A PERSPECTIVE ON MINING AND CORPORATE SOCIAL RESPONSIBILITY PROJECTS

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MINING IS A PIONEERING SECTOR

Mining activities tend to accelerate the social, cultural and economic development of their immediate areas.
Corporate social responsibility projects play an increasingly major role in enabling companies to express themselves and explaining their positions in the face of harsh and unfounded criticisms.
COMMUNICATION WITH LOCAL PEOPLE

The corporate social responsibility projects for the mining sector start at the very onset of the mining activities, i.e., at the field exploration stage. Establishing reliable communication with the people living near the exploration sites is a main driver for corporate social responsibility projects.
PUBLIC RELATIONS

➢ FOR THE LOCAL COMMUNITY

• Meetings in village coffehouses
  – Providing information about the Mining Sector
  – Regular information meetings and presentations about the project
  – Discussing high profile events (good news and bad news)

• Visiting other mines with villagers

• Relations with NGO’S
  - Regularly information meetings and presentations about the project

➢ FOR THE LOCAL PRESS

• Regularly information meetings and visiting project area
VISITS TO SIMILAR PROJECTS WITH THE VILLAGERS

Inmet Mining, Copper and Zinc Mine – Çayeli, Rize
CORPORATE SOCIAL RESPONSIBILITY PROJECTS

1. RESIDENTIAL AREAS AROUND THE PROJECT AREA
   • Support for infrastructure services (potable water, sewage, road etc.)
   • Environmental Projects
   • Support to on going agricultural activities
   • Support to health services
   • Support to educational institutions
   • Support to disadvantaged groups

2. AROUND THE COUNTRY
   • Support to the national information campaigns across the country
PRIORITIES IN THE CSR PROJECTS

- The expectations of the local community, in the areas of public health and safety, are always included in the project criteria.

- Local environmental priorities are taken into consideration.

- Participation of the local economy in the project is a must.
FACT SHEET – KIŞLADAĞ

- RECEIVED ENVIRONMENTAL POSITIVE CERTIFICATE IN Q2 2003
-POURED FIRST GOLD IN Q2 2006
- PROVEN + PROBABLE RESERVES: 327 TONNES AT 0.71 g/t
- PRODUCED GOLD: ~50 TONNES (since first gold poured till today)
- ANNUAL PRODUCTION: 12.5 MILLION TONNES
- ROYALTY PAYED TO TREASURY FOR 2012 IS 4,000,000 USD
- ROYALTY PAYED TO USAK FOR 2012 IS 4,000,000 USD
- RENTAL FEE PAYED TO FORESTRY FOR 2012 IS 1,150,000 USD
- NUMBER OF EMPLOYEES: ~1000

** CORPORATE TAX PAYED ABOUT 62 MILLION USD IN 2012**
SUPPLY OF POTABLE WATER TO VILLAGES

COST: 430,000 USD

Scale: 1/50,000
CONSTRUCTION OF SEWAGE SYSTEM FOR VILLAGES

COST: 700,000 USD
MOBILE HEALTH SCREENING CLINIC - USAK

COST: 189,000 USD
HEMODIALYSIS CENTER – ESME COUNTY

COST: 55,000 USD

Eşme – Project Area: 25 km
TAR & GRAVEL TO THE VILLAGE ROADS

COST: 500,000 USD
BUILDING A CLASSROOM FACILITY FOR USAK UNIVERSITY

COST: $4,500,000 USD

University – Project Area: 55 km
PLAYGROUND FOR GUMUSKOL VILLAGE

COST: 5,000 USD
VILLAGE WEDDING HALL – KATRANCILAR VILLAGE

COST: 45,000 USD

Katrancilar– Project Area: 2.5 km
CONSTRUCTION OF WEDDING HALL– GUMUSKOL VILLAGE

COST : 160,000 USD
MEMORIAL FOREST WITH 72,000 SAPLINGS

COST: $45,000
CHANGES IN LIVESTOCK NUMBERS IN VILLAGES SURROUNDING KİŞLADAĞ MINE

<table>
<thead>
<tr>
<th>Eşme County</th>
<th>Km</th>
<th>Ulubey County</th>
<th>Km</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHMETLER</td>
<td>7</td>
<td>KİŞŁA</td>
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<tr>
<td>EMİRLİ</td>
<td>6</td>
<td>GÜMÜŞKOL</td>
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<td>KOCABEY</td>
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<td>İNAY</td>
<td>8</td>
</tr>
<tr>
<td>KARACAÖMERLİ</td>
<td>9</td>
<td>GEDİKLER</td>
<td>6</td>
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<tr>
<td>BEKİSLİ</td>
<td>4</td>
<td>SÖZÜTLÜ</td>
<td>4</td>
</tr>
</tbody>
</table>
CHANGE IN CROP PRODUCTION OF TOP FOUR CROPS IN EŞME AND ULUBEY COUNTIES 2012/2006 %

Change in Production (tonnes) of Top Four Crops 2012/2006 %

- Barley
- Durum
- Tobacco
- Sesame
- Barley
- Durum
- Wheat
- Tobacco

0% +50% +100% +150% +200% +250% +300% +350% +400%
### Changes in Cattle Numbers and Genetics 2006-2011

<table>
<thead>
<tr>
<th>Mine Area Communities</th>
<th>Culture as % of Total Cattle 2011</th>
<th>Culture as % of Total Cattle 2006</th>
<th>Increase in Total Cows 2011/2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uşak</td>
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</tr>
<tr>
<td></td>
<td>Culture as % of Total Cows 2011</td>
<td>Culture as % of Total Cows 2006</td>
<td>Increase in Total Cows 2011/2006</td>
</tr>
<tr>
<td>Ulubey</td>
<td>Culture as % of Total Cows 2011</td>
<td>Culture as % of Total Cows 2006</td>
<td>Increase in Total Cows 2011/2006</td>
</tr>
<tr>
<td>Eşme</td>
<td>Culture as % of Total Cows 2011</td>
<td>Culture as % of Total Cows 2006</td>
<td>Increase in Total Cows 2011/2006</td>
</tr>
</tbody>
</table>

- Increase in Total Cows 2011/2006:
  - Uşak: +200%
  - Ulubey: +150%
  - Eşme: +200%
TOTAL BEE HIVES IN VILLAGES SURROUNDING KİŞLADAĞ MINE

Start of Mine Construction

Start of Gold Production
FACT SHEET – EFEMÇUKURU

• RECEIVED ENVIRONMENTAL POSITIVE CERTIFICATE IN Q3 2006
• POURED FIRST GOLD IN Q3 2011
• PROVEN + PROBABLE RESERVES: 46 TONNES AT 9.13 g/t
• PRODUCED GOLD: ~3 TONNES (since first gold poured till today)
• ANNUAL PRODUCTION: 600,000 TONNES
• ROYALTY PAID TO TREASURY FOR 2012 IS 705,000 USD
• ROYALTY PAID TO IZMIR FOR 2012 IS 705,000 USD
• RENTAL FEE PAID TO FORESTRY FOR 2012 IS 605,000 USD
• NUMBER OF EMPLOYEES: ~400

** CORPORATE TAX PAID ABOUT 62 MILLION USD IN 2012
SUPPORT TO THE GIRLS EDUCATION – EFEMCUKURU VILLAGE

COST: 150,000 USD
GRAPH OF EDUCATION RATIO BY THE PROJECT DURATION

- High School Students
- University Students

Number of students (Graduate and continues)

Years:
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012

EIA
CONSTRUCTION
OPENING PERMIT
PPRODUCTION
SUPPORT TO THE NURSERY CLASSES– EFEMCUKURU VILLAGE

COST: 20,000 USD
FINANCIAL SUPPORT TO THE CAMPAIGN FOR REDUCING VIOLENCE AT SCHOOLS

COST: 326,000 USD
FURNITURE & COMPUTER SUPPORT FOR COMPUTER ROOM IN MINING ENGINEERING AND GEOLOGY DEPARTMENT - UNIVERSITY OF DOKUZ EYLÜL

COST: 90,000 USD

University– Project Area: 40 km
MODERN VINEYARD NEAR THE PROJECT AREA

Vineyard Project
• 10 ha planted in cabernet, merlot, shiraz, chardonnay
• 60 ha of table grapes
• 2012 yield 7.5t wine grapes 20t table grapes

COST: 1,900,000 USD
COMMUNITY HOUSE– EFEMCUKURU VILLAGE

COST: 30,000 USD
DONATING FIRE PONDS

COST: 220,000 USD
## CSR PROJECT BUDGETS BY YEAR

### DONATION COSTS - KISLADAG GOLD MINE

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>20,000 USD</td>
</tr>
<tr>
<td>2006</td>
<td>550,000 USD</td>
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<tr>
<td>2007</td>
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<tr>
<td>2008</td>
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<td>2009</td>
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<tr>
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<tr>
<td>2011</td>
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<tr>
<td>2012</td>
<td>400,000 USD</td>
</tr>
<tr>
<td>2013</td>
<td>7,500,000 USD *</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12,110,000 USD</strong></td>
</tr>
</tbody>
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### DONATION COSTS - EFEMCUKURU GOLD MINE

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2006</td>
<td>48,000 USD</td>
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<tr>
<td>2007</td>
<td>115,000 USD</td>
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<tr>
<td>2008</td>
<td>325,000 USD</td>
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<tr>
<td>2009</td>
<td>210,000 USD</td>
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<tr>
<td>2010</td>
<td>370,000 USD</td>
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<tr>
<td>2011</td>
<td>160,000 USD</td>
</tr>
<tr>
<td>2012</td>
<td>260,000 USD</td>
</tr>
<tr>
<td>2013</td>
<td>1,200,000 USD *</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,688,000 USD</strong></td>
</tr>
</tbody>
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* Approximate value by the end of the year
....WE ARE WORKING FOR
THE GOLDEN FUTURE OF WORLD...

THANK YOU...