

Koza Altın İşletmeleri A.S. (Koza Gold)

Announces Update of Mineral Reserves and Resources and Full Year 2017 Production

Koza Gold is pleased to provide an update of the company's mineral resources and mineral reserves as at 31 December 2017 and announce the full year production for 2015, 2016 and 2017.

Measured and indicated gold resources equal **7.0** million ounces of gold (comprising measured resources of **2.9** million ounces of gold and indicated resources of **4.1** million ounces of gold). The year-end inferred resource is **5.2** million ounces.

Between December 2015 and December 2017, Koza Gold drilled 125,317 meters of core from the surface, the results of which are analysed by the ALS Chemex Laboratory. The company drilled 38,490 meters in 2015, 52,439 meters in 2016 and 34,388 meters in 2017. Koza Gold also carried on its drilling programme at underground and drilled total of 24,266 meters in its underground mines in 2017.

Koza Gold's full year production for 2015 was 266 thousand ounces, for 2016 was 270 thousand ounces and for 2017 was 205 thousand ounces of gold.

Table 1 lists Koza Gold's resource and reserve numbers at year-end 2016 and 2017 and 2017 production. The 2017 reserves have increased by about 500 thousand ounces compared to the 2016 numbers. The year-end 2017 reserve plus 2017 production represent a change of about 21% compared to the year-end 2016 reserve.

Table 1: Comparison of Koza Gold's Reserves and Resources in 2016 vs. 2017

	2016 ¹ (M oz)	2017 ¹ (M oz)	2017 Prod. (M oz)	Adj. Change ² (%)
Proven and Probable Reserves	3.7	4.2	0.205	21%
Total Resources (incl. Reserves) ⁽³⁾	12.7	12.2	0.205	-2%

1) ¹ Audited by SRK.

² Represents % change in Reserves and Total Resources, after adjusting the 2016 totals for the gold ounces produced in 2017.

2) ³ A breakdown of resources by category for 2017 is shown in Table 4.

Since Koza Gold's inception in 2005, gold reserves have steadily increased illustrating Koza Gold's clear track record of reserve expansion. Table 2 illustrates the historic annual audited reserves after production depletion.

Table 2: Koza Gold's Historic Mineral Reserves

(Moz Gold)	2007 ¹	2008	Sep- 2009 ¹	2010 ¹	2011 ¹	2012 ¹	2013 ¹	2014 ¹	2015 ¹	2016 ¹	2017 ¹
P&P Reserves	1.1	1.5	1.9	2.1	2.3	3.7	3.5	4.2	4.0	3.7	4.2

¹ Audited by SRK.

The estimates of Mineral Reserves and Mineral Resources have been prepared in accordance with the JORC Code and independently reviewed by SRK Consulting USA. The data disclosed above covers 15 project areas of the Koza Gold Company. The company holds 78 licensed areas throughout Turkey.

Koza Altın İşletmeleri A.Ş. engages in exploring and operating the gold mines. The company has operational gold mines located at Ovacık (Bergama-Izmir), Çukuralan (Bergama-Izmir), Mastra (Mastra-Gümüşhane), Kaymaz (Kaymaz-Eskisehir) and Himmetdede (Himmetdede-Kayseri) all in Turkey. It sells unprocessed bullion comprising gold and silver to gold refineries located in Turkey. The company is headquartered in Ankara, Turkey and is listed on the Istanbul Stock Exchange. (KOZAL:Istanbul).

Table 3 lists Koza Gold's Ore Reserve and Table 4 lists Koza Gold's Mineral Resources, at the end of years 2015, 2016 and 2017.

Table 3: Koza Gold Mineral Reserve¹, between December 2015 and December 2017

Year	Proven					Probable					Total				
	Kt	g/t Au	g/t Ag	Au Koz	Ag Koz	Kt	g/t Au	g/t Ag	Au Koz	Ag Koz	Kt	g/t Au	g/t Ag	Au Koz	Ag Koz
2015	20,003	2.96	1.0	1,901	647	38,467	1.73	1.0	2,144	1,218	58,471	2.15	1.0	4,045	1,866
2016	18,112	3.04	1.0	1,769	559	39,305	1.50	1.1	1,897	1,371	57,417	1.99	1.0	3,665	1,930
2017	16,443	3.75	1.0	1,982	539	39,697	1.76	1.1	2,247	1,378	56,139	2.34	1.1	4,229	1,916

1) Reserves includes stockpiles

Table 4: Koza Gold Mineral Resources, between December 2015 and December 2017

Year	Measured					Indicated					Inferred				
	Kt	Au g/t	Ag g/t	Au Koz	Ag Koz	Kt	Au g/t	Ag g/t	Au Koz	Ag Koz	Kt	Au g/t	Ag g/t	Au Koz	Ag Koz
2015	32,848	2.73	1.0	2,883	1,044	95,861	1.34	0.7	4,132	2,185	125,288	1.53	0.9	6,153	3,672
2016	29,935	2.84	1.0	2,738	920	90,636	1.30	0.8	3,794	2,267	117,544	1.63	1.0	6,176	3,836
2017	27,785	3.28	1.0	2,933	849	90,653	1.41	0.8	4,102	2,192	113,769	1.41	1.0	5,168	3,681

Notes on Mineral Resources and Reserves:

- 1) All Mineral Reserves and Mineral Resources have been prepared in accordance with the JORC Code.
- 2) All Mineral Resources are reported inclusive of Mineral Reserves.
- 3) Mineral Reserves are estimated using US\$ commodity prices of \$1,250 per ounce of gold for 2017
- 4) Mineral Resources are estimated using US\$ commodity prices of \$1,300 per ounce of gold for 2017