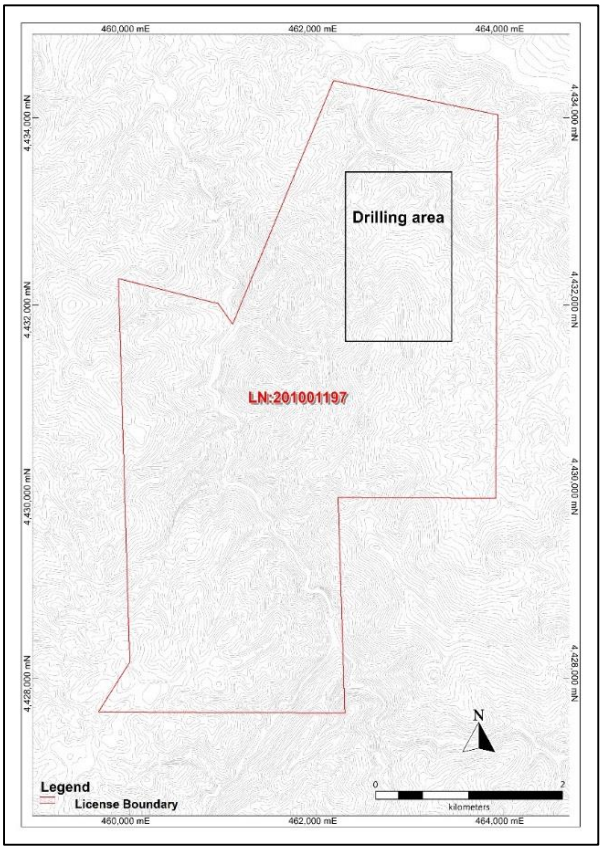
KOZA GOLD ANNOUNCES MINERAL RESOURCE ESTIMATION AT KARAPINAR PROJECT

Koza Gold is pleased to announce Mineral Resource Estimate at the Company's Karapınar project in the Çanakkale District in northwestern Turkey. The results stated herein reflects the studies that were completed as of 31 December 2019.

Exploration Results and Mineral Resources have been prepared in accordance with the National Resource and Reserves Reporting Committee of Turkey (UMREK Code) by Koza Gold's competent persons and were audited according to the Australasian Code for Reporting of Exploration Results and Mineral Resources, 2012 (JORC Code) by SRK Consulting (US) Inc.

The Karapınar Project is located 18 km southeast of Çanakkale between UTM coordinates 4343000N, 487500E and 4341750N, 489000E ED1950 Zone 35. The project is accessed from Çanakkale by following village roads southeast for approximately 21 km to the village of Terziler. The project is located immediately north of the Karapınar Village and lies within operation license 201001197 totaling approximately 1,881 ha. This license is valid through May 7, 2022.

Figure 1 *License and Drilling Area*



The Karapınar project area was previously studied by foreign exploration companies. Koza acquired the Karapınar license at auction in 2007. Historic underground workings that have been mapped by Koza. No historical resource and reserve estimation have been identified.

The Karapınar Project is located on the Biga Peninsula, western Anatolia in Çanakkale Province. The project is hosted by the Permian age Çamlıca Group locally composed of marble and calcschist of the Salihler and Dedetepe Formations. Ophiolites of the Denizgören Formation have been faulted over the Çamlıca Group along the Ovacık thrust fault. The ophiolites which are associated with rifting were thrust onto the continent during Cretaceous subduction.

The Karapınar Project has been identified as a low sulfidation, epithermal Au-Ag deposit based on alteration mapping, mineralization style, mineral associations and textures. This mineralization includes quartz vein/silica zones, a quartz stockwork zone and a quartz breccia zone. The main vein structure is an epithermal quartz vein hosted in schist. It strikes approximately N20°E to N25°E and can be traced for approximately 4.5 km. near the center of the vein is an east-west striking splay with a strike length of approximately 500 m. Another vein structure is defined as silicification and hosted in metamorphic-ultramafic contact. It strikes approximately N30°E to N35°E and can be traced for approximately 3 km.
North of the main silica zone, structures are hosted in the metamorphic rocks or in the contact zones between volcanic and metamorphic rocks. The different quartz vein and silica zones contain vein breccia and banded textures as well as chalcedonic and sugary quartz. Anomalous arsenic, silver, gold and antimony values suggest that the surface outcrops are near the top of the epithermal system. The resource area is located in this epithermal vein and vein breccia zone.

Koza started its diamond drilling program at the project in 2018 and completed the first stage in 2019. Sixty-one drillholes with total of 20,031.2 meters were drilled and 12,380 samples were sent to ALS GLOBAL and ARGETEST Laboratories to be assayed. Further exploration and drilling program will be carried on in 2020.

Figure 2 *Drillhole and Ore Body Surface Projection Map*

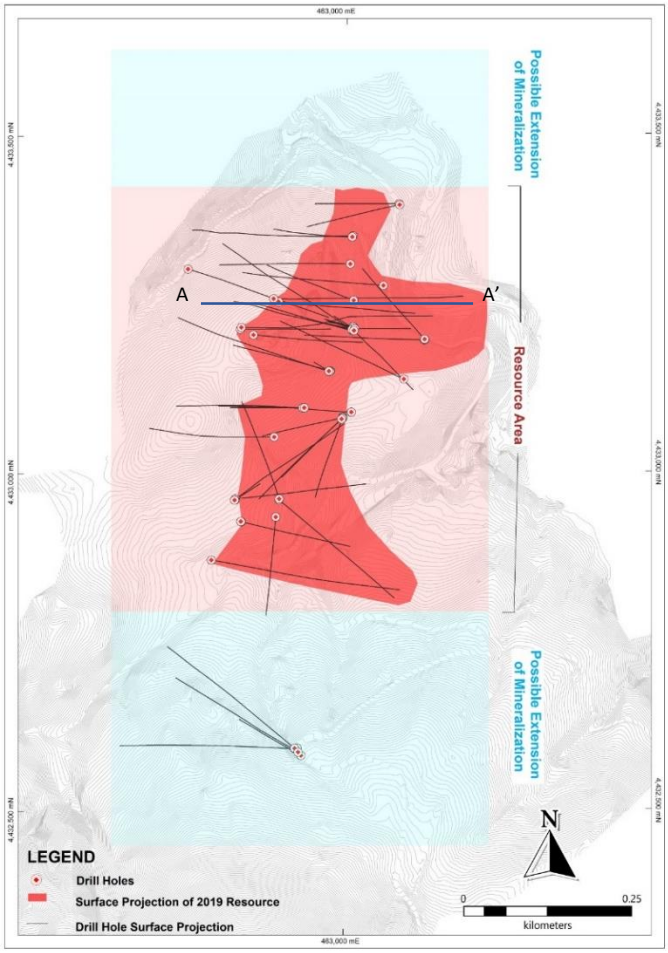
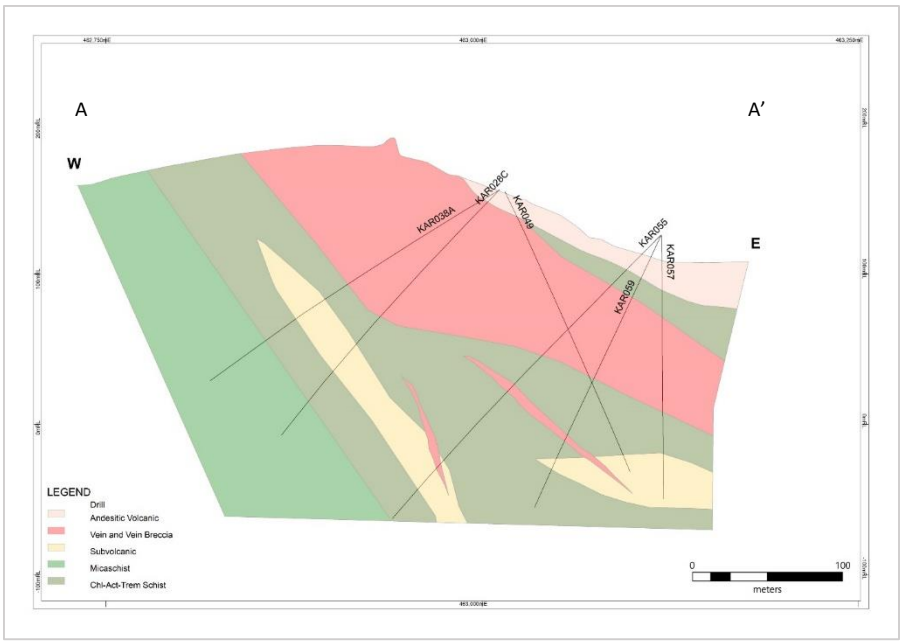


Figure 3 *Generalized cross section*



Mineral Resource Estimate

Resource estimation has been completed by Koza Gold's Mine Geology and Resource Department using Datamine Studio RM. Two mineralized zones were modelled and include a total of 4,656 diamond core samples from 40 drillholes.

Highlights

- The resource estimation study was completed as of 31 December 2019.
- Two different metallurgical domains were defined for the mineralization (transition and sulphide)
- Preliminary metallurgical test works (fine and coarse bottle roll tests) were performed at Koza Gold's Kaymaz Metallurgy Laboratory.
- The cutoff grades were calculated using the following parameters:
    - Gold Price: US$1500/oz,
    - Process Cost: US$4.98/t
    - Gold recovery: Transition – 65%; Sulfide – 30%
- The resources are contained with a pit shell using the same process costs and recovery as shown above and a gold price of US$1600/Oz
- The estimated mineral resources of the Karapinar Project include 9.6 million tonnes at an average grade of 1.16 gpt gold resulting in approximately 358 thousand ounces of gold as at 31st of December 2019.

Figure 4 Block Model with Resource Pitshell

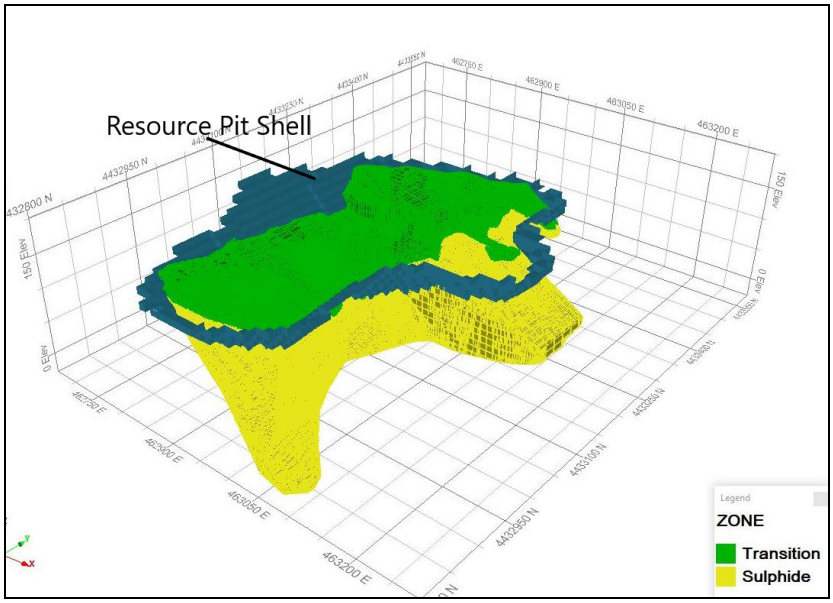


Table 1 Resource Numbers

Resource Category	Domain	Cutoff (gpt)	Tonnes Mt	Au (gpt)	Ag (gpt)	Au koz	Ag koz
Inferred	Transition	0.20	5.0	1.38	1.44	220	230
	Sulphide	0.43	4.6	0.93	1.22	138	183
Total Inferred			***9.6***	***1.16***	***1.34***	***358***	***413***

Notes:

1) *UMREK (2018) and JORC (2012) definitions were followed for Mineral Resource.*
2) *An Independent Audit has been completed in accordance with JORC Code by SRK Consulting (US) Inc.*
3) *Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.*
4) *Metal price assumption for cutoff grade calculation was US$1,500/oz. Au.*
5) *Resource pitshell was generated with the gold price of US$1,600*
6) *Tonnage and grade measurements are in metric units. Contained gold is reported as troy ounces.*
7) *Summation errors may be present due to rounding.*

About Koza Gold

Koza Altin Isletmeleri A.S. (Koza Gold) engages in exploring and operating open pit and underground gold mines. The company has operational mines located at Ovacik (Bergama-Izmir), Cukuralan (Dikili-Izmır), Mastra (Mastra-Gümüşhane), Kaymaz (Kaymaz-Eskisehir) and Himmetdede (Himmetdede-Kayseri) all in Turkey. Koza sends produced dore bars to be refined to refineries located in Turkey and sells refined gold and silver at the Istanbul Precious Metals And Diamond Market . The company is headquartered in Ankara, Turkey and is listed on the Istanbul Stock Exchange. (KOZAL:Istanbul).

The information disclosed herein covers Karapınar Project of Koza Gold at Çanakkale District. The company holds 210 licensed areas as of 31 December 2019 throughout Turkey.

Competent/Qualified Person's Statement

The exploration results and mineral resource estimation were prepared in accordance with the standards set out in the 2018 Edition of the National Resource and Reserves Reporting Committee of Turkey (UMREK) and in accordance with Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves dated December 2012 (the "JORC Code"). The UMREK Code is the accepted reporting standard for the Capital Markets Board of Turkey ("SPK").

Information relating to Karapınar exploration results in this document has been verified by, is based on and fairly represents information compiled by or prepared under the supervision of Gökhan Çiçek, Professional Member of YERMAM and Exploration Manager - WA of Koza Gold. Mr. Gökhan Çiçek has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the UMREK Code.

The Mineral Resource disclosed in this announcement was estimated by Mine Geology and Resource Department of Koza and approved by Gökhan Bal, Professional Member of YERMAM, Member of AusIMM and Mine Geology and Resource Manager of Koza Gold. Mr. Gökhan Bal has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the UMREK Code and is Competent Person for the purposes of the JORC Code.

The external review of Karapınar Project was completed and audited by SRK Consulting U.S. in accordance with JORC Code.

Technical Disclosure

Mineral Resource was calculated as at December 31, 2019 and have been calculated and prepared in accordance with the standards set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves dated December 2012 (the "JORC Code") and in accordance with National Resource and Reserves Reporting Committee of Turkey (UMREK). The UMREK Code is the accepted reporting standard for the SPK (Capital Markets Board of Turkey).

Mineral Resource that are stated herein were audited and reported in accordance with JORC Code by an independent consulting company (SRK Consulting U.S.) and an internal audit process in accordance with UMREK Code has been completed by Koza Gold's fulltime employed competent persons. JORC and UMREK Code are substantially similar.

The definitions of Ore Reserves and Mineral Resources as set forth in the JORC Code have been reconciled to the definitions set forth in UMREK Definition Standards. If the Ore Reserves and Mineral Resources were estimated in accordance with the definitions in the JORC Code, there would be no substantive difference in such Mineral Reserves and Mineral Resources with UMREK Code.

Cautionary Note Regarding Mineral Resources and Mineral Reserves

The disclosure of Mineral Reserve and Mineral Resource information is based on the reporting requirements of the UMREK Code. UMREK Code definitions of the terms "Mineral Reserve", "Proven Mineral Reserve", "Probable Mineral Reserve", "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource", are substantially similar to the JORC Code corresponding definitions of the terms "Ore Reserve", "Proved Ore Reserve", "Probable Ore Reserve", "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource", respectively. Estimates of Mineral Resources and Ore Reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the UMREK Code.

It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. Investors are cautioned not to assume that all or any part of the Mineral Resources will ever be converted into Mineral Reserves. There can be no assurance that those portions of such Mineral Resources that are not Mineral Reserves will ultimately be converted into Mineral Reserves. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.

Appendix 1 UMREK TABLE

The following tables are provided to ensure compliance with the UMREK Code (2018) edition requirements for the reporting of exploration results and Mineral Resources.

The UMREK Code TABLE 1 SECTION 1 General				
Assessment Criteria	**UMREK Code Explanation**			**Commentary**
	Exploration Results	**Mineral Resources**	**Mineral Reserves**	
Purpose of Report	• *Report should include a cover page and a Table of Contents, including a list of figures and tables.* • *Indicate for whom the report is prepared, specify whether the purpose is a partial or full assessment or other purpose, what scopes of work were carried out, effective date of the report and what is left to do.* • *The Competent Person must specify whether the document conforms to the UMREK Code. If a reporting standard or code other than the UMREK Code is being used, the Competent Person shall add an explanation of differences.*			• This document has been reported to meet the requirement of SPK (Capital Markets Board of Turkey) for the companies that are listed at Istanbul Stock Exchange. • The results that is stated in this press release reflect the studies that were completed as of 31 December 2019. • The document meets the requirement of UMREK Code. • The document is also prepared in accordance with JORC Code that is substantially similar to UMREK Code.
General Info on Project	• *Summary explanation of project scope (for instance, historical sampling, advanced exploration, conceptual, Pre-Feasibility or Feasibility Study, Mining schedule for a future or ongoing mining facility shall include the geological condition, deposit type, commodity, project area, infrastructure and business agreements.*	• *Brief explanation of key technical factors that have been considered.*	• *Brief explanation of mining, processing/beneficiation and other key technical factors.*	• The Project is at the stage of scoping level. Advanced exploration and drilling is still ongoing in the field and preliminary metallurgical studies have been completed. • At this stage of the development Koza has demonstrated continuity of the mineralization in terms of grade and structural. • Koza is considering the Karapinar project to be a heap leach operation

History	• *Indicate the background of the project and/or related adjacent areas, include known results (type, quantity and development), former owners and changes for past exploration and/or mining activities.* • *Quote references for all data from other sources.*	• *Discuss the known or existing historical Mineral Resource estimates, reconciliation for the actual production updates to reported resources/reserves for past and current operations, and include their reliability and how they are related to the UMREK Code.* • *Transparent description of former achievements and failures and explain why the project should now be considered potentially economic.*	• *Compare the known or existing historical Mineral Reserve estimates and performance statistics with past and current operations, include their reliability and how they are related to UMREK Code.*	• Koza acquired the Karapınar license at the auction in 2007. • Karapınar is previously studied by foreign exploration companies. Historic underground workings have been mapped by Koza. • No historical resource and reserve estimation have been identified.
Critical Plans, Maps, Diagrams	• *Include and quote reference to all important, more detailed maps and all related cadastral and other infrastructure properties, described in a site location map or map index and article. If the adjacent areas or urban areas have a significant effect on the report, their location and their sections containing joint mineral tenure must also be indicated on the maps. All information taken from other sources must be referenced. All maps, plans and sections indicated in this check list must be legible and should include explanations, coordinates, coordinate system, scale bar and north arrow.* • *Diagrams and illustrations must be readable, with notes and explanations where necessary.*			• All Plans, maps and diagrams have been prepared in in accordance with UMREK Code by Koza.
Project Location and Explanation	• *Explanation of Project location (country, province and closest town, coordinate systems and distances etc.).* • *For each property, diagrams, maps and plans must be provided such that they indicate the locations of mineral exploration/mining rights, any previous or current work, any exploration and all main geological characteristics.*			• The Karapınar Project is located 18 km. southeast of Çanakkale between UTM coordinates 4343000N, 487500E and 4341750N, 489000E ED1950 Zone 35. • The project is accessed from Çanakkale by following village roads southeast for approximately 21 km to the village of Terziler.

Topography and Climate	• *All issues related to the mining project (such as topography and climate), issues that could possibly affect mining activities must be indicated and explained.* • *A general topographic-cadastral map must be ready to support the above explanation.*	• *A topographic-cadastral map with sufficient details to assist evaluation of eventual technical and economic viability. Known related climate risks must be indicated. They are related to the UMREK Code.*	• *A detailed topographic-cadastral map. Where possible, weather and ground conditions that must be mitigated, particularly for difficult ground conditions, dense vegetation and/or high-altitude areas.*	• The Karapınar Project is located in the Aegean sea cost, which has a typical Mediterranean climate characterized by hot, dry summer months and warm, wet winter months. • The terrain in the this district is flat to rolling hills near Aegean Sea and rises to approximately 350 m. amsl near Karapınar. • There are no climate risks at the location • The topographic map used in this study was obtained by surveyors who are full time employees of Koza.
Personal introduction in projects and verification of data	• *Visiting dates of the designated prospect, mine site, laboratories or relevant infrastructure.* • *Meetings with people responsible for the reported project, their areas of responsibility and project related experiences.* • *Visit to the project site, preparing a report that lists observations.* • *What sections of the project are accessible for individual confirmation?* • *Lists of data used or referenced* when preparing public reporting.			• The Project team under the direction of Exploration Manager Gökhan Çiçek were on the Project during the field seasons of between 2007 and 2019. • Senior Resource geologist Gökhan Egehan and Mine Geology Manager Gökhan Bal who audited this study for resource estimate visited the field in August 2019. • All data that were used in this report were prepared by Koza.

SECTION 2 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)				
Assessment Criteria	**UMREK Code Explanation**			**Commentary**
	Exploration Results	**Mineral Resources**	**Mineral Reserves**	
Sampling types	• *Sampling type, location and time, leading to the results to be reported, must be indicated. Sampling types include stream sediment, soil and heavy mineral concentrate samples, trench and pilot pit results, rock breaking and channel sample, drilling and boring, handheld XRF devices etc. Ground samples include previous works, mine dumps etc. Where possible, distance between samples must be indicated, and locations must be shown on coordinate maps, plans and sections with proper scales.*			• -80 mesh stream sediment samples were collected along master streams above and below the inflow of tributary creeks • Soil samples were collected using a regular grid spacing of 50 meters by 100 meters • Surface mapping was completed at 1/25000, 1/10000, 1/1000 scales • Rockchip samples selected chip samples collected at locations across the width of exposed veins. • Channel samples were collected on 1 m. lengths and were 5 cm deep by using saw • The IP-resistivity survey and ground magnetic survey were completed • XRD sampling were taken from the drill cores • Koza drilled core holes and collected samples from the drill cores.
Drilling techniques	• *Drilling techniques may include core drilling, reverse circulation, percussion, rotary auger, down-the-hole hammer etc. These should be indicated in the report, and their details (e.g. core diameter) should be given. Measures taken to keep sampling at a maximum level of recovery and quality assurance of the samples must be indicated.*			• Koza drilled PQ-HQ sized core holes using a diamond drilling. • Drillhole spacing is between 25 m. to 100 m. • Drill recoveries ranged from 80% to 100%.
Drilling sampling	• *A detailed explanation must be given to indicate sampling is being properly recorded and results are being assessed. The report should particularly indicate if there is a relationship between grade and quality, acquired through sample collection, and sample bias (for instance, preferential gain/loss of fine/coarse material).*			• The drill core sample intervals marked by the geologists and are typically 1 m. length. Samples may be shorter or slightly longer than 1 m. to accommodate changes in lithology.
Logging	• *It must be confirmed whether the samples have been recorded with sufficient details to assist suitable Mineral Resource estimation, mining tests and metallurgy tests, and it must also be indicated whether record keeping is qualitative or quantitative. Core (or channel, trench etc.) photographs must be attached.*			Koza records drillhole data into the computer. The drill core was photographed prior to geological logging. Data captured during core logging included, rock types, structure, mineralogy, recovery and RQD. Core is stored at project site.
Other sampling techniques	• *Sampling type and quality (for instance, cut channels, grab samples etc.) and the measures taken to ensure representative capability of the samples must be indicated. By quoting reference to a coordinate system (to be indicated), precise location and unique numbering of each sample must be ensured.*			• Core and exploration samples are held in the custody of Koza in a locked vehicle, then in a locked core logging facility until being shipped via commercial trucking. This is industry best practice

Sub-sample techniques and sample preparation	• *For sampling of drill core, it must be indicated whether sampling was taken from cut or sawn or quarter, half or whole core. If sampling was done without a core, production pipes, sample or rotary split etc. and wet or dry split procedures must be indicated. For all sample types, the nature, quality and appropriateness of sample preparation techniques must be defined, and quality- control procedures adopted at all sub-sampling stages to maintain the representative capability of samples at a maximum level must be indicated.* • The measures taken to ensure representative capability of the material at the place of sampling must be indicated. *Appropriateness of the sample sizes to the particle sizes of the material must be defined. A statement is advised with regards to the security measures taken to ensure sample consistency.*	• The core was sawed lengthwise using a diamond saw, with half submitted for analysis and half retained for later reference. Samples submitted were prepared at ALS Labs. İzmir and ARGETEST Labs. Ankara.
Analysis data and laboratory research	• *The type, quality and appropriateness of the assay and laboratory procedures and whether the technique has been accepted in full or partially must be indicated. Attention must be paid to how the presented assay results relate to the estimated extractable metal or mineral content of the reserve.* • *Sample preparation and analysis can be carried out by internal or independent laboratories. The laboratories actually used for this must be defined in all reports. In any case, the accreditation of the laboratory (e.g., ISO standards, ISO 9000:2001 and ISO 17025, TÜRKAK etc.) and actual procedures used, including use of random distribution, internal and external standard samples and monitoring procedures for blank analysis and systematic deviation must be taken into consideration. In particular, a short note must be added to indicate whether sample analyses, used to support resource estimation, have been repeated by other laboratories.*	• Analyses are done by independent laboratories, ALS Global and ARGETEST. ALS is a recognized independent laboratory, which operates internationally. The laboratory has ISO 9001: 2008 accreditation and ISO / IEC 17025: 2005 accreditation for some analytical procedures. ARGETEST is a recognized independent laboratory, which operates locally. The laboratory has TS EN ISO / IEC 17025 accreditation and ISO 9001: 2008 quality management system accreditation for some analytical procedures. • Drill samples from 2019 to the present were submitted for crushing and pulverizing to ALS-Global Laboratory in Izmir. • The following assay methods were used for all samples sent to ALS Laboratories: fire assay gold analysis by a total assay method (Au-AA24). Multi-element analyses undertaken by four acid digestion via ICP-AES are considered total assay methods except where they exceed the upper detection limit (E-ICP61m). Between March 2019 and June 2019 analyses were made in ARGETEST (Ankara) laboratory. *The following assay methods were used for all samples sent to ARGETEST Laboratories: fire assay gold analysis by a total assay method (AT-1 / FA 02). Multi-element analyses undertaken by four acid digestion via ICP-OES are considered total assay methods except where they exceed the upper detection limit (AT-4 / GAR 05).* • If ALS global was used as main laboratory, then ARGETEST was used as check lab. If ARGETEST was main laboratory Als Global were used as check Lab.. • Laboratory visits are done regularly by Koza personnel.
Verification of the results	• *It is recommended that independent or alternative personnel confirm the selected intersection points and twinned holes, deflections or duplicate samples are used.*	•Industry standard certified reference materials and blanks were utilized in order to check laboratory assay quality control. •The QA/QC program includes CRM's, blanks, preparation duplicates and field duplicates and is acceptable according to industry standards. Overall relative bias for the CRMs is within -+3 standard deviation. •Samples have been analyzed by a secondary lab to control main laboratory.

Data location	• *A statement is required with regards to the quality and reliability of certainty of surveys used to locate drill holes, trenches, mining works and other locations. Quality and adequacy of topographic control should be explained, and site plans should be given. The quality and adequacy of down-hole surveys should be explained.*		• Drillhole collars were located by Koza geologists using a portable GPS tool in ED50 Zone 35. The collars were latered surveyed by the Koza surveyors using GNSS GPS tool. • Drillhole downhole surveys were conducted on all drillholes at 50 meters intervals.
Data density and distribution	• *Data density must be given to report Exploration Results.*	• *A statement must be given to indicate whether data density and distribution is sufficient enough to ensure geological and grade or quality continuity for Mineral Resource and/or Reserve estimation procedure and the applied categorizations, and if sample compositing has been made.* • *With regards to the deposit type, it must be explained if sampling is sufficient to define the mineralization.*	• A total of 61 drillholes totaling 20,031.20 m. have been completed in the project area. • Based on the field observations, conditions and the description of the type and geometry of the mineralized body, drill holes were angled between 22º to 90º from horizontal. • The Project is at an early stage of development, the number of drillholes and the spacing are sufficient to define an Inferred Mineral Resource. • There is sufficient sampling according to deposit type.
Reporting Archives	• *Primary data documentation, data input procedures, data confirmation, data storage (physical and electronic) must be provided to support report preparation.*		• All data are stored and validated within an electronic database. Drill data are recorded by company staff and entered into a spreadsheet then loaded into the database program (DATASHED). Assays from the laboratory are received and loaded electronically. Analysis certificates are available since 2018
Audits or Reviews	• *Results of any audit or review of sampling techniques and data should be presented and discussed.*		• The resources were audited by SRK (US), Inc. according to the JORC code.

SECTION 3 Reporting of Exploration Results (Criteria listed in the preceding sections also apply to this section.)				
Assessment Criteria	**UMREK Code Explanation**			**Commentary**
	Exploration Results	**Mineral Resources**	**Mineral Reserves**	
Mining rights and land ownership	• *Type, reference name/no., location and ownership, joint ventures, partnerships and similar agreements with third parties or material issues, historical areas, wildlife or national park and environmental conditions, conditions of other investment areas.* • *Security of the right of use at the time of reporting or reasonably expected to be given, known obstacles preventing the right of operating on site.* • *Layout plans of mining rights and ownership. Definition of a mine ownership in a technical report is not expected to be a legal opinion; it should rather be a brief and clear explanation of ownership, as perceived by the author.*			• The project is located immediately east of the Karapınar village and the lies within operation license 20101197 totaling approximately 1881 ha. • The Environmental Impact Assessment (EIA) report was approved August,15,2017 for the project • Part of the license area is in the catchment of the Atikhisar reservoir. The Atikhisar Reservoir is approximately 3.7 km. upstream from the project area. • The project area contains forest land and private properties.
Exploration works carried out by other parties	• *Acknowledgement and appraisal of surveys carried out by other parties.*			• All exploration work and drilling described in this report have been carried out by Koza
Geology	• *Explanation of the nature, details and reliability of geological information (related to rock types, structure, alteration, mineralization, and areas known to be containing mineralization etc.). Explanation of geophysical and geochemical data. Reliable geological maps and sections should be available to support comments.*			• The project is hosted by the Permian age Çamlıca Group locally composed of marble and calcschist of the Salihler and Dedetepe Formations. •Ophiolites of the Denizgören Formation have been faulted over the Çamlıca group along the Ovacık thrust fault. • These rocks are capped by andesitic flows and agglomerates of the middle Eocene Akçaalan Formation.
Mineralogy /Mineralization	• *Definition, frequency, size and other characteristics of the minerals inside the ore. Effect of the secondary and economically non-valuable minerals on the steps of beneficiating the main mineral and the variability of each significant mineral within the deposit should be indicated.*			• The Karapınar Project has been identified as a low sulfidation Au-Ag deposit. • Karapınar mineralization includes three quartz vein/silica zones, a quartz stockwork zone and a quartz breccia zone. • The main vein structure is an epithermal quartz vein hosted in schist. • Other silica structures are hosted in the metamorphic rocks or in the contact zones between volcanic and metamorphic rocks. • The different quartz vein and silica zones contain vein breccia and banded textures as well as chalcedonic and sugary quartz.
Data compositing (accumulation) methods.	• *In exploration result reporting, weighted average techniques, maximum and/or minimum grade cut (e.g. cutting of high grades), cut-off grades are generally*			• This report includes a mineral resource estimation. • Results of the exploration work has not been included in the report.

	important and must be stated. In places where composited intersections yield high- grade results over short lengths and low-grade results over longer lengths, the procedure used for such compositing must be specified, and some typical examples of such intersections should be given in detail. The Modifying Factors used for any type of reporting on metal equivalents should be clearly indicated.			
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important when reporting Exploration Results. If the relative geometry of the mineralization to drill hole angle is known, its nature should be reported. If it is not known and only drill hole dimensions have been reported, this effect must be clearly stated (e.g. 'drill hole length, actual true width not known').*			• Drillholes have been oriented to be as close as possible to perpendicular to the mineralization as possible.
Diagrams	• *Where possible, if the maps, plans and sections (scaled) and charts of intersections significantly clarify the report, then they*			• All required plans, maps and sections were included in the report by Competent Person in accordance with the UMREK Code.

	should be included for any material survey being reported.			
Balanced reporting	• *If it is not practical to report in depth all Exploration Results, one should try to report both low and high grades and/or widths, so that Exploration Results will be representative.*			• This report is prepared to announce mineral resource estimation results and does not include exploration results.
Other available exploration data	• *If other exploration data are meaningful and tangible, they should be reported as follows (not limited to them): geological observations, geophysical exploration results, geochemical exploration results, bulk samples - size and method of development, metallurgical test results, bulk density, underground water, geotechnical and rock characteristics, moisture content, potentially deleterious or contaminating conditions and characteristics.*			• 123 drill core samples were taken from HQ-PQ sizes core holes for specific gravity and moisture content. • For determination of mineral paragenesis, 19 drill core samples have been investigated and reported in 9 Eylül University Geological Engineering Faculty. • Koza has conducted Terra Spec mapping of alteration zones to better understand mineralization type and distribution at 600 samples. • 15 drill core samples have been investigated for petrography of lithological units at ARGETEST Labs. • CFT Turkey and Planetary Australia conducted 18.2 km Pole-Dipole IP and 124.2 km ground magnetic surveys completed by Koza personnel.
Additional works	• *Nature and dimension of the planned future development (e.g. additional*			• Koza plans to conduct additional drilling program at northern and southern of the mineralization development.

	exploration). Descriptions of estimated environmental liabilities			

SECTION 4 Mineral Resource and Mineral Reserve Estimations and Reporting (Criteria applicable to reporting groups as shown)				
Assessment Criteria	**UMREK Code Explanation**			**Commentary**
	Exploration Results	**Mineral Resources**	**Mineral Reserves**	
Database integrity		• *Measures taken to ensure data are not corrupted between first collection of data and being used to estimate Mineral Resource, e.g., recording and database errors. Data verification and/or validation procedures used.*		• Koza uses Datashed as database management software in order to ensure that the data is not corrupted. • Koza employ database specialists under Exploration Manager who is a competent person under UMREK. • Audit compared consistency of sections and drillhole sample data. • Audit compared assay results supplied from ALS Global & ARGETESTand database. • Database have been also independently reviewed by SRK Consulting (U.S.), Inc. at the last quarter of 2019.
Geological interpretation		• *Definition of geological model and the inferences made from this model. Estimation procedure used to ensure continuity of mineralization, and discussion of the sufficiency of the given database. Discussing alternative interpretations and their potential impact on the estimation*		• The orebody has been defined using a nominal cutoff grade of 0.2 g/t Au. • The bounding surface between the transition and sulfide material was generated using core photos, core logs and with the knowledge of the project manager. • Drillhole and surface data is utilized while resource model is created. • Extension and ongoing infill drillholes suggest that the mineralization shaping interpretation is sufficient. • Vein and vein brachia , S and Sb assemblages are guide for the Au and Ag mineralization. • There is no alternative model at this time.
Estimation and modelling techniques		• *Nature and appropriateness of the applied estimation techniques and key assumptions, including treatment of extreme grade values, compositing (included with length and/or density), interpolation parameters, maximum projection distance from data points and the final area of the estimation. Interpolation refers to estimation supported by sample data. Extrapolation refers to estimation stretching beyond areal borders of sample data. Validation refers to the existence of previous estimations and/or mining production losses and whether Mineral Resource estimation is taking these data properly into consideration. Assumptions made with regards to the recovery of by-products and other minerals which could*		• Datamine Studio RM Version 1.4.126 was used to create orebody wireframes and grade estimation. • Studio RM Advance Geostatistics module and MS Excel were used to report statistical analysis. • 2 different oxidation levels for the mineralization were defined as transition and sulphide zones. A surface wireframe was created to separate these two oxidation level and block model was divided into 2 metallurgical domains using that boundary. • Inverse power of distance squared (IPD2) was used for grade estimation. Estimation conducted on the 2 different domains individually. IPD3 and NN estimations also calculated to make a comparison. • Domains characterizes different mineralization zones which have

		possibly affect beneficiation of the ore. If block model interpolation is done, block size with relation to average sampling spacing and applied exploration. All assumptions used to establish selective mining units (e.g., non-linear kriging) modelling. Validation process, the checking process used, comparing model data with drill hole data, and use of reconciliation data, if any. • *Detailed explanation of tonnage and grade estimation (section, polygon, inverse distance, geo-statistical or other methods) and the methods used. Explaining how geological interpretation was used to control resource estimation. Discussing the basis of using or not using grade cutting or capping. If a computer method has been selected, explanation of the program and parameters used. Geo-statistical methods have multiple variations; therefore, these need to be explained in detail. The selected method has to be justified. Geo-statistical parameters (including variogram) and conformity to geological interpretation need to be discussed. Experience from geo-statistical methods applied to similar deposits must be taken into account.* • *Variation of length (along the layer/seam direction or the other way), plan width and upper and lower limits of mineral resource as a sub-surface depth to the Mineral Resource.* • *All metals (or other components) to be treated (including those deemed to be dump material) must be indicated. A statement must be added to indicate that there are no other deleterious minerals that need to be separated or if otherwise describe a mitigation plan*	different Au distribution and average grade. Extreme grades capped for each domains separately. 6 g/t Au grade were used as cap value for both zone. Outliers were defined using scatter plot, probability plots and quantile analyses. • Koza conducted an investigation of sample lengths to determine the compositing length. The sample length distribution has been plotted on frequency charts to analyze the distribution and aid in the designation of an appropriate composite length. It has been seen that 88.9% of samples are 1 meter in length or less and 1 meter has been chosen as composite length. • An omni-directional search ellipse was used in 3 passes for interpolation. 50x50x50 meters ellipse was used for the 1st pass with minimum number of 12 samples, 75x75x75 meters was used for the 2nd pass with minimum 12 samples and finally a 100x100x100 meters ellipse was used for the 3rd pass with minimum 10 samples. All search passes are restricted as maximum 5 samples per drillholes. • As and S grades were also estimated into block model • Parent cell estimation was utilized using cell dimensions of 10x20x10 in XYZ respectively. The blocks are orthogonal and have not been rotated. Cell discretization was used as a grid of 3x6x3 to ensure a more representative estimate. Domain control was also applied to ensure appropriate sample selection during the estimates. Subcell sizes are 1 meter in all directions as selective mining unit (SMU). • Block model verification has been undertaken by comparison of block grades to composite grades, comparison of different interpolation techniques (ID2,ID3,NN), creating swath plots in all directions and reviewing section by section visually.
Metal equivalents or other combined representation of other multiple components		• *In any report containing reference to metal equivalents (or other content equivalents), the following minimum data must conform to these principles:* *Individual assays for all metals included in the metal equivalent calculation;* ○ *Assumed commodity prices for all metals. (Companies should declare the actual assumed sales prices.) Discussion of the spot price is not sufficient when declaring the price used for calculating metal equivalent.)* ○ *For all metals, metallurgical test results and basis from which assumed recoveries have been derived (metallurgical test study, detailed mineralogy, similar deposits etc.);*	• There are no metal equivalent calculation at Karapinar project.

		○ *A clear statement indicating it is the company's opinion that all the elements involved in metal equivalent calculation have a reasonable potential of recovery and sale; and* ○ *Calculation formula.* • *In many cases, the metal selected for equivalent based reporting, should be the one that has contributed most to the metal equivalent calculation. If this is not the case, a clear explanation for choosing another metal must be included in the report.* • *Estimations of metallurgical recoveries for each metal are particularly important. In many projects, metallurgical test data may not be available during the Exploration Results stage or may not be estimated with reasonable confidence.* • *In general, overall metal recoveries are calculated on the basis of a flowsheet showing the mass balance. This should be indicated by the test work, and it should be shown that results are related to the ore body in question and is not just the sample treated.*	
Cut-off grades and parameters		• *The basis of the applied cut-off grades or quality parameters must be included (if possible, including the basis of the equivalent metal formula). The cut-off grade parameter can also be expressed as economic value per block, instead of grade.*	• Open pit resources are inside the pit optimization shell and are stated at a cut-off grade of 0.20 g/t Au for transition and 0.43 g/t for sulphide due to different recovery values of the metallurgical domains. The gold price is US$1500/oz, process cost of $S4.98/t and gold recovery of 65% for transition and 30% for sulfide.
Tonnage Factor/In Situ Bulk Density		• *Must indicate whether assumed or determined. If assumed, the basis of assumptions. If determined, the method used, frequency of measurements, nature, size and representation reliability of samples.*	• Bulk density determinations are made on selected diamond drill samples. A total of 43 HQ sized samples were collected from 10 drillholes. All the used samples for density determination are within the orebody. • Initial determinations using Archimedes method were made. Core was covered with wax to preserve pore space and the samples were weighed in water and air. • Outliers were taken out the data set and 2.43 g/cm3 has been determined as initial density. This measurement has been considered appropriate for using in the block model.
Mining factors or assumptions		• *Appropriateness of the recommended mining method and mineralization type, minimum mining*	• *Methods and assumptions made for converting the Mineral Resource into a Mineral Reserve (through application of appropriate*	• Only Open pit mining method is adopted at this stage when the mineralization shaping, average grade and topography are considered. • Internal and external mining dilutions is negligible quantity when the estimated block were considered and will be reconsidered after infill

		dimensions and internal (or external, if applicable) mining dilution to be indicated. It is not always possible to make detailed assumptions related to mining factors, when estimating Mineral Resources. Basic assumptions are required to determine reasonable prospects for eventual economic extraction. These would include access issues (boreholes, inclined shafts etc.), geotechnical and hydrogeological parameters (pit slopes, stope dimensions etc.), infrastructure requirements and estimated mining costs. All assumptions must be clearly indicated.	*factors, through optimization or through preliminary or detailed design). Relevant design issues, selection, nature and appropriateness of mining parameters including pre-strip, access etc. and mining method. Geotechnical parameters and hydrogeological regime (e.g., pit slopes, stope sizes, dewatering methods and requirements etc.), grade control and assumptions made through drilling prior to production. Main assumptions made and the Mineral Resource model used for pit optimization (if appropriate). Mining dilution factors, mining recovery factors and minimum mining widths used and the infrastructure requirements of the mining methods selected. Historic reliability of performance parameters, if applicable.*	drilling program. • Detailed geotechnical and hydrogeological studies for pitshell area haven't been started yet at this stage • A resource pit shell was used to contain the resource tonnage. The overall slope angles for resource pitshell were taken 42^0 as an assumption. Mining costs are Koza Gold's current costs. The gold price is $1600/oz. and the gold recovery and process cost are listed above and mining cost of US$ 2.3 m^3
Metallurgical factors or assumptions		• *The proposed metallurgical process and its appropriateness to the style of mineralization. It is not always possible to make detailed assumptions related to metallurgical factors, when estimating Mineral Resources. Basic assumptions are required to determine reasonable prospects for eventual economic extraction. Availability of metallurgical tests,*	• *The proposed flowsheet and the appropriateness of these processes to the mineralization of the deposit. Whether the process is unique or incorporates well-tested technology previously used on the type of mineral deposit. Nature, quantity and representativeness of the metallurgical tests. Existence of bulk samples or pilot-scale test studies, and the capability of these tests and test results to represent the*	• Preliminary metallurgical testwork were completed at Koza Gold's metallurgy laboratory. • Metallurgical samples were selected by resource geologist to be sure that the samples are characteristic in terms of reflecting the mineralization. • Samples were taken domain bases and the samples are characteristic in lithology that lies in the wireframe, assay results (Au, As and S) and spatial distribution in the mineralization. • Fine and coarse bottle roll tests were made with the reject samples. • Fine bottle roll tests suggest for transition and sulphide zones gold recovery of 79% and 37% respectively • Coarse bottle roll tests suggest for transition and sulphide zones gold recovery of 65% and 30% respectively. • Coarse bottle roll test results were used for all recovery assumption (cutoff grade calculation and pitshell optimization).

		recovery factors, allowances for by-product credits or deleterious minerals or elements, infrastructure requirements and estimated processing costs can be given as examples. All assumptions should be clearly indicated. The exact definition of minerals, or the required assays to ensure appropriateness of the process, and all unwanted or possible by-products should be revealed, and appropriate process steps should be included in the flowchart.	*whole ore characteristics. Metallurgical recovery and any upgrading factors used and their relevance to those defined in test studies. All assumptions and allowances for deleterious minerals or elements affecting the process or their variability within the mine must be indicated. Environmental, health and safety risks for each section of the flowsheet and the planned mitigations to overcome these risks must be detailed.* • *Tonnages and grades reported for Mineral Reserve, and whether they are related to the material delivered to the facility or to the resulting recovered material, must be indicated. Comments must be made with regards to the appropriateness of usage of the existing equipment in the facility within the recommended life of the mine.*	
Mineral Resource estimation for Mineral reserve conversion			• *Declaring the Mineral Resource estimation used as a basis for Mineral Reserve conversion. Clear statement whether Mineral Reserves have been reported as part (inclusive) of Mineral Resources.*	• There is no mineral reserve estimation.
Cost and revenue factors		• *State basis for assumptions.* • *Currency, exchange rates and dates of estimates. See Table 2.*	• *The derivation of the assumptions made in relation to the project capital and operating costs. Assumptions made for revenues including the main*	• Current costs of Koza Gold's operating mines were used for cost assumption. • Currency is used as USD • The exchange rate used for financial analysis was TRY:USD of 6.5:1.

			grade(s), metal or commodity prices, foreign exchange rates, transportation and treatment charges, penalties etc. The allowances made for royalties payable according to state and private rights. Basic cash flow inputs for a given period. See Table 2.	
Market assessment			• *Demand, supply and stock situation for a particular mineral, consumption trends and factors that could possibly affect supply and demand. Defining the market framework, and following customer and competitor analysis, possible price and volume estimations for products and the basis for these estimations. Market assessment may indicate that minerals cannot be sold in the produced quantities; hence reserve estimations might be needed to be revised.*	• There is no any market assessment for precious metals.
Other		• *All obstacles such as land access, environmental or legal permits, potentially affecting mining. Location plans of mineral rights and titles.*	• *Impacts of natural risk, infrastructure, environmental, legal, marketing, social or governmental factors on the possible viability of the project and/or classification and estimation of Mineral Reserves. Conditions of important ownerships and approvals related to the construction of the project, mining leases, discharge permits, government or statutory approvals etc.*	• There are no obstacle such as land access, environmental or legal permits, potentially affecting mining. • There are operating mine and advanced projects in the district.

			Environmental obligations. Site plans of Mine State rights and ownership.	
Classification		• *Basis of classification of the Mineral Resources into varying confidence categories. Whether all relevant factors have been properly included in the calculation, e.g., relative confidence in tonnage/grade calculations, continuity of geology and distribution of metal values, quality, quantity and data. Does the resultant categorization properly reflect the Competent Person's opinion of the deposit?*	• *Basis of classifying Mineral Reserves into various confidence classes. Does the resultant classification properly reflect the Competent Person's opinion on the deposit? The portion of the Probable Mineral Reserves derived from Measured Mineral Resources (if any).*	• Resource was stated as inferred at this stage considering confidence on geology and drill spacing.
Audits and reviews		• *Audit or review results of Mineral Resource estimations.*	• *Audit or review results of Mineral Reserve estimations.*	• The resource estimation was conducted by Gokhan Egehan who has been serving as a Senior Resource Geologist at Mine Geology and Resource Department of Koza Gold. • Reporting of the exploration results and QA/QC were audited by Gökhan Çiçek who is a competent person under UMREK. Gökhan Çiçek has been serving as Exploration Manager at Koza Gold and he is Professional Member of YERMAM. • The resource estimation was audited by Gökhan Bal, Mine Geology and Resource Manager with Koza Gold. Gökhan Bal is a competent person under UMREK and JORC Code being Professional Member of YERMAM and Member of AUSIMM. • The resource estimation was also independently audited by Leah Mach, Principal Resource Geologist with SRK Consulting (U.S.), and Inc. in accordance with JORC.
Discussion of relative accuracy/confidence		• *Where applicable, a statement for relative accuracy and/or confidence for the Mineral Resource and Mineral Reserve estimation, by using an approach or procedure deemed to be appropriate the Competent Person. As an example, application of statistical or geo-statistical procedures to quantify the relative accuracy of the reserve within the*		• Estimated IPD2 grades were compared to IPD3 and NN grades to check for bias. NN and IPD grade are very close to each other. • Sample grades and block grade comparison were completed and considered within acceptable ranges. • Local grade comparison were performed by using swath plot along X, Y and Z axis for the blocks.

		stated limits of a confidence category or, if such an approach is not possible, qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimation. Is the statement related to global or local estimations, and if local, indicate the tonnages and volumes which need to be related to technical and economic assessment? Documentation should include the assumptions made and the procedures used. Where the statements of relative accuracy and confidence of the estimation are accessible, estimation should be compared to production data. Discussing the tests of the production sequence by conditional simulation on the uncertainty of the tonnages and grades of production increments.	• Tonnage-grade curves were investigated for the sensitivity analyses.