

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 General Assembly held on 4 May 2012;

1. The Activity Report and Auditor's Report prepared by the Company's Board of Directors for the year 2011 were presented to the General Assembly and both reports were unanimously accepted.
2. The Balance of Statement and Profit/Loss accounts prepared by the Company's Board of Directors for the year 2011 were unanimously accepted.
3. Each member of the Board of Directors and the auditors were separately and unanimously acquitted.
4. Discussion was held on the distribution of the profits for the year 2011. Following decisions were reached by the majority of votes :

- to pay shareholders first cash dividend gross 94,834,452.36 TL and distribute cash dividend of net 14,225,167.85 to the members of the Board of Directors, elected to represent Group A,

- to set aside the amount of 10,143,462.02 TL as 2nd Tranche legal reserve and the amount of 334,890,486.24 TL as the extraordinary legal reserve fund and,

- to set the commencement date to be 15.05.2012 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, who were elected at the 2009 Annual General Assembly held on 07 May 2010 for period of 3 years to continue to hold offices and in addition to them, İsmet Kasapođlu and Yusuf Kyce to be elected as the independent members to the Board of Directors for a period of 1 year and election of İsmail Kkbulut and Enver İman to serve as the members of the Auditing Committee for one year each.

4. Voting Rights

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

5. Profit Distribution Policy

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

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

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

According to the decisions taken at the General Board Meeting on 04 May 2012, payments of dividend will be distributed within the legal period 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 2012 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

09.01.2012 15:59:10

Special Event/Events to be disclosed:

A partnership agreement was signed between our Company and Teck Mining Industry and Trade Inc (Teck), a subsidiary of Teck Resources Ltd. for the purpose of developing Konakli Project located in Giresun.

Within the abovementioned agreement, Konakli metal Mining A.Ş was formed to develop the Konakli Project. Koza Group's participation has been 60% and Teck's has been 40%.

Konakli Copper Project rights of Koza Gold Operations A.Ş.was transferred to our Company. Furthermore, of the shares of Konakli Metal Mining A.S. with a capital of 50.000 TL part of 29.500 TL nominal value was transferred from Koza Gold Operations A.S.. to our Company. In return to this transfer, in the event of production commences at Konakli Project, 4% of the gross for our company's share will be given Koza Gold Operations as income share

Our Company will be the operator of Konakli Project.

10.01.2012 11:48:21

Acquisition of the Financial Fixed Asset

Date of Board of Director's Decision for Acquisition	:	09.01.2012
Title of Acquired Financial Fixed Asset	:	KONAKLI METAL MINING INDUSTRY AND TRADE INC.
Subject of Activity of the Acquired Financial Fixed Asset	:	MINING
Capital of Acquired Financial Fixed Asset	:	50.000,00 TL
Method of Acquiring the Financial Fixed Asset	:	CASH
Date of transaction completed/will be completed	:	09.01.2012
Acquisition Conditions	:	CASH
Nominal amount of Acquired Shares	:	29.500,00 TL
Purchasing Price per Share	:	1,00 TL
Total Amount	:	29.500,00 TL
Rate of Acquired Shares to the Capital of Financial Fixed Asset(%)	:	59,00
Rate of Share in the Financial Fixed asset after Acquisition (%)	:	59,00
Rate of Possessed Voting Rights to the Total Voting Rights in the Financial Fixed Asset (%) after acquisition	:	59,00
Rate of Acquired Financial Fixed Asset to the Partnership's total Assets in the Last Financial Statement disclosed to the Public(%)	:	0,01
Partnership's effects to the activities.	:	-,-
Whether or not a Liability has occurred for a Call	:	No
If so, whether or not an application for exemption will be made	:	No
Name/Title of the Seller/Transferor	:	KOZA GOLD OPERATIONS.(28.500,00 TL),HAMDI AKIN İPEK(495,00 TL),CAFER TEKİN İPEK(495,00 TL)
Nature of Partnership's relationship with the Seller/Transferor	:	AFFILIATED PARTNERSHIP - PARTNER
Method of Determining the Value of Financial Fixed Asset.	:	TRANSFERED ON NOMINAL PRICE.
Whether or not an Assesment Report has been issued	:	NOT ISSUED
If not, the reason for it	:	BELOW THE LEVEL OF SIGNIFIANT CRITERIA
The amount found a result of the Assessment Report	:	-,-
The reason, if the transcation has not been/will not be realized in accordance with the results of Assessment Report	:	-,-

13.01.2012 10:31:46

Special Event/Events to be disclosed:

Our Company announces the results to investors with Statement of Mineral Resources and Mineral Reserves it owns as at 31 December 2011, which has been produced in accordance with the JORC Code. Resource and reserve figures are audited by SRK Consulting USA

In 2011, 120,485 meters of core drilling and other geological works have been carried out and the results were analyzed by the ALS Chemex (Australian Laboratory Service). As at 31.12.2011, our resources have reached 11 million ounces and reserves reached 2.3 million ounces. In addition to that, by completion of 0.86 million ounces of gold as the result of test studies at our current projects by the first half of the year, this will be added to reserves.

At the end of 2010, these figures were 10 million ounces for the resources and 2.1. million ounces for our reserves. When taking into the consideration of 302.000 ounces of record production carried out in 2011, annual increase rate for our resources have been 22% and annual increase rate our reserves have been 23%.

Furthermore, as the result of the works carried out, it is envisaged that there is an approximately 50% increase in potential for the resources we own.

The data for resources, reserves and potential increase disclosed in mentioned report covers 13 licensed areas of the Koza Gold Company. It does not include Company's over 400 licensed areas throughout Turkey.

19.01.2012 16:10:33

Special Event/Events to be disclosed

Two separate cases filed for the cancellation of the process to grant Ovacik Gold Mine "Permit to Open and Operate Workplace" was rejected by 3rd Administrative Court of Izmir.

02.03.2012 11:09:45

Special Event/Events to be disclosed

In pursuant to provisions of the Circular issued by Capital Market Board Serial:X, No: 22 about Independent Auditing Standards in CapitalMarket, the Company's Board of Management backed by auditing committee's opinion has decided to nominate Basaran Nas Auditing and Chartered Accounting and Counselling Company (a member of PricewaterhouseCoopers) to audit our Company's financial charts covering the account period for 2012 and take this nomination to the approval of Ordinary General Board Meeting for the 2011.

05.03.2012 15:10:31

Special Event/Events to be disclosed

Referring to the purchasing of company disclosed on 27. November 2011, financial charts will be sent as consolidated financial charts, which we will prepare for 31. December 2011 and following periods.

We provide this information for the public .

05.03.2012 18:46:28

Special Event/Events to be disclosed

Referring to the purchasing of company disclosed on 27. November 2011, financial charts will be sent as complete consolidated financial charts, which we will prepare for 31. December 2011 and following periods. We provide this information for the public.

12.03.2012 14:25:37

Special Event/Events to be disclosed

At the meeting of Company's Board of Directors held on 12.03.2012, decision was taken to make following amendments in the Articles of Association;

Article 7 titled: "The Board of Directors and Period Thereof", Article 7/A titled: "Related Party Transactions", Article 7/B titled: "Committees reporting to the Board of Directors, Article 9 titled: "Remuneration for Members of the Board", Article 13 titled: "Announcement", Article 18 titled: " Legal Provisions" to delete Article 10/A and include articles 7.3, 7.4, 11.1, and 11.2.

Application will be submitted to the Capital Market Board and Ministry of Customs and Trade to obtain necessary permissions and upon receiving required permissions, amendments in the Articles of Association will be brought to General Board Meeting for approval.

10.04.2012 16:43:01

Decision by the Board of Directors to hold Annual General Assembly Meeting

AGENDA:

KOZA GOLD OPERATIONS INC. AGENDA FOR ANNUAL GENERAL ASSEMBLY

1. Opening the meeting and to elect the Chairing Committee
- 2 Authorizing Chairing Committee to sign general assembly documents
3. Examining and discussing Board of Directors' Activity Report and Auditor's Report for the year ear 2011 and approve them
4. Taking decision to separately acquit the activity reports of Board and Auditors for the year 2010
5. As required by Capital Market Board, informing shareholders on the policy of profit distribution,
6. Discussing and reaching decision for distribution of profit for the year 2011.
7. Submitting General Assembly the amendments of the Articles 7, 7/B, 9, 11, 13, and 19 and cancellation of article 7A, and inclusion of articles of 7.2 and 7.3, which were approved by Capital Market Board on 10.04.2012, ref no. B.02.6.SP.K.0.13.00-110.03.021023-4021 for which preliminary permit had been issued by Ministry of Trade and Industry on 10.04.2012, ref no:2592.
8. Naming members of the Board and auditors to hold office and taking decision for issues related to their election and terms
9. As required by the Corporate Management Principles, inform about remuneration policy to be determined for board members and CEO's,
10. Determining the payments to be made to the members of the Board and Auditors for 2011
11. Explaining General Board the donations and aids granted during the term.
12. In pursuant to the resolution by the Capital Market Board, dated 09.09.2009 and no.28/780, informing the General Assembly of the securities, pledges and encumbrance given by the Company in favor of third parties and revenue and interest derived
13. As required by the Capital Market Board, inform the shareholders on Company's "Disclosure Policy";
14. Approving Independent External Auditing Firm, elected by the Board in pursuant to article 14 of the Regulation of Independent External Auditor in Capital Market.

15. Taking decision to vest members of the Board with authorities and permissions, as specified in Articles 334 and 335 of Turkish Trade Act.

16. Requests and Proposals

17. Closing

ADDITIONAL DISCLOSURES:

From The Chairman of Board of Directors

Our Company's Annual Ordinary General Assembly for the year 2011 will be held on Friday, 4th May.2012 2:30 p.m. and meeting of Group A Privileged Shareholders will be held at 4:00 pm. at the address of factory building, located in Şeker Mahallesi Fatih sultan Mehmet Bulvarı (İstanbul Yolu) 19. km No:449 Eryaman-Etimesgut/ANKARA

Our partners, whose shares have been registered according to the arrangements of Central Registry Board (MKK) will be required to register themselves to be issued admission card to attend general assembly. Those shareholders who have not been registered under the Blokage List will not be allowed to attend the meeting.

Those shareholders who will not be able to attend meeting personally will need to submit letter of proxy, certified by notary, as in accordance with below sample document and fullfill the other requiriements as outlined by the Capital Market Board's circular no: 8 serie .V

Our shareholders or their representatives are hereby notidfeid to atten the meetting on the date and time specified.

Board of Directors

10.04.2012 16:46:52

Decision by the Board of Directors for Profit Distribution

Date of the Decision by Board of Directors	:	10.04.2012
Accounting Period of Profit Share to be proposed	:	01.01.2011-31.12.2011
Total Profit Share (TL) to be proposed for distribution in form of Share	:	0
Capital % of Total Profit Share (TL) proposed to be distributed in form of Share	:	0
Total Gross Share to be proposed for distribution as cash.	:	94.834.452,36
Cash Profit Share to be distributed to 1TL nominal value share traded at Stock Exchange	:	
Gross (TL)	:	0,621865
Net (TL)	:	0,528585
Proposed date for Distribution	:	15.05.2012

ADDITIONAL DISCLOSURES:

Conforming with Capital Market Act and the arrangements of Capital Market, distributable profit of 460.494.000.00. TL was derived after deduction of 6.400.431,52 TL being 1.set Legal Reserve Fund, which is required by the provision of article 466/1 of Turkish Trade Act and by adding 20.078.693,33 TL of donation thus forming 1st dividend base assesment of 474,172,261.81.TL and for the reason net distributable profit calculated in legal records as to be 432,643,376.40. TL;

It was unanimously decided to propose following at General Board Meeting that;

Calculated in compliance with Capital Market Board procedures of the net distributable profit of 474,172,261.81.- TL with added donation, which 1st dividend will be calculated;
Allocating shareholders of gross 94,834,452.36.- TL 1st Cash Dividend, and net 14,225,167.85 TL to be distributed to the Group A members of the Board of Directors, 2nd. Set Reserve Fund of 10,143,462.02.- TL and the sum of 334,890,486.24.- TL as to be allocated for Extra ordinary Reserve, and distribution of gross cash dividend of is to be commenced as from 15.05.2012.

10.04.2012 16:46:52

Decision by the Board of Directors to hold Annual General Assembly Meeting

AGENDA:

KOZA GOLD OPERATIONS INC. AGENDA FOR ANNUAL GENERAL ASSEMBLY MEETING

1. Opening the meeting and elect the Chairing Committee
2. Authorizing Chairing Committee to sign general assembly documents
3. Examining and discussing Board of Directors' Activity Report and Auditor's Report for the year ear 2011 and approve them
4. Taking decision for separately acquitting the activity reports of Board and Auditors for the year 2010
- 5 As required by Capital Market Board, informing shareholders on the policy of profit distribution,,
6. Discussing and reaching decision for distribution of profit for the year 2011
- 7.Submitting General Assembly the amendments of the Articles 7, 7/B,9,11,13, and 19 and cancellation of article 7A, and inclusion of articles of 7.2 and 7.3 , which were approved by Capital Market Board on 10.04.2012, ref no. B.02.6.SPK.0.13.00-110.03.021023-4021 for which preliminary permit had been issued by Ministry of Trade and Industry on 10.04.2012, ref no:2592.
8. Naming members of the Board and auditors to hold office and taking decision for issues related to their election and terms
9. As required by the Corporate Management Principles, inform about remuneration policy to be determined for board members and CEO's ,
10. Determining the payments to be made to the members of the Board and Auditors for 2011
11. Explaining General Board the donations and aids granted during the term.
12. In pursuant to the resolution by the Capital Market Board, dated 09.09.2009 and no.28/780, informing the General Assembly of the securities, pledges and encumbrance given by the Company in favor of third parties and revenue and interest derived
13. As required by the Capital Market Board, inform the shareholders on Company's "Disclosure Policy";
14. Approving Independent External Auditing Firm, elected by the Board in pursuant to article 14 of the Regulation of Independent External Auditor in Capital Market.
15. Taking decision to vest members of the Board with authorities and permissions, as specified in Articles 334 and 335 of Turkish Trade Act.
16. Requests and Proposals.
17. Closing.

ADDITIONAL DISCLOSURES

From The Chairman of Board of Directors

Our Company's Annual Ordinary General Assembly for the year 2011 will be held on Friday, 4th May.2012 2:30 p.m. and meeting of Group A Privileged Shareholders will be held at 4:00 pm. at the address of factory building, located in Şeker Mahallesi Fatih sultan Mehmet Bulvarı (İstanbul Yolu) 19. km No:449 Eryaman-Etimesgut/ANKARA

Our partners, whose shares have been registered according to the arrangements of Central Registry Board (MKK) will be required to register themselves to be issued admission card to attend general assembly. Those shareholders who have not been registered under the Blokage List will not be allowed to attend the meeting.

Those shareholders who will not be able to attend meeting personally will need to submit letter of proxy, certified by notary, as in accordance with below sample document and fulfill the other requirements as outlined by the Capital Market Board's circular no: 8 serie .V

Our shareholders or their representatives are hereby notified to attend the meeting on the date and time specified.

Board of Directors

10.04.2012 18:03:54

Decision by the Board of Directors for Profit Distribution

Date of the Decision by Board of Directors	:	10.04.2012
Accounting Period of Profit Share to be proposed	:	01.01.2011-31.12.2011
Total Profit Share (TL) to be proposed for distribution in form of Share	:	0
Capital % of Total Profit Share (TL) proposed to be distributed in form of Share	:	0
Total Gross Share to be proposed for distribution as cash.	:	94.834.452,36
Cash Profit Share to be distributed to 1TL nominal value share traded at Stock Exchange	:	
Gross (TL)	:	0,621865
Net (TL)	:	0,528585
Proposed date for Distribution	:	15.05.2012

ADDITIONAL DISCLOSURE

Conforming with Capital Market Act and the arrangements of Capital Market, distributable profit of 460.494.000.00.- TL was derived after deduction of 6.400.431,52- TL being 1.set Legal Reserve Fund, which is required by the provision of article 466/1 of Turkish Trade Act and by adding 20.078.693,33 of donation thus forming 1st dividend base assessment of 474,172,261.81.- and for the reason net distributable profit calculated in legal records as to be 432,643,376.40.- TL;

It was unanimously decided to propose following at General Board Meeting that ;

Calculated in compliance with Capital Market Board procedures of the net distributable profit of 474,172,261.81.- TL with added donation, which 1st dividend will be calculated;

Allocating shareholders of gross 94,834,452.36.- TL 1st Cash Dividend, and net 14,225,167.85 TL to be distributed

to the Group A members of the Board of Directors, 2nd. Set Reserve Fund of 10,143,462.02.- TL and the sum of 334,890,486.24.- TL as to be allocated for Extra ordinary Reserve, and distribution of gross cash dividend of is to be commenced as from 15.05.2012

11.04.2012 09:21:38

Special Event Disclosure

Special Event to be disclosed;

In pursuant to Corporate Management Principles and the arrangements of Capital Market Board, notification document prepared for annual general meeting is enclosed.

05.05.2012 11:59:25

Results of General Assembly Meeting

Type of eneral Assembly Meeting	:	Ordinary
Period in which Ordinary General Assembyl was held	:	01/01/2011-31/12/2011
Date of General Assembly	:	04.05.2012

DECISION TAKEN / MATTERS DISCUSSED;

Following summary decisions were taken at the General Assembly meetingg

1. Board of Directors' Activity Report and Auditor's Report were read and both were unanimously accepted and approved.

2. Company's Statement of Balance Sheet for 2011and Loss and Profit Chart prepared by the Board of Directors were read and unanimously accepted.

3.The members of the Board of Directors and Auditors have been separately and unanimously acquitted

4. A discussion was taken place to distribute profit for the year 2011. It was unanimously decided to distribute to shareholders gross 94,834,452.36.- TL,

Cash 1st dividend ,to the Group A members elected to represent the Board of Directors ;net 14.225,167,85 TL cash dividend, and to set aside

2nd Tranch Statuary Reserve of 10,143,462.02. TL and extrordinary reserve fund of 334,890,486.24.- to be be distributed starting on 15.05.12012.

5. It was unanimously decided Hamdi Akın İpek, Cafer Tekin İpek and Melek Pelin Zenginler who were elected as the members of the Board of Directors

for a period of three years at the ordinary general assembly held on 07.05.2010 to continue to hold offices and i,n addition to that; İsmet Kasapoğlu

and Yusuf Köyce to be elected as independent members at the Board of Directors for a period of 1 year and İsmail Kökbulut and Enver İman as the members for the Auditing Committee.

Minutes of the meeting, Attendance List and Profit Distribution Chart are enclosed.

07.05.2012 08:52:57

Date of Cash Profit Distribution

Total Gross Profit Share (TL)	:	94.834.452,36
Cash Profit Share to be distributed to 1TL nominal value share traded at Stock Exchange	:	
Gross(TL)	:	0,621900
Net (TL)	:	0,528600
Date of Cash Profit Share Distribution	:	15.05.2012

28.06.2012 15:08:03

Special Event Disclosure (General)

Event/events to be disclosed :

East Anatolia Mining Exploration and Drilling Inc, in which our Company has 99.99% of shares, has had its annual general meeting today and a decision was taken in that meeting to increase paid capital from 110 million TL to 180 million TL. Our Company will participate in by paying its portion for increased capital.

31.07.2012 14:36:04

Special Event Disclosure (General)

Event/events to be disclosed :

As the result of intensive exploration and development works carried out at Kayseri Himmetdede Project, which was discovered in 2008 by our Company, 816.000 ounces of gold resource was estimated as at 31.December 2011. Following the prefeasibility works conducted to turn established resource into the reserve, total of 567.000 ounces of gold reserve has been estimated. SRK Consulting (US), Inc. has reviewed our prefeasibility studies and has confirmed our reserve statement.

10.08.2012 16:34:08

Special Event Disclosure (General)

Event/events to be disclosed :

Projection and feasibility studies of our Company's Himmetdede/Kayseri Project have been completed and it was decided to award IK Akademi Construction Co. to bid to construct "Heapleach Ore Process Plant EPC (Engineering, Procurement, Construction) for the amount of 130.500.000 US\$.

It is planned that the project construction will start in October this year and will be completed by first half of 2013 to commence production. It is anticipated that the project's annual capacity will be 100.000 ounces of gold.

A report prepared by Denet Independent Chartered Financial Consultant Inc. indicating that the process has been fair and reasonable is enclosed herewith.

Our Company's Mollakara (Diyadin) project's reserve and feasibility studies, which we have previously informed, continue rapidly. Once these studies are concluded, information will be supplied in relation with new reserves.

07.09.2012 16:34:51

Special Event Disclosure (General)

Event (s) to be disclosed

Within the framework of the relevant articles of Corporate Tax Act and Turkish Commercial Act, decision was taken to proceed with merger process for East Anatolia Mining Exploration and Drilling Inc, of which 99.99% of its assets owned by our Company, by the way of entire transfer of its actives and passives in an integrated form through dissolving without liquidation and to realize the merger process on the companies' balance sheet dated 31.07.2012

05.11.2012 14:01:48

Special Event Disclosure (General)

Event (s) to be disclosed:

As of today, the construction activities at Our Company's Himmetdede Project has started. Upon completion of the construction, production is planned to commence by the second half of 2013.

08.11.2012 11:43:38

Special Event Disclosure (General)

Event (s) to be disclosed:

The news has been published in some press organization for a court decision taken in relation with our Company's activities carried out at Yerli Tahtaci Village. Our site mentioned in the news has no impact at all on our Company's production and current reserve/resource total.

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)

December 2010	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 Zenginer	(A)	-	Less than 1
İsmet Kasapoğlu	(B)	-	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
İsmet Kasapoğlu	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 first six 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 4 May 2012, 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 2012 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.