. We are expecting the Küçükdere operation will be ended in March 2010. Mining at Küçükdere is conducted by open pit mining methods. As at 31 December 2009, we had stockpiled approximately 350,000 tonnes of run-of-mine ore for transporting to our Ovacık processing plant.

The table below presents an overview of our mining operations at the Küçükdere mine:

| | 2009 | 2008 |
|-----------------------------|---------|---------|
| Ore mined (t) | 807,838 | 654,018 |
| Open pit (t) | 807,838 | 654,018 |
| Underground (t) | - | - |
| Au average head grade (g/t) | 5.31 | 5.31 |
| Ag average head grade (g/t) | 11.92 | 14.38 |

Gıcık

The Gıcık Project is located on the east side of Ankara. It was a small open pit mining operation which was completed in December 2009 with high grade ore transported 800 km to the Mastra processing plant. Run-of-mine ore has been stockpiled and transported to Kaymaz property for processing when the Kaymaz facility is commissioned, which we anticipate will be in early 2011.

The table below presents an overview of our mining operations at the Gıcık mine:

| | 2009 | 2008 |
|-----------------------------|--------|------|
| Ore mined (t) | 55,757 | - |
| Open pit (t) | 55,757 | - |
| Underground (t) | - | - |
| Au average head grade (g/t) | 9.71 | - |
| Ag average head grade (g/t) | 21.13 | - |

Advanced Development Projects

Çukuralan

Çukuralan is a development stage project in the Ovacık area and is located approximately 40km northwest of the Ovacık mine. This exploration property is low sulfidation, epithermal gold vein system. Since 2005, we performed extensive work on the project, including detailed mapping, stream sediment and soil sampling, resulting in identification of a vein system.

We expect to commence mining ore at Çukuralan in 2010 from open pit operations and in 2011 from an underground mine. The ore will be transported 40 km on trucks to the Ovacık processing plant. The project Environmental Impact Assessment(EIA) report was issued in September 2009 and the relevant EIA affirmative certificate has been granted to begin deforestation of the pit area. We plan to follow the Küçükdere model for grade control, contract mining and stockpile management.

We plan to transport high grade and run-of-mine ores to the Ovacık processing plant based on demand and to stockpile surplus low grade material for processing at a later date. We plan to use our staff to monitor contractor operations. The current production schedule is based on a 30,000 tpd total mining rate with a stripping ratio of 18:1 (ore:waste). The underground mine at Çukuralan will be accessed from the pit wall in 2011, with ore mining planned to begin in the same year.

Kaymaz

The Kaymaz project is located in north western Turkey, approximately 150 km from Ankara. The Kaymaz deposits comprises a number of different mineralisation styles, including manto-type mineralisation, quartz stock works, quartz veinlets and episodic brecciation adjacent to the granite dike. We expect to commence ore mining at our advanced development project at Kaymaz in late 2010 and complete construction of our planned third processing plant, with commissioning in early 2011. The primary and secondary mills for Kaymaz have already been ordered and are scheduled to be delivered in 2010. The detailed processing plant design commenced in December 2009. We have elected to use a processing plant flowsheet and design almost identical to those installed at Ovacık and Mastra. It is envisaged that the Kaymaz processing plant will be able to process around 50 tph and this will result in an annual nominal treatment rate of around 400,000 tpy. We are currently targeting gold recoveries of around 84.0%.

Çoraklık Tepe

The Çoraklık Tepe exploration project is covered by the same operation licence as one of the two operation licences covering the Küçükdere mine. The Çoraklık Tepe property has total proven and probable reserves of 148.9kt at a projected average head grade of 9.27 g/t Au and 12.41 g/t Ag producing 44,370 ounces of gold and 59,421 ounces of silver.

Pre-feasibility Project

Mollakara

The Mollakara Project is approximately 55 km sotheast of Ağrı adjacent to the village of Mollakara and is located in Diyadin area in Eastern Anatolia. The Mollakara Project was held by Newmont between 2005 and 2008. Mineralisation at Mollakara is both structurally and lithologically controlled. We have not satisfactorily identified the feeder zones for this project and this is currently a focus for our exploration activities at Mollakara. In addition, we are searching for potential structural extensions. Exploration at Mollakara will include deeper drilling, additional mapping and resource modeling.

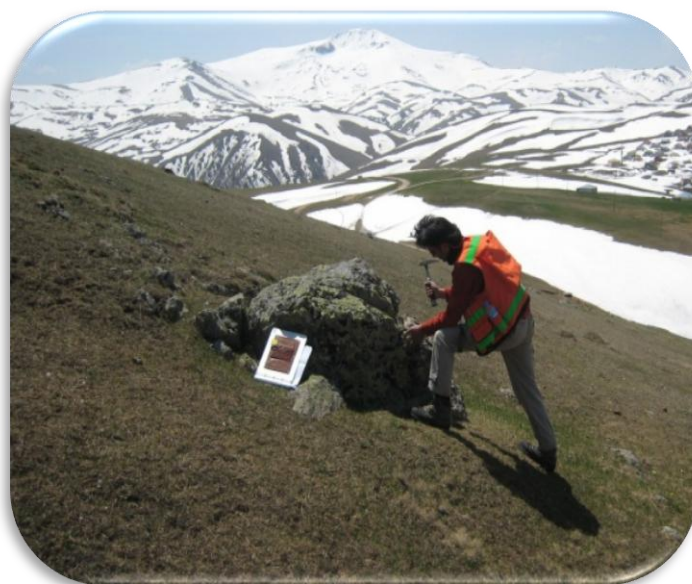
Depending on the grade and minerology of the deposit, cyanide heap leaching is likely to be used for gold extraction. We plan to construct a Mollakara heap leach facility to serve as a central processing plant for Mollakara and other nearby deposits. We have undertaken studies which will be included in a pre-feasiblity study for the Mollakara project. These studies include metallurgical test work commenced by SGS Mineral Services UK in December 2009 and a rock mechanics study that commenced in November 2009.

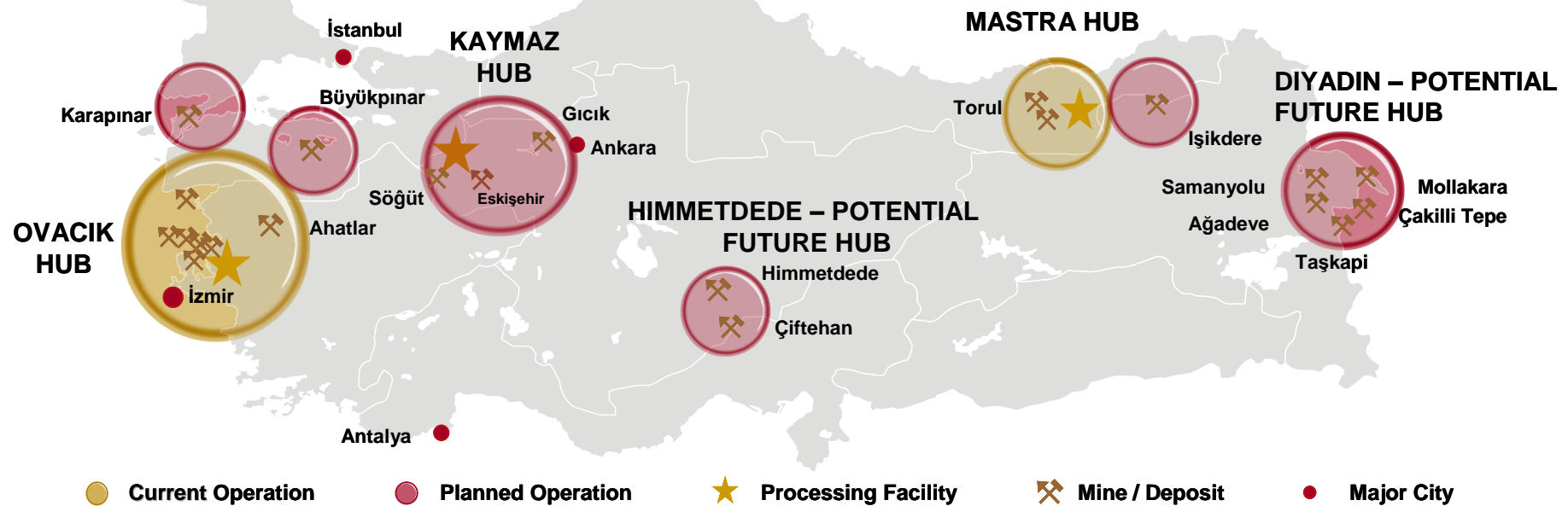
Reserves and Resources

As 31 December 2009 we had 21 operating licences and over 500 exploration licences throughout Turkey in the Aegean and Marmara regions, the Black Sea region and Central and Eastern Anatolia.

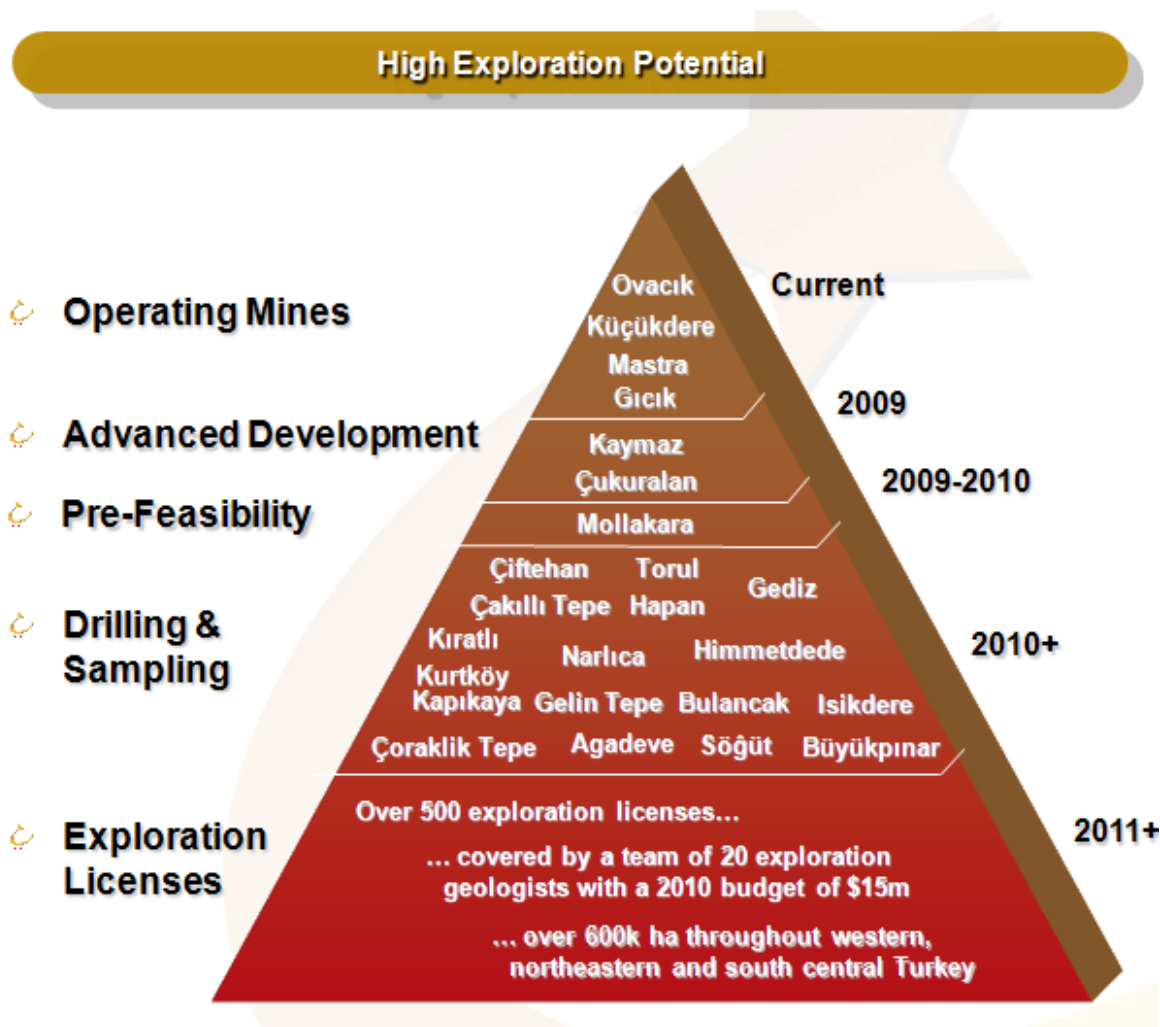
We have a pre-feasibility stage project, Mollakara, located near Ağrı in the north-east of Turkey. In addition our properties also include 17 exploration prospects in Turkey, ranging from early-stage to advanced exploration prospects with resource estimations completed in 2009. At most of our exploration prospects, mapping and sampling programmes are ongoing or completed and drilling and geophysical surveys have already commenced or are planned for 2010. Currently our exploration activities are focused on the expansion of resources surrounding our current and planned mining operations in Ovacık, Mastra and Kaymaz mine areas and in the Diyadin and Himmetdede exploration areas.

As a result of acquisitions and exploration activities, from our inception in March 2005 to 31 December 2009 our total gold resource base increased more than sixfold to 8.1 million ounces from 1.3 million ounces. Over the same period, our total reserve base increased to 1.5 ounces from 0.4 million ounces, also benefiting from increasing gold prices. Almost half of the resources consist of inferred material. Therefore, Koza is planning to utilize 8 rigs during the year to continue exploration programme and to convert the inferred resources into the higher confidence categories of measured and indicated allowing economic assessments to be made on the resources.





- ☞ A Hub strategy = a central processing plant, surrounded by satellite mining operations
- ☞ A Hub strategy is central to Koza Gold achieving its production and resource objectives
 - Enables profitable acquisition and development of smaller, high-grade deposits, Significantly reduces capital costs
- ☞ Turkey remains largely untapped relative to regions with similar gold resource endowments
 - Combination of high-grade small deposits (e.g. epithermal veins) and lower grade large deposits (e.g. Porphyry)
- ☞ Koza Gold's local operating expertise is a distinct competitive advantage
 - The Ovacik Hub currently has one processing plant with two mining operations
 - A second processing plant is in operation at the Mastra Hub
 - A third hub in Kaymaz is being planned
 - 3 other potential areas for hubs have been identified –Diyadin (proposed Mollakara mine, Himmetdede, Hapan)



- 🔍 Our current operations are supported by a significant pipeline of development and exploration projects
 - Mastra commenced doré production in March 2009
 - In 2010, we aim to add Çukuralan to the Ovacık hub and aim to establish Kaymaz as the 3rd hub
- 🔍 Proven track record of discovering resources, with the intention of continuing to explore our large portfolio and advanced projects

Mineral Resources (Inclusive of Reserves)

| | Tonnage | Grade | | Content | |
|---------------------------------|--------------|-------------|-------------|--------------|--------------|
| Measured | (Mt) | (Au g/t) | (Ag g/t) | (Au Moz) | (Ag Moz) |
| Ovacık | 1.892 | 6.07 | 3.89 | 0.369 | 0.237 |
| Küçükdere | 0.000 | | | - | - |
| Çukuralan Open Pit | 2.750 | 6.33 | 3.08 | 0.560 | 0.272 |
| Çukuralan Underground | 0.399 | 5.72 | 3.02 | 0.073 | 0.039 |
| Çoraklık Tepe | 0.041 | 9.43 | 12.66 | 0.012 | 0.017 |
| Gelintepe | 0.000 | | | - | - |
| Narlıca | 0.000 | | | - | - |
| Kıratlı | 0.000 | | | - | - |
| Kaymaz | 1.661 | 5.77 | 5.32 | 0.308 | 0.284 |
| Mastra Open Pit | 0.340 | 11.54 | 6.23 | 0.126 | 0.068 |
| Mastra Underground | 0.531 | 8.71 | 4.66 | 0.149 | 0.080 |
| Himmetdede | 0.000 | | | - | - |
| Mollakara Leach -oxide | 0.000 | | | - | - |
| Mollakara Leach -sulphide | 0.000 | | | - | - |
| Söğüt | 0.000 | | | - | - |
| Gıcık | 0.000 | | | - | - |
| Ovacık RoM | 0.019 | 5.91 | 4.47 | 0.004 | 0.003 |
| Küçükdere RoM | 0.331 | 4.90 | 11.60 | 0.052 | 0.123 |
| Mastra RoM | 0.334 | 10.07 | 4.64 | 0.108 | 0.050 |
| Gıcık RoM | 0.028 | 5.08 | 17.14 | 0.005 | 0.015 |
| Ovacık Processing Plant | 0.023 | 5.87 | 4.29 | 0.004 | 0.003 |
| Küçükdere Processing Plant | 0.014 | 5.14 | 11.85 | 0.002 | 0.005 |
| Mastra Processing Plant | 0.014 | 8.94 | 8.29 | 0.004 | 0.004 |
| Ovacık LG | 0.000 | | | - | - |
| Küçükdere LG | 0.000 | | | - | - |
| Mastra LG | 0.000 | | | - | - |
| Gıcık LG | 0.000 | | | - | - |
| Total Measured Resources | 8.377 | 6.60 | 4.45 | 1.777 | 1.200 |

| | Tonnage | Grade | | Content | |
|---------------------------|---------|----------|----------|----------|----------|
| Indicated | (Mt) | (Au g/t) | (Ag g/t) | (Au Moz) | (Ag Moz) |
| Ovacık | 0.732 | 5.43 | 2.29 | 0.128 | 0.054 |
| Küçükdere | 0.985 | 2.13 | 6.87 | 0.067 | 0.218 |
| Çukuralan Open Pit | 2.569 | 5.86 | 2.69 | 0.484 | 0.222 |
| Çukuralan Underground | 0.916 | 5.21 | 2.66 | 0.153 | 0.078 |
| Çoraklık Tepe | 0.107 | 9.23 | 12.31 | 0.032 | 0.042 |
| Gelintepe | 0.000 | | | - | - |
| Narlıca | 0.319 | 2.70 | 11.87 | 0.028 | 0.122 |
| Kıratlı | 0.000 | | | - | - |
| Kaymaz | 0.982 | 4.49 | 4.50 | 0.142 | 0.142 |
| Mastra Open Pit | 0.398 | 8.85 | 8.38 | 0.113 | 0.107 |
| Mastra Underground | 0.283 | 6.48 | 5.10 | 0.059 | 0.046 |
| Himmetdede | 0.000 | | | - | - |
| Mollakara Leach -oxide | 6.000 | 1.16 | 0.53 | 0.224 | 0.102 |
| Mollakara Leach -sulphide | 11.086 | 1.01 | 0.29 | 0.360 | 0.103 |

| | | | | | |
|----------------------------|--------|------|------|-------|-------|
| Söğüt | 0.000 | - | - | | |
| Gıcık | 0.000 | - | - | | |
| Ovacık RoM | 0.000 | - | - | | |
| Küçükdere RoM | 0.000 | - | - | | |
| Mastra RoM | 0.000 | - | - | | |
| Gıcık RoM | 0.000 | - | - | | |
| Ovacık Processing Plant | 0.000 | - | - | | |
| Küçükdere Processing Plant | 0.000 | - | - | | |
| Mastra Processing Plant | 0.000 | - | - | | |
| Ovacık LG | 0.383 | 1.65 | 1.56 | 0.020 | 0.019 |
| Küçükdere LG | 0.388 | 1.36 | 6.29 | 0.017 | 0.079 |
| Mastra LG | 0.090 | 1.16 | 2.38 | 0.003 | 0.007 |
| Gıcık LG | 0.028 | 1.49 | 9.23 | 0.001 | 0.008 |
| Total Indicated Resources | 25.267 | 2.26 | 1.66 | 1.832 | 1.350 |

| | Tonnage | Grade | | Content | |
|---------------------------------|----------------|-------------|-------------|--------------|--------------|
| Inferred | (Mt) | (Au g/t) | (Ag g/t) | (Au Moz) | (Ag Moz) |
| Ovacık | 0.509 | 7.24 | 2.64 | 0.118 | 0.043 |
| Küçükdere | 0.382 | 2.02 | 4.88 | 0.025 | 0.060 |
| Çukuralan Open Pit | 1.909 | 4.71 | 2.18 | 0.289 | 0.134 |
| Çukuralan Underground | 1.752 | 4.28 | 1.85 | 0.241 | 0.104 |
| Çoraklık Tepe | 0.052 | 8.76 | 11.72 | 0.015 | 0.020 |
| Gelintepe | 0.060 | 3.12 | 5.99 | 0.006 | 0.012 |
| Narlıca | 0.159 | 3.08 | 11.71 | 0.016 | 0.060 |
| Kıratlı | 1.469 | 2.63 | 38.39 | 0.124 | 1.813 |
| Kaymaz | 0.926 | 3.14 | 3.53 | 0.094 | 0.105 |
| Mastra Open Pit | 0.436 | 5.58 | 12.22 | 0.078 | 0.171 |
| Mastra Underground | 0.368 | 8.71 | 4.92 | 0.103 | 0.058 |
| Himmetdede | 13.693 | 0.95 | 0.00 | 0.418 | - |
| Mollakara | 38.649 | 0.65 | 0.17 | 0.808 | 0.211 |
| Mollakara Sulphide | 74.173 | 0.83 | 0.21 | 1.980 | 0.501 |
| Söğüt | 0.537 | 5.94 | 1.36 | 0.103 | 0.023 |
| Gıcık | 0.000 | - | - | - | - |
| Total Inferred Resources | 135.074 | 1.02 | 0.76 | 4.417 | 3.315 |

Mineral Reserves

| | Tonnage | Grade | | Content | |
|--|--------------|-------------|-------------|--------------|--------------|
| Proven | (Mt) | (Au g/t) | (Ag g/t) | (Au Moz) | (Ag Moz) |
| Ovacık Underground | 0.353 | 6.23 | 4.19 | 0.071 | 0.048 |
| Çukuralan Underground | 0.815 | 5.81 | 2.62 | 0.152 | 0.069 |
| Çukuralan Open Pit | 1.294 | 6.99 | 3.39 | 0.291 | 0.141 |
| Mastra Underground | 0.547 | 6.74 | 3.93 | 0.118 | 0.069 |
| Mastra Open Pit | 0.243 | 12.32 | 4.51 | 0.096 | 0.035 |
| Kaymaz Damdamca | 1.108 | 6.34 | 5.32 | 0.226 | 0.190 |
| Kaymaz Main Zone | 0.262 | 5.17 | 6.33 | 0.044 | 0.053 |
| Çoraklık Tepe | 0.041 | 9.40 | 12.66 | 0.013 | 0.017 |
| Gıcık | 0.000 | | | 0.000 | 0.000 |
| Ovacık Run-of-Mine ("RoM") Stockpile | 0.019 | 5.91 | 4.47 | 0.004 | 0.003 |
| Küçükdere RoM Stockpile | 0.331 | 4.90 | 11.60 | 0.052 | 0.123 |
| Mastra RoM Stockpile | 0.334 | 10.07 | 4.64 | 0.108 | 0.050 |
| Gıcık RoM Stockpile | 0.028 | 5.08 | 17.14 | 0.005 | 0.015 |
| Ovacık Processing Plant Emergency Stockpile | 0.023 | 5.87 | 4.29 | 0.004 | 0.003 |
| Küçükdere Processing Plant Emergency Stockpile | 0.014 | 5.14 | 11.85 | 0.002 | 0.005 |
| Mastra Processing Plant Emergency Stockpile | 0.014 | 8.94 | 8.29 | 0.004 | 0.004 |
| Total Proven Reserves | 5.426 | 6.82 | 4.73 | 1.190 | 0.825 |

| | Tonnage | Grade | | Content | |
|-----------------------------------|--------------|-------------|-------------|--------------|--------------|
| Probable | (Mt) | (Au g/t) | (Ag g/t) | (Au Moz) | (Ag Moz) |
| Ovacık Underground | 0.039 | 9.38 | 2.47 | 0.012 | 0.003 |
| Küçükdere | 0.038 | 4.97 | 7.98 | 0.006 | 0.010 |
| Çukuralan Underground | 1.009 | 4.49 | 2.18 | 0.146 | 0.071 |
| Çukuralan Open Pit | 0.662 | 7.25 | 3.3 | 0.154 | 0.070 |
| Mastra Underground | 0.311 | 5.3 | 6.07 | 0.053 | 0.061 |
| Mastra Open Pit | 0.184 | 12.00 | 6.14 | 0.071 | 0.036 |
| Kaymaz Damdamca | 0.432 | 4.97 | 4.59 | 0.069 | 0.064 |
| Kaymaz Main Zone | 0.112 | 4.71 | 5.74 | 0.017 | 0.021 |
| Çoraklık Tepe | 0.107 | 9.22 | 12.32 | 0.032 | 0.043 |
| Ovacık Low Grade ("LG") Stockpile | 0.383 | 1.65 | 1.56 | 0.020 | 0.019 |
| Küçükdere LG Stockpile | 0.388 | 1.36 | 6.29 | 0.017 | 0.079 |
| Mastra LG Stockpile | 0.090 | 1.16 | 2.38 | 0.003 | 0.007 |
| Gıcık LG Stockpile | 0.028 | 1.49 | 9.23 | 0.001 | 0.008 |
| Total Probable Reserves | 3.784 | 4.94 | 4.03 | 0.602 | 0.491 |

| | | | | | |
|---|--------------|-------------|-------------|--------------|--------------|
| Total Proven and Probable Reserves | 9.210 | 6.05 | 4.45 | 1.791 | 1.316 |
|---|--------------|-------------|-------------|--------------|--------------|

Corporate Governance Report

Corporate Governance Statement

Our Company in principal adopts “Principles of Corporate Governance” accepted by the resolution 35/385 of Capital Market Board on 04 July 2003. Company is aware that implementation of these principles will derive benefit for our company, stakeholders and ultimately our country. Therefore, our Company has initiated implementation of Corporate Governance principles.

SECTION I – SHAREHOLDERS

1. Relationship Unit with Shareholders

Our Company has started to set up an investor’s relations unit to reach the investors. This section will be operated under the coordination of Ozlem Ozdemir, Assistant General Manager, Finance and Commercial. Discussions are still ongoing to increase the number of staff in this Unit. suitable candidate will soon be placed into this position.it is full-time position for promoting it to domestic and inetrnational corporates and individuals,to inform them accurately,fully and correctly, to answer questions immediately. Interviews conducted for a position to assume responsibilities of this section are underway and appropriate candidate will soon be recruited for related position. This section will be available for individual and corporate investors by telephone,fax ,e-mail at all times . Any significant developments in connection with company’s business affairs if required will be shared with the public via press releases. It is planned the copies of press bulletins released and presentations shared by the research experts and all documents not in nature of trade secret of the company’s affairs will be available on the internet. This section can be accessed at yatirimciiliskileri@kozagold.com and telephone no: 0 232 641 80 17 or fax no: 0 232 641 80 19

2. Right of receiving information of the investors

A section is reserved in the internet website under the heading of “Investors Relations”. Without any prejudice, all information publicly disclosed are available on the website for shareholders who will have easily and equally access to company information. An internal operating system was set up to quickly reply any queries directed to Investors Relations Unit verbally or written within the information disclosed to the public.

3. Information on General Meeting

Prior to Public Offer, call to General Meeting of our Company was extended in accordance with the provisions of Turkish Trade Act and relevant caluses of Company’s Articles of Association. Following the company’s public offer, call to the General Meeting will be made in accordance with the provisions of Turkish Trade Act as well as Capital Market Act and company’s articles of association by the Management Board and upon the Board’s decicion statement will be issued and ISE and CMB will informed accordingly.

General Board Meetings are held under the supervision of Government Commissioner from Ministry of Trade and Industry and shareholders exercise all of their rights entitled as shareholderand they are allowed to express their opinions and raise questions and maker suggestions,all of which will be ensured by the Chairman according to the prosedures.

Summary information of attendance of Company’s latest general Board meetings are as follow:

Company's General Meeting for the year 2008 was held on 29.04.2009 at 11.30 a.m. at the address of Istanbul Yolu 10. Km No: 310 Yenimahalle/Ankara, under the supervision of the Commissioner of Ministry. 4,434,999,994 shares in person and 6 shares by proxy totaling 4,435,000,000 shares representing the company's capital 44,350,000TL were represented.

Company's Extraordinary General Meeting for the year 2009 was held on 30.12.2009 at 10.00 a.m. at the address of Istanbul Yolu 10. Km No: 310 Yenimahalle/Ankara, under the supervision of the Commissioner of Ministry. 5,999,999,984 shares in person and 16 shares by proxy totaling 6,000,000,000 shares representing the company's capital 60,000,000 TL were represented. Following matters were submitted for General Board's approval:

- i) The amendment of the Clauses 3,4,6,7,8,10,11,13,15,17 and 18 of the Company's Articles of Association, which was adapted to comply with requirements as stipulated in Circular of CMB serial no:1 no:26 within the frameworks of the opinions received from the Capital Market Board to meet the principles and aims of the Act and the Board's arrangements and approved by the Capital Market Board on 25.12.2009 for securing the public offer in the form of partner sales of the 30.0% of the capital, if further demanded, an additional 4.5%, thus totalling 34.5%.
- ii) Appointment of Ismet Kasapoglu as an Independent Member.

4. Voting Rights

The holders of Group A shares have right of privilege to nominate candidates for the Board of Directors and Auditor.

5. Profit Distribution Policy

Our company firstly aims to grow in present areas of production and operational facilities, to make strategic investments in new gold fields and to weigh on exploration activities within current exploration licenses. Within this framework, our Company has been targeting to meet all these investments by cash inflow derived from production areas

Within the framework of strategically targets, growth trend, investment policies, profitability and cash status and the provisions of Turkish Trade Act, Capital Market Regulations, Taxation Regulation and relevant clause of our principal contract related to the distribution of profit, Our Company will pay the dividend in the form of cash and/or unpaid shares in minimum proportion of it as basically specified by the Capital Market Board. The dividend, which will be distributed in pursuant to the decision to be taken at General Board meeting may be paid in full or in the form of unpaid shares or be determined to be as partially in cash and unpaid shares.

In parallel with the profit distribution policy of the recent years, it is always possible for the Board of Directors to decide proportion of profit distribution to be above the minimum ratio and submit this to the General Board for the approval.

Payments of dividend will be effected within the legal period based on the articles of associations.

6. Transfer of Shares

Clause 6 of the Company's Articles of Association states: "Transfer of share certificates of the company is allowed provided that the provisions of Turkish Trade Code, Capital Market legislation and these articles of association are reserved".

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

7. Company's Information Policy

Koza Gold will observe and fulfill corporate governance principles mainly Capital Market Act and the arrangements related with this legislation and all kinds financial information and other explanations and announcements and generally accepted accounting principles within frameworks of Turkish Trade Act and its related procedures and follow a detailed Information and Public Disclosure Policy within this scope.

Basic aim of information policy is to ensure shareholders, employees, customers, creditors and stakeholders are disclosed information and explanations, not in the nature of trade secret, through easily accessible at low cost, accurate, complete, comprehensible at equal condition.

In connection with all practices of public informing, it complies with Capital Market procedures and arrangements of ISE and aims to implement most effective communication policy within CMB Corporate Governance Principles.

8. Disclosing Significant Events

Our Company was listed on the ISE in February 2010. All significant events will be disclosed in accordance with the Circular for "Public Disclosure of Significant Events" Serial no:VIII No:39 issued by the Capital Market Board

9. Company's web site and contents

Our company's web site is www.kozaaltin.com.tr A section is included for Investor Relations on the web site and preparations are on the way to have dialog box and constant information service to be provided on the web site. Various information is comprehensively placed open the internet website, updated in line with developments. And there is a section "investors relations" which has minimum matters as outlined by CMB

10. Statement for Real Personalities Final Dominant Shareholder(s)

| | TL | % |
|------------------------------------|----------------------|---------------|
| ATP İnşaat ve Ticaret A.Ş. | 27,004,066.21 | 45.01 |
| Koza İpek Holding A.Ş. | 14,995,933.46 | 24.99 |
| Koza Anadolu Metal Mad. İşl. A.Ş. | 1,193,467.00 | 1.99 |
| İpek Matbaacılık San. Ve Tic. A.Ş. | 1,145,729.00 | 1.91 |
| Hamdi Akın İpek | 0.08 | 0.00 |
| Cafer Tekin İpek | 0.08 | 0.00 |
| Melek İpek | 0.08 | 0.00 |
| Pelin Zenginer | 0.08 | 0.00 |
| İsmet Kasapoğlu | 0.01 | 0.00 |
| Free Float | 15,660,804.00 | 26.10 |
| Total | 60,000,000.00 | 100.00 |

11. Public Disclosure of Persons who provide information from inside

The persons who can reach to the information, which may be in the nature of effecting the value of company's capital market instruments may be identified in Activity Report as the persons holding offices in Board of Management, Members of Auditing Committee and executives therefore who can be in position to learn from inside. In order to maintain balance between transparency policies and protecting investors' interests with

informing public fully and accurately, it should be significantly emphasized that all company employees and directors must comply with legal arrangements in using information obtained from inside. All employees and directors should not directly or indirectly use the company related inside information and they are fully aware of all the limitations to the legal arrangements and the nature of information and they act in accordance with these limitations and prohibitions.

SECTION III – STAKEHOLDERS

12. Informing the Stakeholders

Koza corporate governance practices secure the stakeholders of the procedures, monthly arrangements and their rights arranged by mutual agreements. Company employees, partners and third person or institutions that have business relations can directly communicate with company directors any proposals or violations on this matter.

Stakeholders are being informed through e-mail or telephone on the matters related to themselves or company-related issues.

13. Stakeholders' Participation in the Management

Employees' participation in the management is realized through the periodic meetings conducted within the Company and target defining and performance assessment meetings held each year.

14. Human Relations Policy

Company's Recruitment policy is defined with priority given to development of local region. There is a recruitment process starting from nearest village neighboring the mine site. When there is need to recruit a personnel, according to the nature of position required, candidates are assessed from the nearest village then to nearest towns and provinces. If no suitable local candidates are selected, nation-wide candidates are sought.

As the gold mining industry is new sector in Turkey, it is sometimes difficult to find qualified personnel. Newly graduated personnel who are possessed with required qualifications are selected and when they are employed, on the job training occupational training have been provided.

As Koza respects the people in gold mining sector, it has been a choice and priority of those who received training in this sector.

Considering the mining industry, the workforce recycle has been on low levels, is a clear indication of employee satisfaction as well as good implementation of company's human resources policy.

15. Information on Customer and Suppliers Relations

As part of our Company's main business activity, doré, which contains gold and silver are produced and sent to refineries to be refined. All marketing and sales works are carried out by the refineries.

16. Social Responsibility

Our Company, while operating, shows great care for the principles of transparency, values its employees and locals and continuously develops itself and follows and implements technological changes. The company has been involved in to concentrate on the problems of local communities and has produced and continues to produce number of projects to assist their economical as well as social developments. As a part of its "Social Responsibility", Koza Altın İşletmeleri A.Ş has adopted attitude which will provide local region with highest economical and social contribution.

SECTION IV – BOARD OF DIRECTORS

17. Structure, Formation and Independent Members

Company's Board of Directors consists of 5 members, elected by General Board.

| | |
|------------------|--------------------|
| Hamdi Akin İpek | Chairman |
| Cafer Tekin İpek | Vice Chairman |
| Melek İpek | Member |
| Pelin Zenginer | Member |
| İsmet Kasapoğlu | Independent Member |

| | |
|-----------------|---------|
| Selim Elmasoğlu | Auditor |
| Enver İman | Auditor |

18. Qualifications of Members of Board of Directors

Entire members of the Board of Directors have vast knowledge backed with education and experience and exemplifying professionals in the sector as well in the world of business.

19. Company's Mission and Vision and Strategic Goals

Our Vision

To be the first Turkish international company in gold mining sector.

Our Mission

To carry out gold mining operations by using best available technology and displaying highest environmental performance and showing respect to local people in a mutual trust.

Our Strategies

- To be one of the most important international gold producer in world's gold market.
- To further develop current Environment and Job Safety standards.
- To increase annual gold production to 1 million ounces.

20. Risk Management and Internal Control Mechanism

An Auditing Committee will be formed at Board of Directors. Upon forming of the Committee, internal auditing department will be set up. Stages will be determined to effectively implement internal auditing and procedures will be prepared and implemented.

21. Authorities and Responsibilities of the Board of Directors

Company's management rights and authorities of representation are defined in the Articles of Association.

22. Activities of Board of Directors

Our Board of Directors have held number of meetings to discuss several issues and have taken decisions during the year 2009. All kinds of opinions were raised in those meetings and no different opinions were expressed against the member of the Board of Directors during these meetings in 2009.

23. Committees

A work is underway to set up an Auditing Committee within the Board of Directors.

24. Code of Ethics

Procedure, which contains the code of ethics, is in process of preparation.

25. Financial Rights provided to the Board of Directors

Attendance fee to be paid to Company's Board of Directors is determined by General Board. The members of the Board receive attendance fee of net 20.000TL.