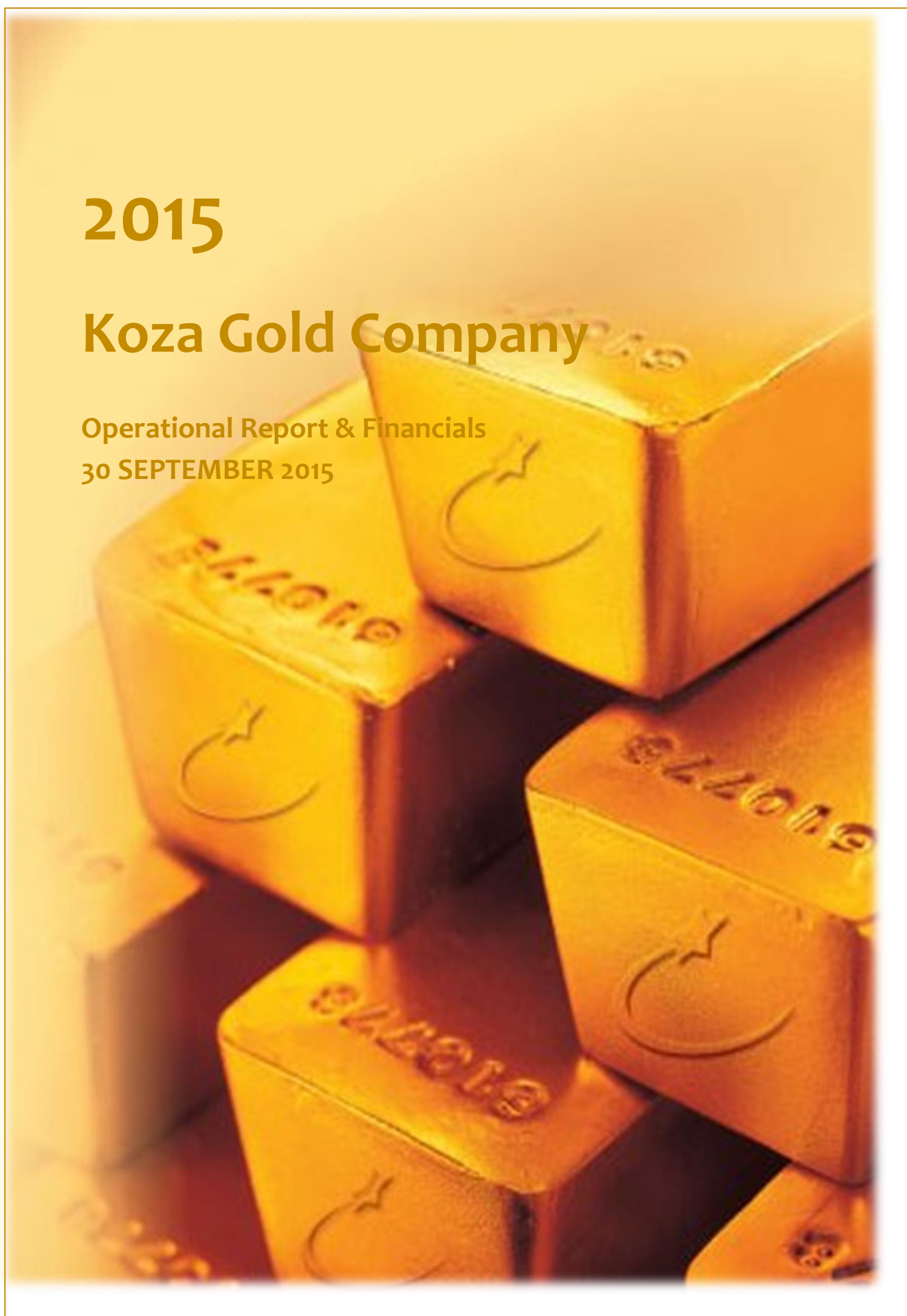


2015

Koza Gold Company

Operational Report & Financials
30 SEPTEMBER 2015



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 capitalize 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 **180** koz of gold in the nine months of 2015 and generated revenues of TL **549.9** million.

Our Performance

	2015 JANUARY - SEPTEMBER	2014 JANUARY - SEPTEMBER
Production (CIP Facilities)	172 koz of gold (4.75 g/t) 82 koz of silver (3.82 g/t)	250 koz of gold (6.28 g/t) 116 koz of silver (4.21 g/t)
Production (Heap Leach Facilities)	8 koz of gold (0.95 g/t)	4 koz of gold (0.59 g/t)
Production (Total)	180 koz of gold (2.15 g/t) 82 koz of silver (3.82 g/t)	254 koz of gold (5.60 g/t) 116 koz of silver (4.21 g/t)
Cash costs	\$ 539/oz	\$ 455/oz
Revenue	TL 549.9 million	TL 680.3 million
EBITDA	TL 226.2 million	TL 419.3 million
EBIT	TL 126.1 million	TL 346.3 million



About Us

A leading Turkish Gold producer

We are a leading Turkish gold mining company based on our gold production of approximately **179,757** ounces in the nine months of 2015.

As at **30 September 2015**, we had **56** operating licenses and **211** exploration licenses throughout Turkey in the Aegean and Marmara regions, the Black Sea region and Central and Eastern Anatolia.

We currently own four operating mines: an underground mine at Ovacık, a mine in Çukuralan where we utilise both underground and open pit mining methods and an open pit mine at Kaymaz. After completion of phase 1 leach pad and ADR plant, test production has commenced and first gold was poured on 19th November 2013 at Himmetdede mine. Himmetdede crushing circuit construction was finished on 2nd quarter 2014. The Interim Activity Certificate had been given by the Ministry of Environment and Urbanization on January 23rd, 2015 and Himmetdede process plant had started its activities. Works are underway at full speed in order to switch to full capacity at Himmetdede.



We have feasibility stage projects, Mollakara, located near Ağrı in the north-east of Turkey and projects in the middle of Turkey. In addition, our properties also include 15 exploration projects in Turkey, ranging from early-stage to advanced exploration prospects with resource estimations completed in 2014. 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 2013. 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.

Between 1 January 2015 and 30 September 2015, the price of gold as quoted on the London Bullion Market ranged between a low of **\$1,080.80** and a high of **\$1,295.75** 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 **179,757** ounces of gold in the nine months of 2015. 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 green field 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 31.5 moz 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

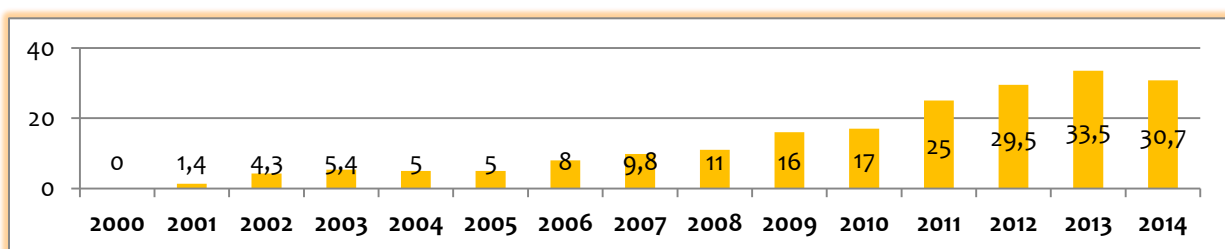
Changes in mining law Turkey, increasing gold price trend and developments in technology have led to the increase in gold potential in Turkey. Studies indicate that there are approximately 6500 tones of gold in Turkey. (Resource: Turkey's Gold Potential and Mining Resources Cutting Methods, Ayhan Eler, METU, Geology Department,1997) Only 10% of this, which is 650 tones, is classified as reserves. Therefore, when market's current situation is examined, it is seen that priority is given to gold exploration. "As per previous procedure, exploration license was to be issued for 3 years and extended for 2 years. It was required that this license was then to be changed to operational license. Under the new legal arrangements, total exploration period has been increased to 7 years. It covers 1 year for pre-exploration, 2 years for general exploration and 4 years for detailed exploration respectively."

With foregoing reasons, the competition in this sector has intensified on exploration activities. Koza Gold has been pursuing these two activities in parallel. 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 (Alacer Gold, Cukurdere), currently in permitting stage. Domestic companies who are involved in exploration activities are thought to be starting production at later stages. Despite 6,500 tonnes of gold potential and 650 tonnes of reserves, Turkey only produces between 10 and 20 tonnes of gold and 250 - 300 tonnes of gold need to be imported to meet the demand.

Company

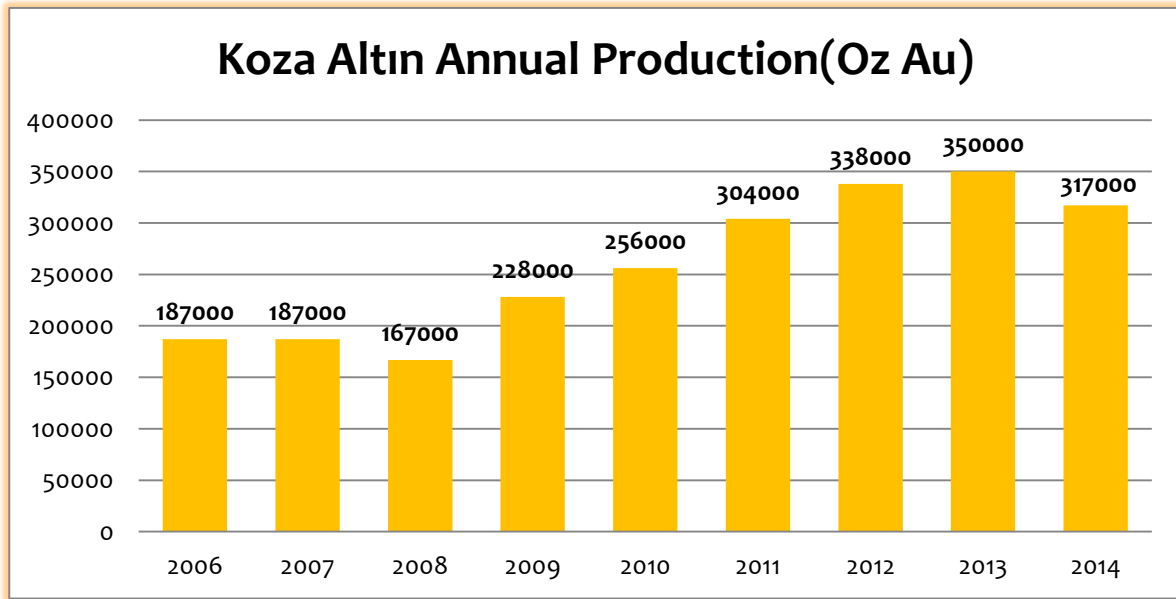
Koza Gold Operations Company is a Turkish company formed by 100% Turkish capital to explore and operate gold mines in our country. ATP Construction and Trade A.Ş. and Koza-Ipek Holding A.Ş. have acquired all the shares of from Normandy Mining A.Ş. and Newmont Mining Corporation Limited in 3 March 2005 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.

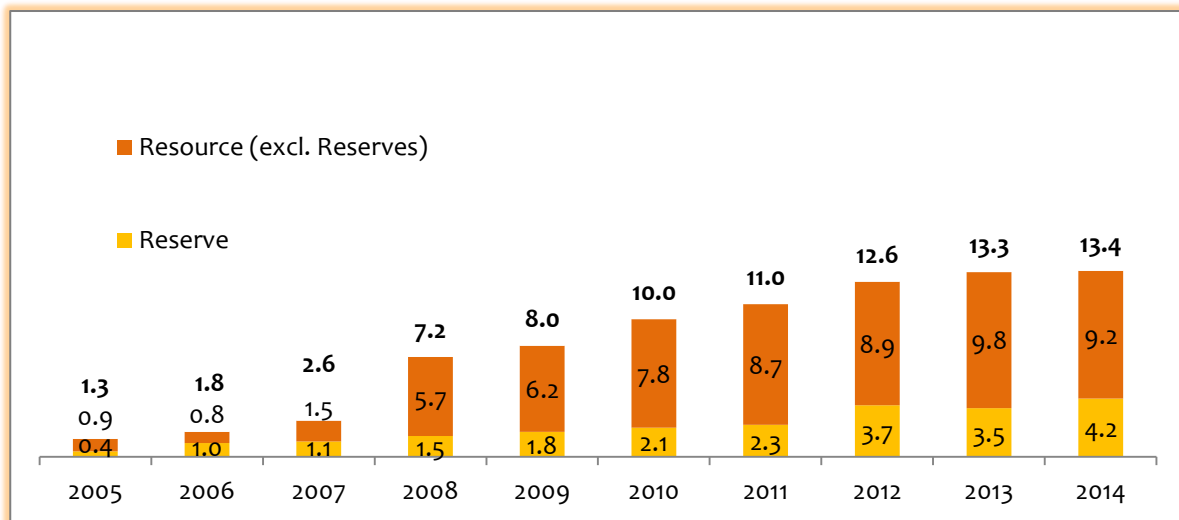
TURKEY GOLD PRODUCTION (Tonnes)



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 Ovacık mine after acquiring it. We developed and brought into full production the Küçükdere mine in 2006, the Mastra mine in 2008, the Gıcık mine in 2009, Çukuralan mine in 2010 and Kaymaz mine in 2011. Kaymaz open pit facilities, which has 511,000 ounces of gold reserves, commenced the production in March 2011. As shown from the figure below, our gold production came from Ovacık between 2006 and 2008, Ovacık and Mastra between 2009-2010 and Ovacık, Mastra and Kaymaz from 2011 and 2012 and test production has started in November 2013 at Himmetdede. The Interim Activity Certificate had been given to us by the Ministry of Environment and Urbanization on January 26th, 2015 and Himmetdede process plant had started its activities.



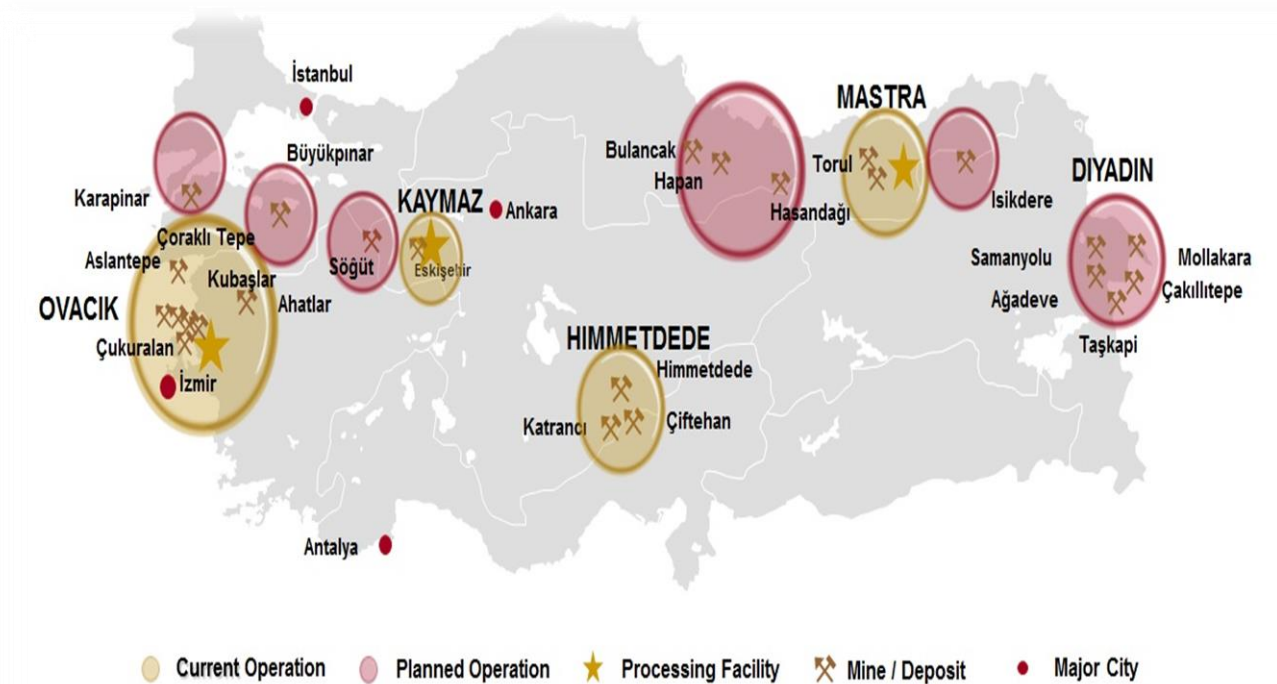


Since March 2005, we have successfully increased both our reserve and resource base as a result of acquisitions, exploration activities and the increase in gold prices. As at 31 December 2014, our total measured, indicated and inferred resource base had increased to 13.4 million ounces of gold from 1.3 million ounces, and our total proven and probable reserve base had increased to 4,2 million ounces of gold from 0,4 million ounces. All of our reserves and resources were audited by SRK at the end of years between 2007 and 2014. It is planned to have an audit by SRK for the reserves and resources as of 31 December 2015.



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, third processing plant at Kaymaz in 2011. Our fourth process plant construction, Himmetdede, has started in 4th quarter of 2012. After completion of phase 1 leach pad and ADR plant, test production has commenced and first gold was poured on 19th November 2013 at Himmetdede mine. Himmetdede crushing circuit construction was finished on 2nd quarter 2014. The Interim Activity Certificate had been given to us by the Ministry of Environment and Urbanization on January 26th, 2015 and Himmetdede process plant had started its activities.



Cash Costs

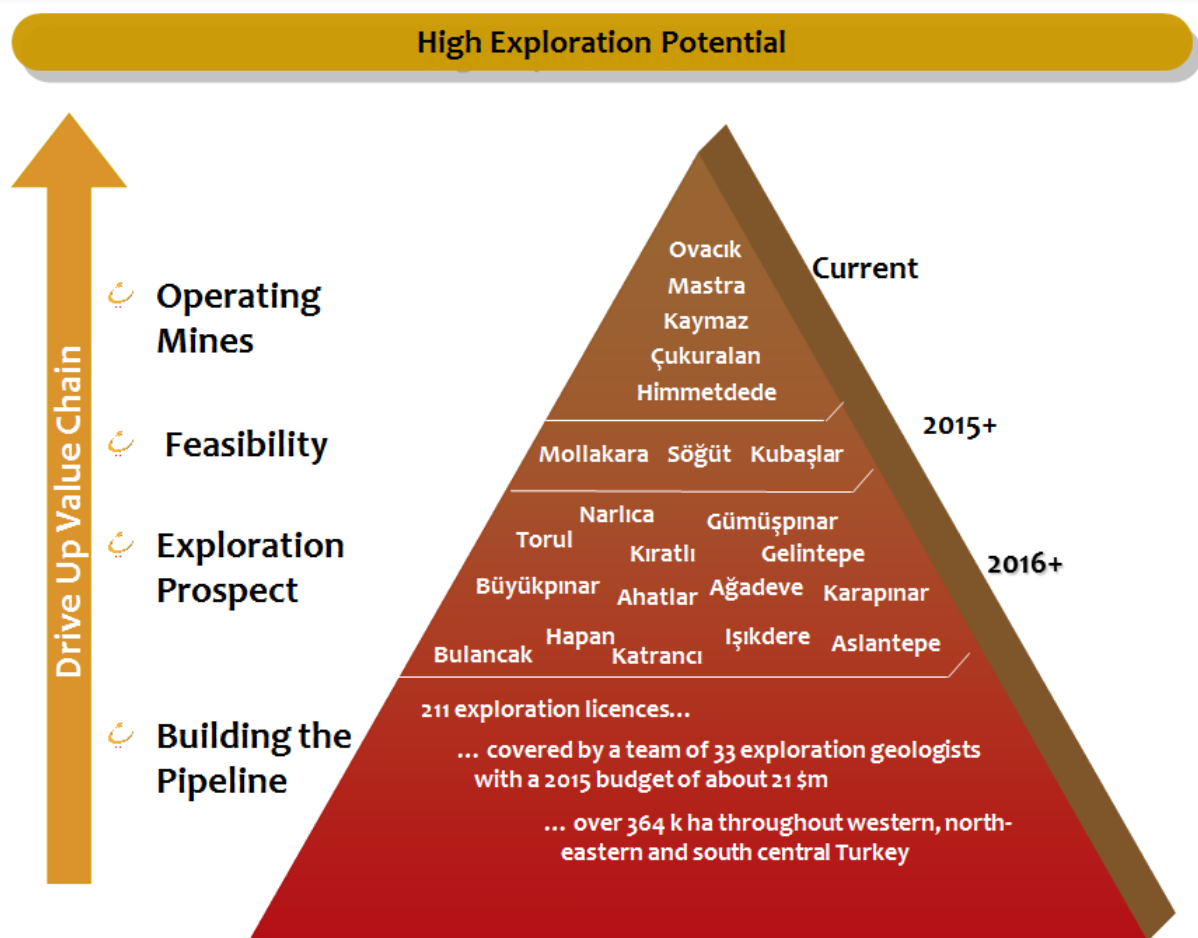
Our unit cash costs derived from our accounts for the nine months of 2015 and 2014 amounted to 1,432 TL (\$539) and 983 TL (\$455) respectively. Compared to the previous year, the reason of this increase is mainly because of the lower production due to decreased average processed gold grade at Ovacık and Kaymaz processing plants.



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 and Çukuralan, we have two emergency response teams comprising of 12 and 12 employees respectively, and a mine rescue team comprising of 21 employees at Ovacık-Çukuralan sites. 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 laws and regulations.

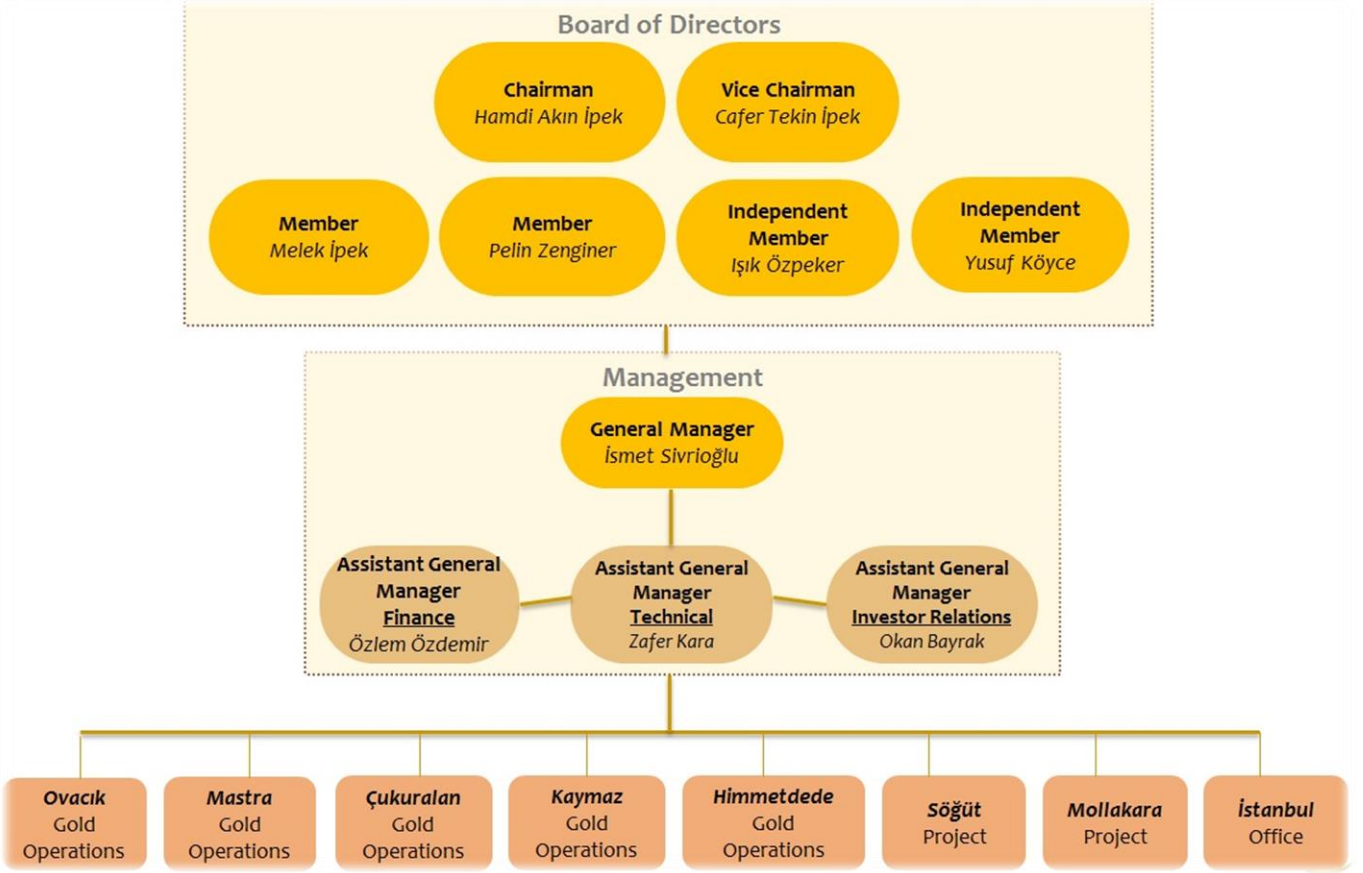
The MEF considers several categories of environmental factors and compares the projected impact of the proposed mining activities to previously set environmental thresholds.

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. Our Environment Department at the same time has been providing training program since March 2007 on environmental awareness to all employees and as well as on environmental policies and implementations for newly recruited personnel at the mine site.

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.

Board & Management Structure



Board of Directors

Hamdi Akın İpek	Chairman
Cafer Tekin İpek	Vice Chairman
Melek İpek	Board member
Pelin Zenginler	Board member
Işık Özpeker	Independent Board Member
Yusuf Köyce	Independent Board Member

Independent Auditor

PWC

Company Management

İsmet Sivrioğlu	General Manager
Zafer Kara	Assistant General Manager - Technical
Özlem Özdemir	Assistant General Manager - Finance
Okan Bayrak	Assistant General Manager - Investor Relations
Cemalettin Çetin	Assistant General Manager - Security – Operation Manager
Feridun Akyol	Operation Manager
Ahmet Deniz	Operation Manager
Deniz Beşir	Operation Manager
Süleyman Akşit	Project Manager

Management

İsmet Sivriođlu
General Manager

Chemical Engineer with more than 40 years of experience in several production plants and management positions. Between 1970 and 1983, Mr.Sivriođlu 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, Technical

He has served as Assistant General Manager Technical 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. He holds Executive MBA degree from Bilkent University.

Özlem Özdemir
Assistant General Manager, Finance and Commercial

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.

Cemalettin Çetin
Assistant General Manager, Security

He serves as the Assistant General Manager in charge of security. 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.

Okan Bayrak
Assistant General Manager, Investor Relations

Okan Bayrak, an Assistant General Manager in charge of Investor Relations in our Company has graduated from the Department of Economics of Middle East Technical University in 1995. He joined the Capital Market Board as an Expert in the same year. He has held an office as an Expert at CMB Corporate Finance Department in May 1999. Between 2002 - 2003, he has participated in the training programs covering US stock exchange arrangements, financial institutions and capital markets at the Wharton School of the University of Pennsylvania. On December, 2007, he started to work as a Deputy Head at the Department of Capital Market Board. Okan Bayrak joined Koza Gold Operations as an Assistant General Manager in May 2010.

Financial Review

- 180 koz of production in the nine months of 2015. There is 10 koz of gold available for sale in our stocks as of 30 September 2015.
- TL 549.9 million of revenue in the nine months of 2015 when compared to TL 680.3 million in the nine months of 2014. Works are underway at full speed in order to switch to full capacity at Himmetdede. Whereby, revenue increase is expected in parallel to production capacity rise at Himmetdede.
- TL 126.1 million of EBIT in the nine months of 2015 when compared to TL 346.3 million in the nine months of 2014.

Production

We are a leading Turkish Gold Mining Company based on gold production of approximately **179,757** ounces in the nine months of 2015. As at **September 30**, 2015 we had **56** operating licences and **211** exploration licences throughout Turkey.

We currently have four processing plants. Our first processing plant at Ovacık has been operating since 2001. The plant is currently processing 900,000 tpa. In the nine months of 2015 we produced 118 koz of gold and 47 koz of silver from Ovacık processing plant. Our second processing plant Kaymaz, started production in December 2011. In the nine months of 2015, we produced 42 koz of gold and 30 koz of silver from Kaymaz processing plant. At our third processing plant Himmetdede, 8.0 koz of gold has been produced in the nine months of 2015. Works are underway at full speed in order to switch to full capacity at Himmetdede. Our fourth processing plant at Mastra has been commissioned in 2009. Mastra mine excavation was halted because of forestry and blasting permitting issues. On 05th May 2015, Mastra process plant started production with current ore stockpiles and process plant production was stopped because of finishing of stockpiles in July 2015. In the nine months of 2015, we produced 11.7 koz of gold and 5 koz of silver from Mastra processing plant. We produced 180 koz of gold in total in the nine months of 2015, lower than the 254 koz of gold in the same period of 2014.

The decrease in gold production in 2015 resulted principally from the no production at Mastra mines because of forestry and blasting permitting issues and also the decrease of the average processed gold tenor at Ovacık and Kaymaz processing plants when compared to 2014 Q3.

Revenues

Our revenues for the nine months of 2015, TL 549.9 million, lower than the 680.3 million for the same period of 2014.

We sold 173,834 ounces of gold in the nine months of 2015 compared to 240,673 ounces of gold in the same period of 2014.

The average realized price per ounce for gold sold was TL 3,123.84 (\$1,178.03) in the nine months of 2015 compared to TL 2,792.32 (\$1,290.48) in the same period of 2014.

We gained 4.6 million TL from by-product sales in 2015. Furthermore, there is 10 koz of gold available for sale in our stock as of 30 September 2015.

Cost of sales

Our cost of sales increased by TL 29.8 million or 12.0 % to TL 278.3 million from TL 248.5 million in the nine months of 2015. Royalty costs and state mining rights increased by TL 0.1 million or 0.9 % to TL 14.6 million in the nine months of 2015 from TL 14.5 million in the same period of 2014. Staff costs increased by TL 9.4 million TL or 26.6 % to TL 44.5 million in the nine months of 2015 from TL 35.1 million in the same period of 2014. This situation was mainly attributable to the increase in number of staff at Himmetdede plant. Direct material costs increased by TL 1.9 million, or 7.2 % to TL 28.0 million in the nine months of 2015 from TL 26.1 million in the same period of 2014. Maintenance costs increased by TL 2.0 million, or 14.8 % to TL 15.5 million in the nine months of 2015 from TL 13.5 million in the same period of 2014. Energy costs increased by TL 3.4 million, or 21.5 % to TL 19.6 million in the nine months of 2015 from TL 16.2 million in the same period of 2014. Increases in energy expenditures have been mainly due to starting of Himmetdede production activities and escalating energy prices in 2015. Subcontractor costs decreased by 3.0 million TL, or 8.1 % to TL 34.0 million in the nine months of 2015 from TL 37.0 million in the same period of 2014.

Cash cost was 1.432 TL (US \$539) per ounce in the nine months of 2015 and 983 TL (US \$455) per ounce in the same period of 2014. The reason of this increase is mainly because of the lower production due to decreased average processed gold grade at Ovacık and Kaymaz processing plants.

Selling and Marketing Costs

Our selling and marketing costs in the nine months of 2015 decreased by TL 0.23 million or 13.8 % to TL 1.42 million from TL 1.65 million in the same period of 2014.

General Administrative Expenses

Our general administrative expenses increased by TL 5.5 million, or 10.3 % to TL 59.0 million in the nine months of 2015 from TL 53.5 million in the same period of 2014. Our personnel costs increased by TL 2.4 million or 11.1 % to TL 24.1 million in the nine months of 2015 from TL 21.7 million in the same period of 2014.

Exploration Costs

Exploration costs increased by TL 2.0 million, or 15.0 % to TL 14.9 million in the nine months of 2015 from TL 12.9 million in the same period of 2014.

Net Profit for the Period

As a result of the foregoing, our net profit for the nine months of 2015, 249.7 million TL, compared to 338.8 million TL in the same period of 2014. Our profit margin for the nine months of 2015 decreased to 45.4 % from 49.8 % in the same period of 2014. This is mainly because of the effect of depreciation and amortization of investments at Himmetdede process plant due to starting of the production activities in 2015.

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. Furthermore, during 2012 we have performed land acquisitions related to Himmetdede project that we finished construction at 4th quarter of 2013. Our mining and non-mining capital expenditures for the first half of 2015 are as below with comparison to the same period of 2014.

KOZA (thousands TRY)	2015 January - September	2014 January - September
Ovacık	5,756	2,247
Kaymaz	7,830	6,265
Çukuralan	22,737	17,864
Himmetdede	4,657	59,181
Söğüt	5,321	6,416
Mastra	24	1,169
Headquarters	34,110	2,789
Total	80,435	95,931



Cash flow

Net cash generated from operating activities increased by TL 256.2 million or 20.5 % to TL 1,247.1 million for the nine months ended 30 September 2015 from TL 990.9 million for the same period ended 30 September 2014. Earnings before tax decreased by TL 116 million in the nine months of 2015 due to lower revenues, increased costs due to amortisation and increased other operating expenses, mainly because of the donations made by the company in the nine months of 2015 compared to same period of 2014. Our taxation on income from continuing operations for the nine months of 2015 has decreased to 53.4 M TL from 88.6 M TL.

RATIOS	30 September 2015	31 December 2014	30 September 2014
Net Sales	549,942	885,888	680,300
EBIT	126,089	459,279	346,289
EBITDA	226,155	558,195	419,260
Net profit	249,669	494,890	338,804
EBITDA Margin	41.1%	63.0%	61.6%
Liquidity Ratios			
Current Ratio	14.1	17.4	13.3
Quick Ratio	12.3	14.8	11.1
Cash ratio	11.9	14.3	10.7
Financial Leverage Ratios			
Debt Ratio	0.1	0.1	0.1
Debt-to-Equity Ratio	0.1	0.1	0.1
Profitability Ratios			
Return On Equity	0.1	0.3	0.2
Return On Assets	0.11	0.25	0.18
EBIT/Sales	0.2	0.5	0.5
Net profit/Sales	0.5	0.6	0.5

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.

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. Profit distribution policy that presented to our shareholders is as follows;

If net term profit as the result of Company's activities according to financial report prepared by IFRS is,

- under 400 million TL, 2% of net distributable profit;
- between 401 million TL and 450 million TL, 3% of net distributable profit;
- between 451 million TL and 500 million TL, 4% of net distributable profit;
- over 500 million TL, 5% of net distributable profit.

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 were made within the legal period based on the articles of associations and the decisions taken at the General Board Meeting which was held on 25 March 2015.

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 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.

Interest rate risk

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.

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.

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 doros 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:

Area	2011	2012	2013	2014	2015-9
Head Office	154	195	196	179	210
Ovacık Mine Geology	5	20	17	17	16
Ovacık Production	116	106	101	84	80
Ovacık Other	169	176	184	181	186
Mastra Mine Geology	21	24	14	2	2
Mastra Production	136	144	172	33	32
Mastra Other	119	128	105	50	42
Kaymaz Mine Geology	11	11	19	18	19
Kaymaz Production	40	50	57	54	55
Kaymaz Other	84	110	126	115	114
Cukuralan Mine Geology	18	17	21	21	20
Cukuralan Production	79	83	81	82	75
Cukuralan Other	72	90	98	92	87
Himmetdede Mine Geology	-	-	15	21	18
Himmetdede Production	-	-	108	118	192
Himmetdede Other	-	-	45	94	136
Sogut	-	-	10	11	10
Coraklitepe	-	-	26	18	3
TOTAL	1,024	1,154	1,395	1,190	1,297

Incentives

The Province of Gumushane where Mastra Gold Mine is situated has been one of the provinces which are covered under Investment and Employment Incentive Act 5084. We also benefit from Employer incentive premium applied within the same Act.

For all our workplaces, we benefit 5% employer premium incentive based on the Act 5510.

Incentive certificates, by which we benefited from reduced corporate tax in the year 2015 are as follows:

In relation with the first investment visa at Çukuralan, benefiting from support for employer's share of insurance premium for 199 persons continues.

A new certificate application has been made, which comprises both Ovacık and Çukuralan purchases that will be made beginning from 28.06.2013, and the certificate was granted at 24.07.2013. Because 10% of the certificate has been spent by the end of 2013, application for visa for start of investment has been made at 16.04.2014 and certificate was granted at 25.12.2012. Corporate tax reduction rate will be %80 and contribution rate to investment will be 40%.

In relation with the first investment visa at Kaymaz, benefiting from support for employer's share of insurance premium for 209 persons continues.

For Himmetdede project, Certificate of Incentive has been granted at 17.12.2013, which comprises all investments that have been made beginning from the date of 29.03.2013. Because Himmetdede is being classified as a strategic investment, we will be benefiting from following supports without the need of visa for start of investment as in other certificates. The corporate tax reduction rate will be 90% and contribution rate to investment will be 50%.

In addition to the above mentioned incentive certificates, the Company has been working on the new incentive certificates within "Decree on Investment Grants by State" which came into force on 15 December 2012 by decree of the Cabinet of Ministers no: 2012/3305.

Events after date of Balance Sheet

- 1) (08 October 2015) Through signing an Option Agreement, London-based Koza Ltd., an affiliate of our Company was granted a right by the Public Authority (Crown Estate) to explore gold and silver on a license area of 250km² in the United Kingdom (Northern Ireland).

Exploration right is valid for a period of six years and if the exploration activities prove to be successful and ore found to be operable; Koza Ltd will hold the right to operate mine.

- 2) (23 October 2015) Inspectors from Tax Auditing Board of Ministry of Finance have concluded full inspections of our accounts, covering the periods for the years of 2009-2010-2011-2012 and 2013.

Inspections have resulted in as follow:-

The amount of 112.489TL was paid to the Taxation Office for the account period of 2009.

No criticism has been made for the account periods of years 2011-2012-2013.

In a report related to the account period for the year 2010, an interpretation was quoted as to the amount of investment made for the year 2010 should have been deducted from tax in 2011 not in the year 2010. Within this criticism, approximately deferred interest of 200.000TL will accrue.

And due to difference in interpretation, tax penalty of 1,380.444TL was imposed.

At the end of all inspections conducted so far, no criticism has been brought by the Ministry of Finance other than those mentioned above. No unusual situations were founded.

Our Company has the right to compromise with Taxation Department and to take legal action against the penalty mentioned above. Our Company will assess this matter whether to use these rights.

3) (27 October 2015) Trustees were appointed to our Company's Board of Management with decision number 2015-4104 by the decision of Ankara 5th Penal Court of Peace. The trustees appointed by the court order have assumed their positions as from 14:30 p.m. on 27 October 2015. Our Company continues its normal business activities. Public will be informed of the developments.

Hayrullah Dağıstan was appointed as the chairman of the board, Arif Yalçın was appointed as the vice chairman, Özen Pala, Mustafa Şimşek and Mustafa Akçıl were appointed as the board members.

The board structure is as follows;



Changes in the Articles of Association

None available.

CONSOLIDATED BALANCE SHEETS

AT 30 SEPTEMBER 2015 and 31 DECEMBER 2014

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

	30 September 2015	31 December 2014
ASSETS		
Current Assets	1,481,911	1,299,576
Cash and Cash Equivalents	1,247,118	1,070,793
Trade Receivables		
- Trade Receivables From Related Parties	1,912	70
- Trade Receivables From Non-Related Parties	492	453
Other Receivables		
- Other Receivables From Related Parties	21	5
Inventories	190,561	196,322
Prepaid Expenses	10,402	7,219
Other Current Assets	31,405	24,714
Non-Current Assets	728,900	719,976
Financial Expenditures	12,007	-
Investment Properties	21,081	21,422
Property, Plant and Equipment	565,397	579,161
Intangible Assets		
- Goodwill	14,017	14,017
- Other Intangible Assets	684	895
Prepaid Expenses	57,547	44,986
Deferred Tax Assets	57,428	58,948
Other Non-Current Assets	783	547
TOTAL ASSETS	2,210,811	2,019,552

CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2015 and 31 DECEMBER 2014

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

	30 September 2015	31 December 2014
LIABILITIES		
Current Liabilities	104,740	74,667
Short term portion of long term financial liabilities	9,068	-
Trade Payables		
- Trade Payables to Related Parties	2,673	3,764
- Trade Payables to Other Parties	20,611	12,237
Employee Benefit Obligations	2,524	2,383
Other Payables		
- Other Payables to Related Parties	9	2
Current Income Tax Liabilities	30,004	26,809
Derivative Financial Instruments	471	1,681
Provisions		
- Provisions due to employee benefits	10,754	2,603
- Other provisions	21,206	20,644
Other Current Liabilities	7,420	4,544
Non-Current Liabilities	98,945	76,206
Long-term Liabilities	4,657	-
Other Payables		
- Other Payables to Non-Related Parties	16,738	12,754
Long-term Provisions		
- Provisions for employee benefits	5,043	4,772
- Other long-term provisions	72,507	58,680
TOTAL LIABILITIES	203,685	150,873
EQUITY	2,007,126	1,868,679
Paid-in Share capital	152,500	152,500
Inflation Adjustment to Share Capital	3,579	3,579
Other comprehensive income/expense not to be reclassified to profit or loss		
- Actuarial Loss On Defined Benefit Plans	(4,579)	(4,539)
Other comprehensive income/expense to be reclassified to profit or loss		
- Foreign currency translation differences	61,269	(2,551)
Legal Reserves	137,390	120,654
Retained earnings	1,407,298	1,104,146
Net Period Income	249,669	494,890
TOTAL LIABILITIES AND EQUITY	2,210,811	2,019,552

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 and 2014**

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

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Revenue	549,942	164,753	680,300	187,994
Cost of Sales	(278,306)	(80,074)	(248,553)	(67,281)
Gross Profit	271,636	84,679	431,747	120,713
General Administrative Expenses	(59,029)	(20,435)	(53,509)	(17,359)
Exploration Costs	(14,882)	(4,716)	(12,943)	(4,085)
Selling and Marketing Costs	(1,420)	(488)	(1,648)	(516)
Other Operating Income	6,554	249	5,936	811
Other Operating Expense	(76,770)	(20,458)	(23,294)	(15,929)
Operating Profit	126,089	38,831	346,289	83,635
Income from Investment Activities	21,258	611	44,799	3,804
Expense from Investment Activities	(471)	(471)	(3,703)	(3,703)
Operating Profit before Financial Income	146,876	38,971	387,385	83,736
Financial Income	210,712	104,802	63,609	46,135
Financial Expenses	(52,961)	(8,742)	(29,868)	(7,298)
Profit Before Taxation On Income from Continuing Operations	304,627	135,031	421,126	122,573
Taxation on Income from Continuing Operations				
- Income Tax Expense	(53,384)	(28,077)	(88,613)	(27,687)
- Deferred Tax Income	(1,574)	1,839	6,291	4,801
Net Income for the Period	249,669	108,793	338,804	99,687
Other Comprehensive Income / (Loss)				
Items not to be reclassified to profit or loss in subsequent periods	(40)	(527)	(27)	(5)
Actuarial Loss On Defined Benefit Plans	(50)	(659)	(34)	(6)
Tax effect of other comprehensive income not to be reclassified to profit or loss in subsequent periods	10	132	7	1
- Deferred Tax Effect	10	132	7	1
Items to be reclassified to profit or loss in subsequent periods	63,820	25,045	3,378	5,159
Currency translation differences	63,820	25,045	3,378	5,159
Other Comprehensive Income / (Loss)	63,780	24,518	3,351	5,154
Total Comprehensive Income	313,449	133,311	342,155	104,841
Earnings Per Share	1.6372	0.7134	2.2217	0.6537

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014

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

	1 January - 30 September 2015	1 January - 30 September 2014
Cash flows from operating activities:		
Profit for the period	249,669	338,804
Adjustments to reconcile period profit to net cash generated from operating activities:		
Depreciation and amortisation	94,715	117,062
Interest and other financial income-net	(20,999)	(43,964)
Interest and other financial expenses-net	959	537
Provision for employee termination benefit	1,563	4,744
Adjustments to income realizations of derivative transactions	471	3,703
Provision for royalty and state mining rights	9,418	11,793
Exploration costs	14,882	12,943
Provision for employment benefits	8,151	6,751
Provision for environmental rehabilitation, reclamation of mining areas and mine closure	8,417	5,109
Gain from sales of property, plant and equipment and intangible assets - net	(478)	(948)
Adjustments to tax expense	54,958	82,322
Unrealized foreign exchange expenses	70,380	4,443
Changes in working capital		
Increase in inventories	5,761	(83,891)
(Increase)/decrease in due from the related parties- trade receivables	(1,842)	(1,407)
Decrease/(increase) in other receivables, assets and prepaid expenses	(11,907)	13,575
Increase in trade receivables	(39)	(198)
(Decrease)/increase in trade payables	8,374	(22,541)
Decrease in due to the related parties- trade receivables	(1,084)	(4,209)
Decrease in other short and long term liabilities	(12,649)	(5,575)
Payment for rehabilitation activities	(1,026)	(2,325)
Payment for exploration activities	(14,882)	(13,156)
Employment benefits paid	(1,342)	(4,705)
Taxes paid	(50,774)	(61,731)
Foreign exchange (losses)/gains on cash and cash equivalents	226,806	23,283
Net cash generated from operating activities	637,502	380,419
Cash flows from investing activities:		
Interest received	22,545	47,593
Purchases of property, plant and equipment and order advances given	(93,209)	(27,342)
Proceeds from sales of property, plant and equipment and intangibles	516	1,137
The cash out of during the acquisition of subsidiaries	-	(14,738)
Net cash used in investing activities	(70,148)	6,650
Cash flows from financing activities:		
Redemption of bank borrowings	16,152	-
The cash out relating to debt payments	(4,413)	-
Interest paid	(959)	(537)
Dividend paid	(175,002)	(313,054)
Net cash used in financing activities	(164,222)	(313,591)
Net increase in cash and cash equivalents before foreign exchange gains/ (losses)	403,132	73,478
Foreign exchange gains/ (losses) effects on cash and cash equivalents	(226,807)	(23,283)
Increase in cash and cash equivalents	176,325	50,195
Cash and cash equivalents at the beginning of the period	1,070,793	940,727
Cash and cash equivalents at the end of the period	1,247,118	990,922

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014**

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

	Paid-in Share Capital	Adjustment to Share Capital	Other Comprehensive income items not to be reclassified to profit or loss	Other Comprehensive income items to be reclassified to profit or loss	Restricted reserves allocated from profits	Retained earnings (Accumulated losses) /Retained earnings	Net Period Income	Total Equity
1 January 2014	152,500	3,579	(646)	-	89,264	950,617	497,973	1,693,287
Transfers	-	-	-	-	-	497,973	(497,973)	-
Separation of Restricted Legal Reserve	-	-	-	-	31,390	(31,390)	-	-
Dividend Payment	-	-	-	-	-	(313,054)	-	(313,054)
Total Comprehensive Income	-	-	(27)	3,378	-	-	338,804	342,155
30 September 2014	152,500	3,579	(673)	3,378	120,654	1,104,146	338,804	1,722,388
1 January 2015	152,500	3,579	(4,539)	(2,551)	120,654	1,104,146	494,890	1,868,679
Transfers	-	-	-	-	-	494,890	(494,890)	-
Separation of Restricted Legal Reserve	-	-	-	-	16,736	(16,736)	-	-
Dividend Payment	-	-	-	-	-	(175,002)	-	(175,002)
Total Comprehensive Income	-	-	(40)	63,820	-	-	249,669	313,449
30 September 2015	152,500	3,579	(4,579)	61,269	137,390	1,407,298	249,669	2,007,126

Operational Review

180 koz gold production between January-September 2015.

We currently own four operating mines: an Underground mine at Ovacık, a mine at Çukuralan where we utilise both underground and open pit mining methods and an open pit mine in Kaymaz. Himmetdede project construction has started in 4th quarter of 2012. After completion of phase 1 leach pad and ADR plant, test production has commenced and first gold was poured on 19th November 2013 at Himmetdede mine. Himmetdede crushing circuit construction was completed on 2nd quarter 2014. The Interim Activity Certificate had been given to us by the Ministry of Environment and Urbanization on January 26th, 2015 and Himmetdede process plant had started its activities.

Our mining operations at Küçükdere and Çoraklık Tepe, where open pit mines located 80 km from the Ovacık Mine, completed in March 2010 and October 2014 respectively. Rehabilitation works has been completed and the area has been returned to Ministry of Forestry at Küçükdere. Rehabilitation works are ongoing at Çoraklık Tepe mine.

We have feasibility stage projects, Mollakara, located near Ağrı in the north-east of Turkey and projects in the middle of Turkey. In addition to this, and within our own properties, we have 15 projects ranging from early developed to exploration stages with resources estimates have been completed. We are currently focused on developing our resources in the exploration areas at Ovacık, Mastra, Kaymaz, Çukuralan, Himmetdede, Söğüt, and Diyadin.



Mining Operations

Ovacık

The Ovacık mine is located near Ovacık village in western Turkey, approximately 100 km north of İzmir. It is an underground complex. Material from the open pit operation was depleted in December 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 January 2018; 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:

OVACIK MINE	2015 January- September	2014 January- September
Ore mined (t)	51,415	76,748
Underground (t)	51,415	76,748
Au average head grade (g/t)	8.20	8.80
Ag average head grade (g/t)	4.72	6.57

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

OVACIK PROCESSING PLANT	2015 January- September	2014 January- September
Ore milled (t)	643,588	646,729
Recovery rate, Au %	95.89%	95.09%
Au Grade (g/t)	5.89	7.64
Au poured (oz)	118,004	150,503
Ag poured (oz)	46,584	62,437

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 Çukuralan ore stockpile along with some materials from the Ovacık underground and Çoraklıktepe open pit. Ore production at Çukuralan project's open pit and underground site commenced in the last quarter of 2010 and in August 2011 respectively. Also, Çoraklıktepe ore has been processed at Ovacık mill since May 2013. Forestry permits were cancelled by government including crushing building of process plant, accordingly Koza completed to move crushing building to Koza owned lands and construction is completed in the period without any interruption in production activities.



Çukuralan

Çukuralan is 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.



Open pit mining ore at Çukuralan started in last quarter of 2010. Underground activities started on February 2011 and ore production began on August 2011. The ore is transported 40 km on trucks to the Ovacık processing plant. The project Environmental Impact Assessment(EIA) report was issued in December 2009 and the relevant EIA affirmative certificate has been granted to begin deforestation of the pit area. We are following the Küçükdere model for grade control, contract mining and stockpile management.

ÇUKURALAN MINE	2015 January-September	2014 January-September
Ore mined (t)	493,218	630,400
Open pit (t)	363,085	494,060
Underground (t)	130,133	136,340
Au average head grade (g/t)	4.71	8.19
Ag average head grade (g/t)	2.56	4.38

We are transporting high grade and run-of-mine ores to the Ovacık processing plant based on demand and stockpiling surplus low grade material for processing at a later date. The current production schedule is based on a 50,000 tpm total mining rate with a stripping ratio of 13:1 (waste:ore). Also, 16,000 tpm production is planned from underground operations.

Kaymaz

The Kaymaz project is located in north western Turkey, approximately 150 km from Ankara. The Kaymaz deposits comprise a number of different mineralisation styles, including manto-type mineralisation, quartz stock works, quartz veinlets and episodic brecciation adjacent to the granite dike. Open Pit mining at our Kaymaz Project started in March 2011.



Kaymaz operation has 4 different open pit areas, that are Damdamca, Mainzone, Mermerlik and Kızılağıl. We have elected to use a processing plant flowsheet and design almost identical to those installed at Ovacık and Mastra.

Mainzone (Karakaya) open pit production was stopped by government authorities on March 13th 2014 as reported in press release. Mine production continued from Damdamca zone and in April 2014, Damdamca open pit was completed. Koza sued the government authorities decision and got a motion for stay of execution.

However, the temporary working permit, which Koza completed all required applications in February 2014 for it, was granted on December 17, 2014 which is much later than expected, by Ministry of Environment. During that period Koza could not started open pit operations at Karakaya area. Therefore mill feed was done from stockpiles until December 17, 2014 and normal open pit production commenced since that date.

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

KAYMAZ MINE	2015 January- September	2014 January- September
Ore mined (t)	618,414	209,092
Open pit (t)	618,414	209,092
Au average head grade (g/t)	3.34	5.71
Ag average head grade (g/t)	3.89	3.79

The table below presents an overview of our processing operations at Kaymaz:

KAYMAZ PROCESSING PLANT	2015 January- September	2014 January- September
Ore milled (t)	472,841	583,469
Recovery rate, Au %	89.29%	85.57%
Au Grade (g/t)	3.13	4.98
Au poured (oz)	42,008	83,254
Ag poured (oz)	30,072	41,493

Himmetdede

The Himmetdede project was discovered by Koza. The property is identified as thrust related low sulfidation epithermal mineralization. The Interim Activity Certificate had been given by the Ministry of Environment and Urbanization on January 26th, 2015 and Himmetdede process plant had started its activities. Works are underway at full speed in order to switch to full capacity at Himmetdede.



Operations for possible ore enrichment methods on gold extraction according to the deposit's tenor and mineralogy are still in progress. As in Mollakara project, Himmetdede project will also have a central processing plant to cover nearby deposits. In 2010, first phase operations of the rock mechanics for Himmetdede Project has been completed. Required metallurgical tests and process designing have been completed by McClelland company in USA.

The pre-feasibility works of the Heap Leach facility has been completed by SRK, and final phase design studies are in progress. The EIA report has been granted in March 2012 and about 90% of the land acquisitions have been completed. As a result of the detailed prefeasibility performances, which were prepared by Koza and approved by SRK, Himmetdede reserve studies were completed in December 2012.

Process plant and leach pad constructions started in 4th quarter of 2012. After completion of phase 1 leach pad and ADR plant, test production has commenced and first gold was poured on 19th November 2013 at Himmetdede mine. Himmetdede crushing circuit construction was finished on 2nd quarter 2014. All required permit schedule was completed on September 9th 2014. The Interim Activity Certificate had been given to us by the Ministry of Environment and Urbanization on January 26th, 2015 and Himmetdede process plant had started its activities.

Himmetdede ore deposit offers very suitable conditions in terms of its location, land conditions and logistic capabilities and other mining activities.

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 main open pit was completed in December 2011. New open pit activities have been started in 2012 and completed in January 2014. Also, Mastra North open pit production has not been started because of forestry permits not issued. In 2012, second underground mining operation started with an underground contractor. Mastra process plant commenced operations in 2009. Ore feed is done from current Mastra ore stockpiles. Current capacity is 45.000 tpm.

Due to forestry permitting issues of 2. TSF of Mastra project, process plant feed was stopped on February 28th 2014. On 24th April, 2014 Mastra mine blasting permit was expired and it is not renewed. As a result of this issue, Mastra underground production was stopped on 24th April, 2014. The action for annulment brought before the Administrative Court and Koza is waiting completion of the case process at the court. On 05th May 2015, Mastra process plant started production with current ore stockpiles and process plant production was stopped because of finishing of stockpiles in July 2015.



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

MASTRA MINE	2015 January-September	2014 January-September
Ore mined (t)	-	125,099
Open pit (t)	-	4,173
Underground (t)	-	120,926
Au average head grade (g/t)	-	6.02
Ag average head grade (g/t)	-	5.61

The table below presents an overview of our processing operations at Mastra:

MASTRA PROCESSING PLANT	2015 January-September	2014 January-September
Ore milled (t)	75,948	87,077
Recovery rate, Au %	95.08%	90.96%
Au Grade (g/t)	5.11	4.99
Au poured (oz)	11,736	16,200
Ag poured (oz)	4,995	11,814

Çoraklıktepe

Çoraklıktepe open pit production has started in March 2013 and completed in September 2014. Open pit backfilling has started in September 2014.

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

ÇORAKLIKTEPE MINE	2015 January-September	2014 January-September
Ore mined (t)	-	147,357
Open pit (t)	-	147,357
Au average head grade (g/t)	-	4.61
Ag average head grade (g/t)	-	10.56

Söğüt

About 70,000 tonnes of ore trial pit production will be done in Söğüt project in 2013. According to this plan, open pit trial production has started in March 2013 and completed in July 2013. The ore is being transferred to the Kaymaz site and was started to be processed at Kaymaz mill. Koza continued ore production in 2014 at permitted areas. However, further production will be dependent on current permitting regime of government. Koza has permit applications which are still waiting to be accepted by government for development and production.

Tests works are ongoing for the main production of the Söğüt project.

Feasibility Projects

Mollakara

The Mollakara Project is approximately 55 km southeast 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 but now it is fully held by Koza. Mineralisation at Mollakara is both structurally and lithologically controlled. This project is made up of two regions which are oxide and sulfate.

This is currently a focus for our exploration activities at Mollakara because there is a huge amount of expanding and improving potential of this site which is currently constituting most of our reserves. Even with the recent explorations, the ore quantity in the area is still not certain. That basically means the deposit may be suitable for expanding on every side. Exploration at Mollakara will include deeper drilling, additional mapping and resource modeling.

Depending on the grade and mineralogy of the deposit, heap leaching is likely to be used for gold extraction. We plan to set up heap leach facility at Mollakara to serve as a central processing plant for other nearby deposits as well. We have already started the works on Mollakara project including pre-feasibility. The works carried out by SGS and the first stage of rock mechanics were completed.

Söğüt

The Söğüt project is approximately 45 km west of Eskişehir and near the Söğüt town of Bilcek city. Söğüt license was taken over from Gübre Fabrikaları T.A.Ş. in 2007 and Koza holds 100% interest on license.

There are both oxide and sulfide mineralizations in the project area and feasibility studies are ongoing for both mineralizations. As of December 31, 2014 Koza has completed a prefeasibility level study for sulfide mineralization at Akbaştepe location of project area. As a result of PFS, Koza has estimated 897.000 oz Au reserve for Akbaştepe mineralization according to JORC code.

Overseas Projects

A company titled with “Koza Gold Ltd”, based in England and wholly owned subsidiary of Koza Gold Operations Inc. was established to undertake mining activities abroad on 31 March 2014. Koza Ltd and Lonmin Pty Ltd, an affiliate of Lonmin (Northern Ireland) have signed a Memorandum of Understanding for gold and silver exploration activities in Northern Ireland on 26 May 2014. A Joint Venture agreement was signed between our affiliated partner Koza Ltd and Lonmin Plc., affiliate of Lonmin (Northern Ireland) to carry out gold and silver exploration activities in Northern Ireland. Within this agreement, mine exploration, geological works and financing these works will be conducted in the region.

Upon completion of these works, Koza Ltd will initially have 50% of the shares in the company, which will be set up to develop and/or operate the mine. There is an option to increase this amount up to 75%.

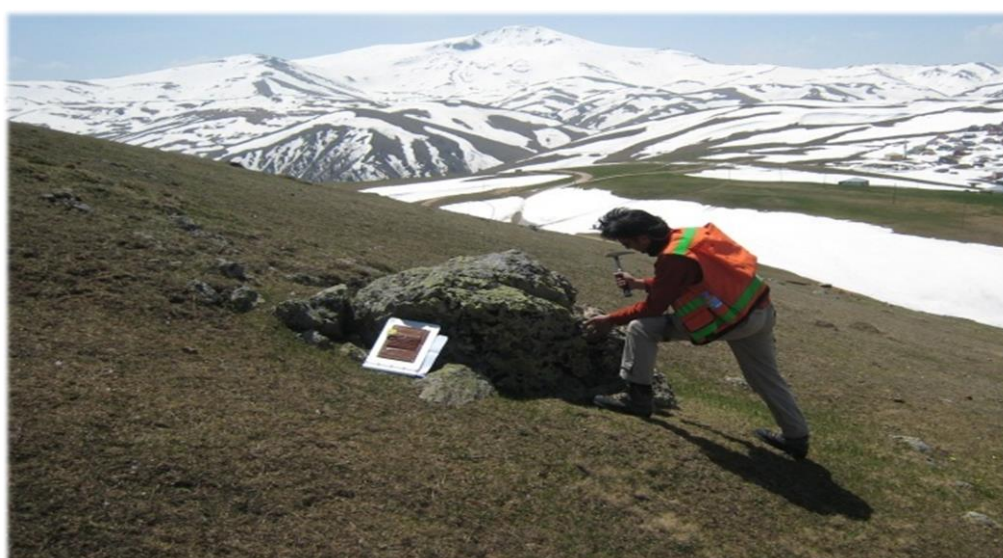
Reserves and Resources

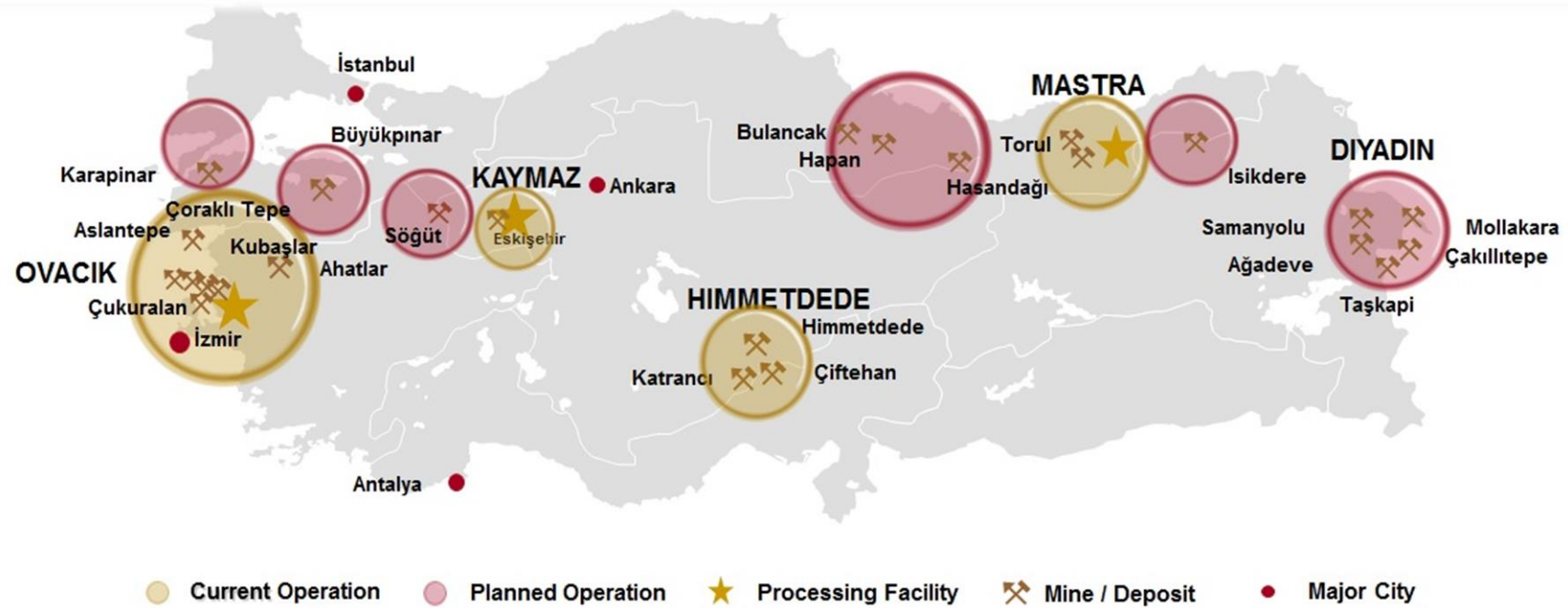
As **30 September 2015**, we had **56** operating licences and **211** exploration licences throughout Turkey in the Aegean and Marmara regions, the Black Sea region and Central and Eastern Anatolia.

We have feasibility stage projects, Mollakara, located near Ağrı in the north-east of Turkey and projects in the middle of Turkey. In addition our properties also include 15 exploration projects 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 2013. 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. Due to not issued forestry permissions, our exploration activities has been minimized.



As a result of acquisitions and exploration activities, from our inception in March 2005 to 31 December 2014, our total gold resource base increased more than sixfold to 13.4 million ounces from 1.3 million ounces. Over the same period, our total reserve base increased to 4.2 million 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.
 - Our second processing plant is in operation at the Mastra Hub.
 - The third processing plant at Kaymaz started production on December 2011.
 - Construction of 4th processing plant Himmetdede was started in 4th quarter of 2012, and production will be commenced in 4th quarter of 2013.
 - 2 other potential areas for hubs have been identified – Diyadin, Hapan.
- ☺ Our current operations are supported by a significant pipeline of development and exploration projects
- ☺ Proven track record of discovering resources, with the intention of continuing to explore our large portfolio and advanced projects

RESERVES

31 December 2014	Tonnage	Grade		Ounces	
Proven Reserve	Kt	Au g/t	Ag g/t	(Au Koz)	(Ag Koz)
Ovacık Underground	189.5	5.31	3.02	32	18
Çukuralan Underground	4,553.6	4.74	1.68	694	246
Çukuralan Open Pit	1,920.1	4.46	1.38	275	85
Mastra Underground	134.3	5.31	4.94	23	21
Kaymaz	934.7	3.69	4.94	111	148
Söğüt Akbaştepe Underground	594.3	9.96	0.86	190	16
Söğüt Akbaştepe Open Pit	346.4	19.36	1.51	216	17
Ovacık Rom Stockpile	95.2	5.89	4.00	18	12
Kaymaz Rom Stockpile	-	-	-	-	-
Mastra Rom Stockpile	78.5	5.91	5.76	15	15
Çoraklık Rom Stockpile	234.1	3.19	6.48	24	49
Çukuralan Rom Stockpile	206.1	5.11	2.83	34	19
Ovacık Mill Emergency Stockpile	61.4	6.59	4.47	13	9
Kaymaz Mill Emergency Stockpile	-	-	-	-	-
Mastra Mill Emergency Stockpile	17.6	4.74	5.26	3	3
Himmetdede	7,199.6	0.63	-	145	-
Himmetdede Rom Stockpile	32.6	0.94	-	1	-
Mollakara	3,528.6	0.87	0.24	99	27
Total Proven Reserve	20,127	2.93	1.10	1,893	686

31 December 2014	Tonnage	Grade		Ounces	
Probable Reserve	Kt	Au g/t	Ag g/t	(Au Koz)	(Ag Koz)
Ovacık Underground	37.4	2.95	2.79	4	3
Çukuralan Underground	3,239.6	4.23	1.10	441	115
Çukuralan Open Pit	693.4	4.59	1.48	102	33
Mastra Underground	127.9	4.98	5.20	20	21
Mastra Open Pit	89.8	2.27	6.98	7	20
Kaymaz	2,037.4	5.04	5.49	330	360
Söğüt Akbaştepe Underground	912.7	16.73	0.81	491	24
Söğüt Akbaştepe Open Pit	-	-	-	-	-
Ovacık LG Stockpile	157.9	1.40	1.51	7	8
Kaymaz LG Stockpile	67.3	0.93	2.70	2	6
Mastra LG Stockpile	310.0	1.18	3.19	12	32
Küçükdere LG Stockpile	389.1	1.36	6.28	17	78
Çukuralan LG Stockpile	573.3	0.86	1.17	16	22
Kubaşlar	926.8	2.31	14.53	69	433
Himmetdede	18,877.0	0.78	-	473	-
Mollakara	11,387.0	0.75	0.19	275	71
Total Probable Reserve	39,827	1.77	1.00	2,266	1,226

Total Proven and Probable Reserve	59,954	2.16	1.00	4,159	1,911
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MINERAL RESOURCES (Inclusive of Reserves)

31 December 2014	Tonnage	Grade		Ounces	
Measured Resources	Kt	Au g/t	Ag g/t	(Au Koz)	(Ag Koz)
Ovacık	1,611	5.23	3.32	271	172
Çukuralan Open Pit	1,988	4.37	1.37	279	88
Çukuralan Underground	5,488	5.82	2.12	1,027	374
Kaymaz	1,074	3.43	4.68	118	162
Mastra	372	6.13	6.57	73	79
Mastra North	-	-	-	-	-
Himmetdede Oxide	7,063	0.66	-	151	-
Himmetdede Sulfide	22	0.80	-	1	-
Mollakara Oxide	2,942	0.80	0.21	76	20
Mollakara Transition	570	1.26	0.37	23	7
Mollakara Sulfide	9,481	1.11	0.18	338	55
Söğüt Akbaştepe Open Pit	420	15.83	1.40	214	19
Söğüt Akbaştepe Underground	580	12.99	1.16	242	22
Söğüt Hayriye	-	-	-	-	-
Işıkdere	-	-	-	-	-
Kubaşlar	-	-	-	-	-
Ovacık Rom	95	5.89	4.00	18	12
Çukuralan Rom	206	5.11	2.83	34	19
Çoraklık Rom	234	3.19	6.48	24	49
Mastra Rom	79	5.91	5.76	15	12
Himmetdede Rom	33	0.94	-	1	-
Ovacık Mill	61	6.59	4.47	12	9
Mastra Mill	18	4.74	5.26	3	3
Ovacık LG	-	-	-	-	-
Çukuralan LG	-	-	-	-	-
Küçükdere LG	-	-	-	-	-
Mastra LG	-	-	-	-	-
Kaymaz LG	-	-	-	-	-
Total Measured Resources	32,337	2.81	1.06	2,920	1,102

MINERAL RESOURCES

31 December 2014	Tonnage	Grade		Ounces	
Indicated Resources	Kt	Au g/t	Ag g/t	(Au Koz)	(Ag Koz)
Ovacık	699	3.23	1.89	73	43
Çukuralan Open Pit	739	4.38	1.45	104	35
Çukuralan Underground	4,382	5.04	1.42	710	200
Narlıca	376	2.48	10.81	30	131
Kaymaz	2,335	4.58	5.28	344	397
Mastra	398	5.49	8.97	70	115
Mastra North	291	2.05	5.77	19	54
Himmetdede Oxide	41,589	0.58	-	775	-
Himmetdede Sulfide	2,779	1.27	-	114	-
Mollakara Oxide	9,414	0.73	0.19	222	58
Mollakara Transition	2,570	0.86	0.21	71	18
Mollakara Sulfide	34,123	0.98	0.21	1,080	227
Söğüt Akbaştepe Open Pit	2	3.66	1.30	-	-
Söğüt Akbaştepe Underground	1,350	14.62	1.06	634	46
Söğüt Hayriye	165	3.07	-	16	-
Işıkdere	88	1.69	9.57	5	27
Kubaşlar	1,726	1.91	13.58	106	754
Ovacık Rom	-	-	-	-	-
Çukuralan Rom	-	-	-	-	-
Çoraklık Rom	-	-	-	-	-
Mastra Rom	-	-	-	-	-
Ovacık Mill	-	-	-	-	-
Mastra Mill	-	-	-	-	-
Ovacık LG	158	1.40	1.51	7	8
Çukuralan LG	573	0.86	1.17	16	22
Küçükdere LG	389	1.36	6.28	17	76
Mastra LG	310	1.18	3.19	12	32
Kaymaz LG	67	0.93	2.70	2	6
Total Indicated Resources	104,523	1.32	0.67	4,427	2,249

MINERAL RESOURCES

31 December 2014	Tonnage	Grade		Ounces	
Inferred Resources	Kt	Au g/t	Ag g/t	(Au Koz)	(Ag Koz)
Ovacık	260	3.99	2.12	33	18
Çukuralan Open Pit	32	2.87	1.33	3	1
Çukuralan Underground	3,123	5.33	2.11	535	212
Gelintepe	48	3.54	2.25	5	3
Narlıca	125	3.05	11.10	12	45
Kıratlı	1,786	2.32	38.59	133	2,216
Kubaşlar	204	2.17	12.51	14	82
Aslantepe	263	2.71	8.35	23	71
Kaymaz	1,190	4.13	4.96	158	190
Mastra	527	7.00	5.87	119	100
Mastra North	24	2.39	5.46	2	4
Himmetdede Oxide	1,773	0.36	-	20	-
Himmetdede Sulfide	74	0.78	-	2	-
Mollakara Oxide	7,426	0.47	0.10	112	23
Mollakara Transition	4,582	0.69	0.12	102	18
Mollakara Sulfide	94,064	0.83	0.14	2,520	435
Söğüt Akbaştepe Open Pit	37	2.52	1.34	3	2
Söğüt Akbaştepe Underground	1,348	11.90	1.21	516	52
Söğüt Korudanlık	5,907	8.59	0.44	1,632	83
Söğüt Hayriye	155	3.04	0.43	15	2
Işıkdere	360	1.72	5.84	20	68
Hasandağ	7,799	0.41	0.24	102	59
Total Inferred Resources	131,107	1.44	0.87	6,081	3,684

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 set up an investor’s relations unit to reach the investors. This section will be operated under the coordination of Okan Bayrak, Assistant General Manager, Investor Relations. It is full-time position for promoting it to domestic and international 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: 0312 587 1000 or fax no: 0312 587 1100

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 Board Meeting

Following decisions were taken at the Ordinary General Assembly, held on **25 March 2015**;

1. The Activity Report and Auditor's Report prepared by the Company's Board of Directors for the year 2014 were presented to the General Assembly and both reports were accepted by the majority of the votes.
2. The Balance of Statement and Profit/Loss accounts prepared by the Company's Board of Directors for the year 2014 were accepted by the majority of the votes.
3. Each member of the Board of Directors and the auditors were separately acquitted by the majority of votes.
4. Discussion was held on the distribution of the profits for the year 2014. Following decisions were reached by the majority of votes :

- to pay shareholders first cash dividend gross 150,000,000.0 TL and distribute cash dividend of net 21,251,378.24 TL to the members of the Board of Directors, elected to represent Group A,

- to set the commencement date to be 01.04.2015 for distribution of dividends.

5. It was accepted by the majority of votes that Hamdi Akin İpek, Cafer Tekin İpek, Melek İpek and Pelin Zenginler to continue offices and in addition to them, Işık Özpeker and Yusuf Köyce to be elected as the independent members to the Board of Directors for a period of 1 year.

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.

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 distributed within the legal period.

Profit distribution policy that presented to our shareholders is as follows;

If net term profit as the result of Company's activities according to financial report prepared by IFRS is,

- under 400 million TL, 2% of net distributable profit;
- between 401 million TL and 450 million TL, 3% of net distributable profit;
- between 451 million TL and 500 million TL, 4% of net distributable profit;
- over 500 million TL, 5% of net distributable profit.

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

- [26.01.2015 08:51:00](#)
Special Event Disclosure (General)

Disclosure:

Our Company's Himmetdede Operations was granted a Provisional Activity Certificate by the Ministry of Environment and Urbanization.

Production activities at Himmetdede Operations began today.

- **28.01.2015 13:07:10**
Special Event Disclosure (General)

Disclosure:

The following results in relation with total quantity of resources and reserves owned by our Company as at 31.12.2014 are disclosed to the investors, prepared in accordance with International JORC standards and audited by an international institution SRK Consulting USA.

The samples, obtained as the result of 56.498 meter core drilling and other geological works carried out in 2014, were analysed by laboratories of an international company, ALS Global.

As at 31.12.2014, our total measured, indicated and inferred resources were calculated to be 13,4 million ounces and our reserves were at 4.2 million ounces.

At year-end 2013, we have had 13.3 million ounces of resources and 3.5 million ounces of reserves. In 2014, we produced 317.000 ounces. When taking into account the amount of production achieved, the annual increase in our reserves corresponds to 28%.

We did not have an opportunity to carry out sufficient drillings at resources and reserves zones for transforming into measured and indicated categories due to permitting regulation for use of public lands, which is in force since June 2012. Furthermore, resources and reserve par grade values have risen affected by the changes in gold prices in 2014. Despite all these negative circumstances, our Company's geology and exploration teams have successfully continued their efforts to increase resources and reserves figures.

- **03.02.2015 11:07:42**
Special Event Disclosure (General) – Disclosure about News and Rumours

Disclosure:

The news were published in some press, which stated that our license was among the the other licenses revoked by the General Directorate of Mine Works.

The license that has been revoked is for the mining property no:20069653 located in Aydin Province, and our Company plans to discard it.

It has no affect on our Company's present production and mining resources.

Public is kindly informed.

- **17.02.2015 09:12:01**
Special Event Disclosure (General)

Disclosure:

Koza Gold's Mastra/Gumushane Mine is not operating for almost one year due to unissued permits, for which we are legally entitled to hold. None of the mining works have been carried out in underground and surface. In response to a lawsuit we have filed against the Administration to cancel the court decision as the Governor's Office had not issued license and certificate for explosives to be used at our Company's Mastra Operations, Administrative Court has ruled in our favour, a stay of execution.

Our operations will resume at underground facilities upon Governor's Office issuing permit as required by the court decision. Initially, 85 workers will be employed.

From very first day our Mastra Operations was commissioned, all the inspections and tests carried out on underground and surface waters, air and soil by the Monitoring and Inspection Committee, which included authorities from the Ministries have repeatedly proved that our Operations did not have any negative impacts in terms of environment and human health. The implementations of environment and human health at our operations are being shown as an example to the world mining.

- **27.02.2015 13:51:28**
Special Event Disclosure (General) – Call for General Board Meeting for the 2014

Decision Date	27.02.2015
Type of General Meeting	Ordinary
Fiscal Period commenced on	01.01.2014
Fiscal Period ended on	31.12.2014
Date and Time	25.03.2015 14:30
Place of Meeting	Wyndham Ankara Oteli Yaşam Cad. 4. Sok No:4 Söğütözü/Ankara

Agenda	<p>KOZA GOLD OPERATIONS INC. AGENDA OF ORDINARY GENERAL MEETING HELD ON 25.03.2015</p> <ol style="list-style-type: none"> 1. Opening the meeting and electing the Chairing Committee and Authorizing Chairing Committee to sign general Meeting documents 2. - Examining and discussing and approving Board of Directors' Activity for the year 2014. 3.- Reading of summarized Report of Independent Auditor related to Fiscal Period of 2014 4.- Reading, discussing and approving of financial charts related to 2014 accounting year 5.- Taking decision to separately acquit the members of the Board for their accounts and activities for the year 2014 6.- In pursuant to the regulations of Capital Market Board, approve dividend distribution policy 7.- Accepting, accepting as being amended or rejecting the proposal by the Board for the date of dividend distribution for the year 2014 8.- Electing members for vacancies in the Board of Management, and deciding the term to hold office 9. As required by the Capital Market Board arrangements, inform shareholders about "Remuneration Policy and the payments effected within this policy for the board members and top level officers 10.- Determining monthly salaries for the Board Members, 11.- In pursuant to Turkish Trade Act and arrangements by the Capital Market Board, approve Board 's election of Independent Auditing firm, 12.- As required by the arrangements of Capital Market Board, to notify shareholders about " Disclosure Policy", 13.-Inform shareholders about the guarantees, securities, and mortgages given in favour of third parties. 14.- As required by the arrangements of the Capital Market Board, shareholders are informed about donations and aids granted to the foundations and societies within the purpose of Companies social assistance policy in 2014 and to determine top limits of the donations, which will be made in 2015. 15.- Permission to be given to shareholders who hold management powers, senior level officers and their spouses and relatives by blood and kinship up to third degree within the frame of Article 395 and 396 of Turkish Trade Act and to inform shareholders about the transactions conducted within this scope in 2014 in line with Corporate Management Principles 16.- Requests and recommendations
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• **27.02.2015 14:07:20**

Special Event Disclosure (General) – Board's Decision for Distribution of Profit Share

Date of Decision by the Board of Directors	27.02.2015
Date, the matter will be discussed at General Board Meeting,	25.03.2015

Proposed type of payment of cash profit	Cash
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Share Group Information	Proposed cash dividend to be paid for nominal value share of 1 TL. (gross TL)	Proposed cash dividend to be paid for nominal value share of 1 TL. (Net TL)
Group B KOZAL(Old),TREKOAL00014	0,9836066	0,8360656
Group A Not transacted	0,9836066	0,8360656

(Privileged),TREKOAL00022		
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Proposed Date to pay cash dividend share
01.04.2015

Share Group Information	Cash share amount proposed to be distributed in form of share (TL)	Dividend share proposed to be distributed in form of share (%)
Group B,KOZAL(Old),TREKOAL00014	0,000	0,00000
A Grubu, not transacted Privileged),TREKOAL00022	0,000	0,00000

Additional Disclosures:

Company's Board of Management has decided to propose distributing gross 150.000.000,00 TL to shareholders of net distributional term dividend included with donations for the year 2014, to Group A Board of Management members net 21.251.378,24 TL and distribution of dividend is to be effective from 04.01.2015.

- [27.02.2015 14:13:21](#)
Special Event Disclosure (General)

Disclosure:

In pursuant to the principles of the Capital Market Board Act 6362 and Turkish Trade Act 6102, the Company's Board of Management receiving opinion from auditing committee has unanimously decided to nominate Basaran Nas Auditing and Chartered Accounting and Counselling Company A.S. (a member of PricewaterhouseCoopers) to audit our Company's financial charts covering the accounting period for 2015 and take this nomination to the approval of Ordinary General Board Meeting for the 2014.

- [16.03.2015 09:05:59](#)
Special Event Disclosure (General)

Disclosure:

Koza Ltd, a subsidiary of Koza Gold Operations Inc and Medgold Resources Group, trading at Toronto Stock Exchange have signed an agreement to carry out the activities for gold and silver explorations in mining areas owned by Medgold Resources Group in Portugal.

Within the frame of this agreement, mine exploration activities and geological works will be carried out in the region and these works will be financed. In all works that will be conducted for developing and/or operating mine, Koza Ltd will initially have 55% share in related assets. There is an option to increase its stake up to 75% in joint venture company that will be set up. In pursuant with the agreement reached, Koza Ltd will also purchase 19.31% of Medgold Resources Corporation's capital equal to 1.500.000 Canadian dollars.

All necessary announcements about Koza Ltd's activities in Portugal will be shared with the public through Public Disclosure Platform.

- **23.03.2015 08:59:58**
Special Event Disclosure (General)

Disclosure:

Koza Ltd, a subsidiary of Koza Gold Operations Inc and IMC Exploration Limited based in Ireland have signed an agreement to carry out the activities for gold and silver exploration in 4 mining areas owned by IMC in Ireland.

Within the frame of this agreement, mine exploration activities and geological works will be carried out in the region and these works will be financed. In all works that will be conducted for developing and/or operating mine, Koza Ltd will initially have 55% share in related assets. There is an option to increase its stake up to 75% in a joint venture company that will be set up. All necessary announcements about Koza Ltd's activities in Ireland will be shared with the public through Public Disclosure Platform.

- **25.03.2015 18:02:01**
Special Event Disclosure (General) – Outcome of General Board Meeting

Type of General meeting	Ordinary
Date and Time	25.03.2015 14:30
Fiscal Period commenced on	01.01.2014
Fiscal Period ended on	31.12.2014
Was General Board Meeting held?	Yes
Decisions taken	Information was given about activities. Information was given about activities carried out abroad. It was pointed out that if necessary, capital increase could be made for affiliated partner Koza Ltd. based abroad Board Management was acquitted. Board management's proposal for profit distribution was accepted as it was. Işık Özpeker and Yusuf Köyce were elected to hold offices as Independent Members. Independent auditing firm elected by the Board Management was approved. Top limits were determined for donations to be made in 2015.

Information relating to the process amongst the items included in Agenda

Was the issue of Profit Share Distribution discussed?	Yes
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Proposed type of payment of cash profit	Cash
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Share Group Information	Proposed cash dividend to be paid for nominal value share of 1 TL. (Gross TL)	Proposed cash dividend to be paid for nominal value share of 1 TL. (Net TL)
Group B, KOZAL (Old), TREKOAL00014	0,9836066	0,8360656
Group A, Not transacted (Privileged) TREKOAL00022	0,9836066	0,8360656

Payment Date for Cash Profit Share	01.04.2015
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- [02.04.2015 14:27:02](#)

Special Event Disclosure (General)

Registration of the decisions taken by the Ordinary General Meeting held on 25 March 2015

Disclosure:

Our Company's Ordinary General Board Meeting held on 25 March 2015 was registered by Trade Registry Office of Ankara on 2 April 2015.

- [20.04.2015 11:07:27](#)

Special Event Disclosure (General)

Disclosure:

In a special event disclosure by Gubre Plant T.A.Ş. on 17 April 2014, that it is alleged by the Gubretas T.A.S that contractual obligations have not been fulfilled by our Company for the mining licence issued for the Kizilsaray Village of Sogut Town of Bilecik and transferred to our Company by an agreement signed on 02 July 2007 and the management of Gubre Factories A.Ş. was authorized to file a suit.

Our Company has not received any notice in this regard.

The licence mentioned in the disclosure is in the ownership of our Company and we have paid Gubre Factories T.A.Ş to purchase it through the agreement signed on 02 July 2007. Our Company has no obligations to meet.

Necessary disclosures will be made about the developments.

- [22.04.2015 17:53:02](#)

Special Event Disclosure (General)

Disclosure:

Koza Ltd, a subsidiary of Koza Gold Operations Inc and GreenOregold based in London/England have signed an agreement to carry out the activities for gold and silver exploration in mining area owned by GreenOregold in Scotland.

Within the frame of this agreement, mine exploration activities and geological works will be carried out in the region and these works will be financed. In all works that will be conducted for developing and/or operating mine, Koza Ltd will initially have 60% share in related assets. There is an option to increase its stake up to 80% in a joint venture company that will be set up.

All necessary announcements about Koza Ltd's activities in Ireland will be shared with the public through Public Disclosure Platform.

- [05.05.2015 16:22:16](#)

Special Event Disclosure (General)

Disclosure:

Forestry Permit no:3, which covers a part of our operational area at Ovacik minesite was cancelled by the Ministry of Forestry with totally unlawful reasons.

Our Company has been notified to stop the activities of the crushing unit located in the area, subject to forestry permit due to cancellation of forestry permit by the Governorship of Izmir.

Crushing unit is the only area at process plant of Ovacik operations subject to Forestry Permit.

Necessary works began to relocate the crushing unit to the area owned by our Company and to avoid any interruptions of production, moving process will be expedited.

The company will take legal actions related to administrative process.

- [06.05.2015 09:00:22](#)
Special Event Disclosure (Updating)

Disclosure:

“A letter received from Istanbul Stock Exchange on 5 May 2015 requires additional information and explanations to be sent to Public Disclosure Platform about special event disclosure made by our Company on the same date.

Our Company has just received the notice that the activities of crushing unit located in the area, subject to forestry permit will be stopped on 6 May 2015 by the Governorship of Izmir and the matter has been promptly evaluated.

We have required permits to relocate crushers into our own area and it is expected this process will take almost 3 months to complete.

Necessary planning are underway to avoid any interruptions of production.

- [13.05.2015 18:08:12](#)
Special Event Disclosure (General)

Disclosure:

Our Company, aiming to contribute education within our Group’s social responsibility project has donated 20 million TL to Ipek University.

- [26.06.2015 17:57:16](#)
Special Event Disclosure (General)

Disclosure:

Our Company, aiming to contribute education within our Group’s social responsibility project has donated 20 million TL to Ipek University.

- [21.07.2015 12:14:33](#)
Special Event Disclosure (General)

Disclosure:

An agreement, signed between our affiliate Koza Ltd, and Toronto Stock Exchange listed-Medgold Resources Corp, to carry out gold and silver exploration activities in the mining area owned by Medgold Resources Group in Portugal, and covered the terms for Koza Ltd to acquire the shares at the amount of 1.500.000 Canadian dollars equivalent to 19.31 % of the Medgold Resources Corp’s capital and of which, details were shared with the public through Public Disclosure Platform on 16 March 2015, has now been cancelled by the mutual agreement of the parties.

Necessary disclosures regarding Koza Ltd’s activities abroad will be shared with the public through Public Disclosure Platform.

- **17.08.2015 13:38:47**

Disclosure related to baseless news and rumors

Disclosure:

Some press organs have published news related to a decision by the Administrative Litigation of Council of State for mining activities carried out at Balıkesir/Havran region.

Our Company has terminated its mine production activities at its mentioned licensed areas in 2010. Rehabilitation and afforestation works as required by EIA document have been completed.

Decision referred in the newspapers does not have any impact on our Company's production activities.

- **28.08.2015 17:58:43**

Special Event Disclosure (General)

Disclosure:

As part of our Group's social responsibility projects, our Company has donated 20 million TL to Ipek University with an aim to contribute to the education.

- **03.09.2015 12:19:08**

Special Event Disclosure (General)

Disclosure:

Ordered by the 7th Magistrate Court of Ankara, a search was conducted at our Company's Head Office and Group of Companies starting from 1 September 2015 and still ongoing. Our company's computer and online communication system is unfunctional as image copying process continues.

Our Company has been continuing with production activities under present conditions.

Public will be informed of any developments.
Regards.

- **21.09.2015 11:27:18**

Disclosure related to baseless news and rumors

Disclosure:

Some press organs have published the news and comments, which stated that tax inspectors have found out tax evasion by our companies and 2 of group companies, which do not reflect truth.

Inspectors from the Ministry of Finance have been auditing our Company and Group of Companies.

As the result of these inspections, which covered the financial period of 2010, 2011, and 2012, a report was prepared for a tax penalty of 200.000TL and upon inspection of taxation period of Year 2009, approximately 60.000TL of tax was assessed.

No other inspection report was submitted to our Company other than those mentioned above.

Upon completion of tax inspections and the statements and reports not received by us, no penalties were imposed on the grounds of tax evasion.

Koza Gold Operations Inc is amongst first 100 major corporate tax paying companies in Turkey and our Company, ranked in first 20 for being most tax paying companies in Ankara is awarded by the Ministry of Finance each year.

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)

	Share Group	TL	%
ATP İnşaat ve Ticaret A.Ş.	(A,B)	68.636	45,01
Koza İpek Holding A.Ş.	(A,B)	38.114	24,99
Halka Arz-Other	(B)	45.750	30,00
Melek İpek	(A)	-	Less than 1
Hamdi Akın İpek	(A)	-	Less than 1
Cafer Tekin İpek	(A)	-	Less than 1
Pelin Zenginler	(A)	-	Less than 1
Total		152.500	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 Akın İpek	Chairman
Cafer Tekin İpek	Vice Chairman
Melek İpek	Member
Pelin Zenginer	Member
Işık Özpeker	Independent Member
Yusuf Köyce	Independent Member

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 within the Board of Directors. After formation of Auditing Committee, works will begin on setting up an Internal Auditing Department. In pursuant to the Capital Market Board's Circular and provisions for Determining and Practicing the Principles of Corporate Management, dated 11.10.2011 and serial :IV no: 54, timing will be determined to effectively implement internal auditing and procedures will be prepared and practiced.

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 twelve months of 2010. 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 2010.

23. Committees

The amendments about our company's Articles of Association's 7/B titled "Committees attached to Board Management", have been approved by the CMB dated 10.04.2012 with resolution no. B.02.6.SPK.0.13.00-110.03.02-1023-4021. The changes to the article 7/B has also been permitted by the General Directorate of Internal Trade of the Customs and Trade Ministry of Republic of Turkey with their reference letter no. 2592.

24. Code of Ethics

Procedure, which contains the code of ethics, has been finalized and is in the process of being used.

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 30.000TL.

Decision was taken at the General board meeting held on 25 March 2015, to include into profit distribution policy, a proposal to be made to general assembly to distribute to the members of the board representing Group A shareholders for the Company's performance, if net term profit as the result of Company's 2014 activities according to financial report prepared by IFRS is,

- under 400 million TL, 2% of net distributable profit;
- between 401 million TL and 450 million TL, 3% of net distributable profit;
- between 451 million TL and 500 million TL, 4% of net distributable profit;
- over 500 million TL, 5% of net distributable profit.

26. General Information

Company Trade Name: Koza Altın İşletmeleri A.Ş.

Trade Registry Number: 147553

Head Office Address: Necatibey Cad. No: 56/B Demirtepe / Ankara

Head Office Phone: 0312 587 10 00

Yenimahalle Branch: Uğur Mumcu Mah. Fatih Sultan Mehmet Bulv. No:310 Yenimahalle / Ankara

Yenimahalle Branch Phone: 0312 587 10 00

İstanbul Branch: Maltepe Mah. Litros Yolu Sok. No:2-4 / 2825

İstanbul Branch Phone: 0212 501 25 90

Bergama Branch: Ovacık Köyü Kavşağı Bergama / İzmir

Bergama Branch Phone: 0232 641 80 17

Çukuralan Branch: Kocagedik Mevkii Çukuralan Köyü Dikili / İzmir

Çukuralan Branch Phone: 0232 641 80 17

Himmetdede Branch: Himmetdede İstasyon Mah. Ankara Cad. No:28 Kocasinan / Kayseri

Himmetdede Branch Phone: 0352 399 22 76

Granit Ocağı ve Kıрма Tesisi Branch: Himmetdede Bucağı Yuvalı Köyü No:1/1 Kocasinan / Kayseri

Mastra Branch: Demirkaynak Köyü / Gümüşhane

Mastra Branch Phone: 0456 247 10 01

Kaymaz Branch: Namık Kemal Mah. Şükrü Tuncel Cad. No:51 Kaymaz Beldesi Sivrihisar / Eskişehir

Kaymaz Branch Phone: 0222 721 22 60

Söğüt Branch: Orta Mah. Gündüzbey Cad. No:10 Söğüt / Bilecik

Söğüt Branch Phone: 0228 362 00 91

Havran Branch: Çoraklıtepe Mevkii Havran / Balıkesir