CVK MADEN İŞLETMELERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARY

CONVIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 DECEMBER 2023
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
(ORIGINALLY ISSUED IN TURKISH)

TABLE OF CONTENTS PAGE

INDEPENDENT AUDITOR'S REPORT

CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi
Board of Directors and General Assembly
Istanbul, Turkey

A. Independent Audit of Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi (the "Parent Company" and/or the "Company") and its subsidiary (together the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi and its subsidiary as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the "Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements" section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3.Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the periods subject to audit. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Key Audit Matter	How the issue was addressed in the audit
Recoverability of Trade Receivables As of December 31, 2023, trade receivables amounting to TRY 186.647.280 in the consolidated financial statements constitute a significant portion of total assets. In addition, impairment allowances for trade receivables are recognized based on estimates based on guarantees received from customers, past payment performance and creditworthiness of customers and maturity analysis of receivable balances. These estimates are highly sensitive to expected future market conditions. For these reasons, the recoverability of these receivables is an important issue for our independent audit. The Group's accounting policies and amounts related to trade receivables are disclosed in Notes 2.c, 9 and 31.	During our audit, we performed the following audit procedures related to the recoverability of trade receivables; - Understanding the Group's process for collection follow-up of trade receivables and evaluating the operational effectiveness of the internal controls involved in the process, - Analytical analysis of the receivables aging study and comparison of the collection turnover rate with the previous year, - Investigating whether there are any disputes or lawsuits regarding collection and obtaining information from legal advisors regarding ongoing debt follow-up cases, - Testing of trade receivable balances through sampling by sending verification letters, - Sample testing of collections in the subsequent period, - Evaluating the adequacy of the disclosures in the notes to the consolidated financial statements regarding the recoverability of trade receivables. As a result of these studies on the recoverability of trade receivables, we did not have any significant findings.

Key Audit Matter	How the issue was addressed in the audit
Capitalized Mining Assets The Group capitalizes expenditures in the following cases; -Development costs incurred on mining properties, where it is probable that future economic benefits will flow to the Group from the mine, the costs can be identified and measured reliably for specific mining areas, -Direct costs incurred during the stripping work that facilitates access to the defined portion of the ore in each pit ore deposit during the period and the general production costs associated with the stripping work, -Costs of reclamation, rehabilitation and closure of the mine sites in their current condition due to mine site development activities and production in the pit; the value of the provision for the highly probable expenses to be spent during the closure and rehabilitation of the mines as of the statement of financial position date. The share of the capitalized mining properties in the consolidated financial statements as at 31 December 2023 and the significant judgments and assumptions involved in the capitalization of the related costs are significant to our audit and, accordingly, we have identified this matter as a key audit matter. Detailed explanations on capitalized mining assets are provided in Notes 2.c and 18.	During our audit, we performed the following audit procedures related to capitalized mining assets; -Assessment of the content of mining assets capitalized in relation to each mine site, -Interviews with managers in the Group's departments responsible for mining sites, -Detailed testing of development, stripping and rehabilitation costs, Document-based testing of mining assets through sampling, -Questioning the appropriateness of the information in the consolidated financial statements and explanatory notes. As a result of these studies on the capitalization of mining assets, we did not have any significant findings.

Key audit topic	How the issue was addressed in the audit
Revaluation of Property, Plant and Equipment As at December 31, 2023, property, plant and equipment represents a significant portion of total consolidated assets. The Group's property, plant and equipment (excluding mining exploration costs) are carried at fair value in the accompanying consolidated financial statements based on the valuation reports prepared as of December 31, 2023. The valuation methods applied include significant estimates and assumptions. For these reasons, the revaluation of these tangible fixed assets (excluding mining exploration costs) is an important matter for our independent audit. Explanations on the accounting policies and amounts of the Group's property, plant and equipment mentioned above are provided in Notes 2.c and 18.	During the course of our audit, we re-assessed the reasonableness of the significant judgments and assumptions used in the valuation reports by the independent valuation company appointed by the Group in relation to the revaluation of property, plant and equipment (excluding mining exploration costs), together with the independent valuation company appointed by us as independent auditors, by applying the following procedures; -Assessment of the licenses, competencies and impartiality of the real estate appraisers appointed by the Group management, -Testing the appropriateness of the methods used by valuation experts in valuation reports, -Checking the reconciliation of the values appraised by the valuation experts in the valuation reports with the amounts disclosed in Note 18, -Whether the values assessed by the valuation expert are within a reasonable range. As a result of these studies on revaluation of property, plant and equipment (excluding mining exploration costs), we did not have any significant findings.

Key Audit Matter	How the issue was addressed in the audit
Revenue Recognition The Group's main revenue streams mainly consist of sales of ore and royalty income. Revenue is recognized on an accrual basis at the time deliveries are made, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of the consideration received or receivable. Net sales are presented by deducting returns, discounts and commissions from the sales of goods from the sales amount of goods. The recognition of revenue and profit for the accounting period in which the product is sold depends on an appropriate assessment of whether the product is linked to the sales contract. Due to the nature of the Group's operations, there may be cases where the service is completed and invoiced to the customer, but the risks and rewards of ownership have not yet passed to the customer because the obligation regarding the form of commercial delivery has not yet been met. In accordance with the principle of periodicity of sales, the Group is required to make assessments regarding the recognition of revenue in the correct period for such products. Due to the complexity of commercial contracts, revenue recognition has been identified as a key audit matter as it requires significant judgment in selecting the accounting basis for each situation and recognizing revenue in the correct period. Refer to Note 2 Revenue for details of the accounting policies and significant accounting estimates and assumptions used in revenue recognition.	Our audit procedures in this area include the following: -Evaluation of the effectiveness of key internal controls over revenue recognition in the consolidated financial statements, -Evaluating the appropriateness of revenue recognition in accordance with accounting policies and the recognition of revenue in the consolidated financial statements in the appropriate financial reporting period by examining the transfer of risks and rewards through the sales documents received for the sales transactions selected by the sampling method, -Evaluating the timing of the recognition of merchandise and software revenue in the consolidated financial statements for different arrangements by examining the commercial terms provisions in contracts with customers, -Submission of reconciliation for trade receivables selected by sampling method and checking their compliance with the consolidated financial statements, -Analytical reviews to detect the existence of unusual transactions. As a result of these studies on revenue, we did not have any significant findings.

Key Audit Matter	How the issue was addressed in the audit
TAS 29 "Financial Reporting in Hyperinflationary Economies Reporting" Application Since the Group's functional currency (Turkish Lira) is considered to be the currency of a hyperinflationary economy as of December 31, 2023, the Group has adopted "TAS 29 Financial Reporting in Hyperinflationary Economies" ("TAS 29") (Note 2). TAS 29 requires that current and prior period financial statements be restated to reflect the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period have been restated to reflect the current price index as at December 31, 2023. The Group has also restated the statements of financial position as at December 31, 2022 and the statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year ended December 31, 2022 in accordance with TAS 29. In accordance with the guidance in TAS 29, the Group has used the Turkish consumer price indices to prepare its inflation-sensitive consolidated financial statements. The principles applied for inflation adjustment are explained in Note 2. Given that TAS 29 has a significant effect on the consolidated financial statements, both on a widespread and consistent basis, and involves management estimates, the application of TAS 29 was considered a key audit matter. The Group's accounting policies related to "TAS 29 Financial Reporting in Hyperinflationary Economies" are explained in Note 2.a.	Our audit procedures in this area include the following: -Understanding the process, review and assessment of controls related to the application of TAS 29 designed and implemented by Group management, -Checking whether the distinction between monetary and non-monetary items made by the Group management is made in accordance with TAS / TFRS, Obtaining detail lists of non-monetary items and testing the original cost and purchase dates using the sample method by comparing with supporting documentation, -Assessing the appropriateness of the judgments used by the Group's management against current practices and checking that they are used consistently in each period, -Testing the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute; testing the restatement of non-monetary items, consolidated statement of profit or loss and consolidated statement of cash flows for inflation effects and mathematical accuracy, -Assessing the adequacy of the disclosures in the notes to the financial statements in accordance with TFRSs as a result of the application of TAS 29, As a result of these studies on the application of TAS 29 "Financial Reporting in Hyperinflationary Economies", we did not have any significant findings.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the regulations issued by the Capital Markets Board ("CMB") and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards TAS/TFRS issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with IAS's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with IAS's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also consider:

i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control).

ii) Assess internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

iii) We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained,a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have communicated to those charged with governance that we comply with the ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may reasonably be thought to have an impact on our independence and, if applicable, related precautions.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the consolidated financial statements of the current period, that is, key audit matters. We may decide not to disclose a matter in our auditor's report if the matter is not permitted by law or in very exceptional circumstances where the adverse consequences of disclosure could reasonably be expected to outweigh the public interest in disclosure.

B. Report on Other Obligations Arising from Legislation

1- In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code ("TCC"), nothing has come to our attention that may cause us to believe that the Parent Company's bookkeeping activities for the period January 1 - December 31, 2023 are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

2- Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors made the necessary disclosures and provided the documents requested within the scope of the audit.

3- Pursuant to paragraph four of Article 398 of the TCC Pursuant to paragraph 4 of Article 398 of the TCC, the Auditor's Report on the Early Detection of Risk System and Committee was submitted to the Parent Company's Board of Directors on May 02, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Ömer Çekiç.

Ram Bağımsız Denetim ve Danışmanlık Anonim Şirketi
Member firm of ShineWing International

Ömer Çekiç
Managing Partner

May 02, 2024
Istanbul, Turkey

		Current period	**Prior Period**
		Audited	**Audited**
	Footnote References	**31.12.2023**	**31.12.2022**
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	779.727.307	119.629.810
Financial Investments	7	4.130.000	165.694
Trade Receivables	9	186.647.280	215.814.767
- Trade receivables from related parties		-	-
- Trade receivables from third parties		*186.647.280*	*215.814.767*
Other Receivables	10	31.712.316	8.545.746
- Other receivables from related parties		-	-
- Other receivables from third parties		*31.712.316*	*8.545.746*
Inventories	12	362.349.655	125.075.030
Prepaid Expenses	14	29.601.304	69.692.912
- Prepaid expenses to related parties		-	*9.976.905*
- Prepaid expenses to third parties		*29.601.304*	*59.716.007*
Other Current Assets	13	94.972.053	14.039.632
TOTAL CURRENT ASSETS		**1.489.139.915**	**552.963.591**
NON-CURRENT ASSETS			
Other Receivables	10	2.422.177	3.185.126
- Other receivables from related parties		-	-
- Other receivables from third parties		*2.422.177*	*3.185.126*
Right of Use Assets	16	13.427	174.596
Investment Properties	19	37.877.212	-
Tangible Fixed Assets	18	2.906.743.626	2.057.057.171
Intangible Assets	17	8.255.923	8.460.416
Prepaid Expenses	14	331.664.537	2.722.049
TOTAL FIXED ASSETS		**3.286.976.902**	**2.071.599.358**
TOTAL ASSETS		**4.776.116.817**	**2.624.562.949**

The accompanying notes are an integral part of these tables .

CVK MADEN İŞLETMELERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Amounts expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of December 31, 2023, unless otherwise stated).

	Footnote References	Current period Audited 31.12.2023	Prior Period Audited 31.12.2022
LIABILITIES			
CURRENT LIABILITIES			
Short Term Borrowings	8	166.587.336	95.156.683
Short-term portion of long-term borrowings	8	22.738.288	54.753.740
Trade Payables	9	422.280.671	96.682.608
- Trade payables to related parties		*95.281.525*	*76.427*
- Trade payables to third parties		*326.999.146*	*96.606.181*
Employee Benefit Payables	11	8.056.287	5.639.239
Other Payables	10	8.685.647	31.078.377
- Other payables to related parties		-	*21.634.824*
- Other payables to third parties		*8.685.647*	*9.443.553*
Deferred Income	15	27.614.628	10.863.561
Current Period Profit Tax Liability	29	26.067.259	35.576.330
Short Term Provisions		28.517.272	19.219.929
- Provisions for employee benefits	21	*3.539.767*	*2.421.279*
- Other short term provisions	20	*24.977.505*	*16.798.650*
TOTAL CURRENT LIABILITIES		**710.547.388**	**348.970.467**
NON-CURRENT LIABILITIES			
Long Term Borrowings	8	9.909.922	30.762.933
Other Payables	10	672.042	1.226.861
- Other payables to related parties		-	-
- Other payables to third parties		*672.042*	*1.226.861*
Deferred Income	15	269.930	913.885
Long Term Provisions		34.635.448	28.405.107
- Provisions for employee benefits	21	*7.808.624*	*8.992.124*
- Other long term provisions	20	*26.826.824*	*19.412.983*
Deferred Tax Liability	29	437.721.458	350.109.171
TOTAL NON-CURRENT LIABILITIES		**483.208.800**	**411.417.957**
TOTAL LIABILITIES		**1.193.756.188**	**760.388.424**
SHAREHOLDERS' EQUITY			
Parent Company's Equity		**3.532.412.328**	**1.837.997.074**
Paid-in Capital	22.1	42.000.000	35.000.000
Capital Adjustment Differences	22.1	164.019.214	161.007.476
Not to be Reclassified to Profit or Loss			
Accumulated Other Comprehensive Income or Expense		365.322.135	(178.325)
Gain (Loss) on Remeasurement		*365.322.135*	*(178.325)*
- Gain on remeasurement of defined benefit plans (Losses)	22.4	*(383.900)*	*(178.325)*
- Revaluation of Property, Plant and Equipment Increases/Decreases	22.5	*365.706.035*	-
Share Premiums/Discounts	22.6	1.017.061.835	-
Restricted Reserves	22.2	12.223.816	5.261.896
Retained Earnings	22.3	1.629.944.107	1.006.043.481
Net Profit / Loss for the Period	30	301.841.221	630.862.546
Minority Interests	22.7	**49.948.301**	**26.177.451**
TOTAL SHAREHOLDERS' EQUITY		**3.582.360.629**	**1.864.174.525**
TOTAL LIABILITIES AND EQUITY		**4.776.116.817**	**2.624.562.949**

The accompanying notes are an integral part of these statements.

	Footnote References	Current period Audited 01.01.- 31.12.2023	Prior Period Audited 01.01.- 31.12.2022
PROFIT OR LOSS PORTION			
Revenue	23.1	1.778.765.813	1.896.442.763
Cost of Sales	23.2	(983.619.755)	(861.780.954)
GROSS PROFIT / (LOSS)		**795.146.058**	**1.034.661.809**
General Administrative Expenses	25.1	(60.274.857)	(18.455.274)
Marketing Expenses	25.2	(134.881.110)	(221.947.729)
Other Operating Income	26.1	100.371.510	66.239.695
Other Operating Expenses	26.2	(127.297.925)	(89.862.223)
OPERATING PROFIT / (LOSS)		**573.063.676**	**770.636.278**
Income from Investing Activities	27.1	69.002.493	5.378.488
Expenses from Investing Activities	27.2	(46.442.251)	(5.960.700)
BEFORE FINANCIAL INCOME / (EXPENSE) OPERATING PROFIT / (LOSS)		**595.623.918**	**770.054.066**
Finance Income	28.1	230.724.342	36.637.908
Finance Expenses (-)	28.2	(31.006.662)	(41.026.199)
Monetary Gain / (Loss), net		(393.473.940)	85.666.450
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**401.867.658**	**851.332.225**
Tax Income / (Expense) from Continuing Operations		**(88.481.958)**	**(214.829.886)**
Current Period Tax (Expense) / Income	29	(125.016.327)	(120.285.590)
Deferred Tax (Expense) / Income	29	36.534.369	(94.544.296)
PROFIT / (LOSS) FOR THE PERIOD		**313.385.700**	**636.502.339**
Distribution of Profit / (Loss) for the Period			
Non-controlling Interests	30	11.544.479	5.639.793
Parent Company Shares	30	301.841.221	630.862.546
Earnings per Share	30	**7,53**	**1.802,46**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS
31 DECEMBER 2023 AND 2022

(Amounts expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of December 31, 2023, unless otherwise stated).

	Footnote References	Current period Audited 01.01.-31.12.2023	Prior Period Audited 01.01.-31.12.2022
PROFIT / (LOSS) FOR THE PERIOD		**313.385.700**	**636.502.339**
OTHER COMPREHENSIVE INCOME / (EXPENSES)			
Items not to be reclassified to profit or loss		**377.726.831**	**(181.882)**
Gain (Loss) on Remeasurement of Defined Benefit Plans	21	(286.452)	(227.352)
Revaluation Increase on Property, Plant and Equipment	18	502.159.939	-
Taxes on other comprehensive income not to be reclassified to profit or loss		(124.146.656)	45.470
- Deferred Tax Expense/Income	29	*(124.146.656)*	*45.470*
OTHER COMPREHENSIVE INCOME / (EXPENSES)		**377.726.831**	**(181.882)**
TOTAL COMPREHENSIVE INCOME / (EXPENSES)		**691.112.531**	**636.320.457**
Breakdown of Total Comprehensive Income / (Expenses)			
Minortiy Interests		23.770.850	5.636.236
Parent Company Shares		667.341.681	630.684.221

The accompanying notes are an integral part of these statements.

CVK MADEN İŞLETMELERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of December 31, 2023, unless otherwise stated).

				Other comprehensive income or expenses not to be reclassified to profit or loss			Retained Earnings / (Losses)				
Prior Period	**Footnote References**	**Paid-in Capital**	**Capital Adjustment Differences**	**Gain (Loss) on Remeasurement of Defined Benefit Plans**	**Revaluation Increase/Decrease on Revaluation of Property, Plant and Equipment**	**Restricted Reserves**	**Retained Earnings / (Losses)**	**Net Profit / (Loss) for the Period**	**Equity attributable to equity holders of the parent**	**Non-controlling Interests**	**Total Equity**
Balances as of January 01, 2022 (Beginning of the period)		**35.000.000**	**161.007.476**	**-**	**-**	**3.051.624**	**1.003.201.232**	**-**	**1.202.260.332**	**74.695.318**	**1.276.955.650**
Transfer	22.2	-	-	-	-	2.210.272	(2.210.272)	-	-	-	-
Transactions with Non-controlling Shareholders	4	-	-	-	-	-	5.052.521	-	**5.052.521**	(54.154.103)	**(49.101.582)**
Total Comprehensive Income / (Expense)		-	-	(178.325)	-	-	-	630.862.546	**630.684.221**	**5.636.236**	**636.320.457**
- Profit (Loss) for the Period	30	-	-	-	-	-	-	*630.862.546*	***630.862.546***	*5.639.793*	***636.502.339***
- Other Comprehensive Income (Expense)	22.4	-	-	*(178.325)*	-	-	-	-	***(178.325)***	*(3.557)*	***(181.882)***
Balances as of December 31, 2022 (Period end)		**35.000.000**	**161.007.476**	**(178.325)**	**-**	**5.261.896**	**1.006.043.481**	**630.862.546**	**1.837.997.074**	**26.177.451**	**1.864.174.525**
Current Period											
December 31, 2022 (Beginning of the period)		**35.000.000**	**161.007.476**	**(178.325)**	**-**	**5.261.896**	**1.006.043.481**	**630.862.546**	**1.837.997.074**	**26.177.451**	**1.864.174.525**
Capital increase											
- Cash	22.1	7.000.000	3.011.738	-	-	-	-	-	**10.011.738**	-	**10.011.738**
Transfer	22.2 - 22.3	-	-	-	-	6.961.920	623.900.626	(630.862.546)	**-**	-	**-**
Share premium	22.3	-	-	-	-	-	-	-	**1.017.061.835**	-	**1.017.061.835**
Total Comprehensive Income / (Expense)		-	-	(205.575)	365.706.035	-	-	301.841.221	**667.341.681**	**23.770.850**	**691.112.531**
- Profit (Loss) for the Period	30	-	-	-	-	-	-	*301.841.221*	***301.841.221***	*11.544.479*	***313.385.700***
- Other Comprehensive Income (Expense)	22	-	-	*(205.575)*	*365.706.035*	-	-	-	***365.500.460***	*12.226.371*	***377.726.831***
Balance as of December 31, 2023 (Period end)		**42.000.000**	**164.019.214**	**(383.900)**	**365.706.035**	**12.223.816**	**1.629.944.107**	**301.841.221**	**3.532.412.328**	**49.948.301**	**3.582.360.629**

The accompanying notes are an integral part of these statements.

	Footnote References	Current period Audited 01.01.-31.12.2023	Prior Period Audited 01.01.-31.12.2022
CASH FLOWS FROM OPERATING ACTIVITIES		**250.018.585**	**304.865.635**
Profit (Loss) for the Period	30	313.385.700	636.502.339
- Profit (Loss) for the Period from Continuing Operations		*313.385.700*	*636.502.339*
Adjustments Related to Reconciliation of Net Profit / (Loss) for the Period			
Adjustments Related to Depreciation and Amortization Expenses	16 - 17 - 18	107.576.900	97.038.179
Adjustments Related to Impairment (Reversal)		44.731.873	2.592.285
- Adjustments for Impairment (Reversal) of Receivables	26.2	*1.797.494*	*2.035.786*
- Adjustments for Impairment (Reversal) of Inventories	26.2	*799.006*	*556.499*
- Adjustments Related to Impairment (Reversal) of Property, Plant and Equipment	27.2	*42.135.373*	-
Adjustments Related to Provisions		14.993.139	20.507.720
- Provision (Reversal) for Employee Benefits Adjustments	21	*(1.469.952)*	*3.077.895*
- Adjustments for (Reversal of)Provisions for Lawsuits and/or Penalties	20	*664.683*	*1.631.417*
- Adjustments for (Reversal of) General Provisions	20	*15.798.408*	*15.798.408*
Adjustments for Interest (Income) and Expenses	27	(144.919.238)	17.471.318
- Adjustments Related to Interest Income		*(137.033.186)*	*16.772.850*
- Adjustments Related to Interest Expense		*(7.886.052)*	*698.468*
- Deferred Finance Expense on Deferred Purchases	26.2	*12.122.486*	*8.375.365*
- Unearned finance income from credit sales	26.1	*(20.008.538)*	*(7.676.897)*
Adjustments Related to Tax (Income) Expense	29	(36.534.369)	94.544.296
Adjustments Related to Monetary Gain / (Loss)		237.839.698	132.607.487
Changes in Operating Capital			
Decrease (Increase) in Financial Investments	7	(3.964.306)	(165.694)
Adjustments for Decrease (Increase) in Trade Receivables	9	47.378.531	(137.129.650)
- Decrease (Increase) in Trade Receivables from Related Parties		-	-
- Decrease (Increase) in Trade Receivables from Third Parties		*47.378.531*	*(137.129.650)*
Adjustments for Decrease (Increase) in Other Receivables Related to Operations	10	(22.403.621)	19.208.862
- Decrease (Increase) in Other Receivables from Related Parties		-	*7.108.984*
-Decrease in other receivables from non-related parties (Increase)		*(22.403.621)*	*12.099.878*
Adjustments for Decrease (Increase) in Inventories	12	(238.073.631)	151.409.947
Decrease (Increase) in Prepaid Expenses	14	(288.850.880)	(37.386.370)
Decrease (Increase) in Other Assets Related to Operations	13	(80.932.421)	18.739.536
Adjustments related to increase/decrease in trade payables	9	313.475.577	16.664.559
- Decrease (Increase) in Trade Payables to Related Parties		*95.205.098*	*76.427*
- Decrease (Increase) in Trade Payables to Third Parties		*218.270.479*	*16.588.132*
Increase (Decrease) in Employee Benefit Payables	11	1.118.488	(93.357)
Adjustments Related to Increase (Decrease) in Other Payables Related to Operations	10	(30.909.967)	(617.937.867)
- Increase (Decrease) in Other Payables to Related Parties		*(21.634.824)*	*(600.555.020)*
- Increase (Decrease) in Other Payables to Third Parties		*(9.275.143)*	*(17.382.847)*
Increase (Decrease) in Deferred Income	15	16.107.112	(109.707.955)

(Amounts expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of December 31, 2023, unless otherwise stated).

	Footnote References	Current period Audited 01.01.-31.12.2023	Prior Period Audited 01.01.-31.12.2022
CASH FLOWS FROM INVESTING ACTIVITIES		**(534.750.339)**	**(214.096.774)**
Cash outflows from acquisition of property, plant and equipment and intangible assets		(515.905.946)	(233.567.450)
- Cash outflows from purchase of property, plant and equipment	18	*(514.499.284)*	*(232.581.080)*
- Cash outflows from acquisition of intangible assets	17	*(1.406.662)*	*(986.370)*
Cash inflows from sale of property, plant and equipment and intangible assets		19.032.819	19.470.676
- Cash inflowsfrom sale of property, plant and equipment	18	*19.032.819*	*19.470.676*
Cash outflows from purchase of investment property	19	(37.877.212)	-
CASH FLOWS FROM FINANCING ACTIVITIES		**1.197.213.892**	**(11.434.696)**
Cash Capital Increase	22.1	10.011.738	-
Transactions with Non-controlling Shareholders	22.3	-	(49.101.582)
Cash inflows from share issuance	22.6	1.017.061.835	-
Cash Inflows from Borrowing		180.033.424	147.978.401
- Cash inflows from loans	8	*180.033.424*	*147.978.401*
Cash Outflows Related to Debt Payments		(146.926.291)	(93.538.665)
- Cash outflows related to loan repayments	8	*(146.926.291)*	*(93.538.665)*
Interest Paid	28.2	(20.227.605)	(18.650.103)
Interest Received	28.1	157.260.791	1.877.253
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		**912.482.138**	**79.334.165**
INFLATION EFFECT ON CASH		**(252.384.641)**	**(95.299.133)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**660.097.497**	**(15.964.968)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**119.629.810**	**135.594.778**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**779.727.307**	**119.629.810**

The accompanying notes are an integral part of these statements.

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi and its subsidiary will be referred to as the "Group" in the notes to the consolidated financial statements. Information regarding the operations of the companies included in the consolidation is as follows;

<u>CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi ("Parent Company" or the "Company")</u>

CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi ("the Company") was established on September 05, 2006 with the title "CVK Krom Maden Sanayi ve Ticaret Anonim Şirketi" and started to use its current title as of November 22, 2011. The Company's principal activity is the production, marketing and sale of chrome, marble, travertine, lead, zinc, copper and magnesite ores. The Company is also engaged in the acquisition of mining licenses and the sale of mining licenses in its portfolio.

The shares of CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi started to be traded on Borsa Istanbul Stars Market with the code "CVKMD" and continuous trading method as of April 13, 2023.

Summary information about the Company's owned and operated mining sites and mining sites is as follows:

License No	License Area (Ha)	License End Date	Region	Type of Mine	Source Estimate Quantity (M tons)
IR7077 (a)	1.609,14	07.07.2024	Yenice / Canakkale	Lead - Zinc	2,6
IR87500 (a - c)	941,20	30.07.2029	Bayindir / Izmir	Lead - Zinc	2,6
IR20066206 (a - d)	1.944,80	31.12.2031	Yenice / Canakkale	Lead - Zinc	0,9
IR201900481	1.398,46	10.04.2026	Ivrindi / Balikesir	Lead - Zinc	-
IR 200903319 (b)	1.562,84	12.08.2025	Sarilalan / Balikesir	Gold - Silver	(b)

(a) Obtained from the "Technical and Resource Estimation Report" prepared by the National Mining Resource and Reserve Reporting Commission ("Umrek") in April 2021.

(b) According to the "Mining Reserve Report" prepared by the authorities of the National Mining Resource and Reserve Reporting Commission ("Umrek") in September 2021; the apparent gold reserve in the relevant reserve area was determined as 264.620 ounces. An Environmental Impact Assessment ("EIA") report has been obtained for 913,33 Ha of the related reserve area. As of the date of the report, the Company has not yet started production in the related mine site and continues its investment activities.

(c) 2 mining licenses with operating permits located in Bayındır / İzmir were taken over from İhlas Madencilik Enerji ve Ticaret Anonim Şirketi ("Transferor") and the 2 licenses subject to the transfer were later merged as a single license by the Parent Company before the General Directorate of Mining and Petroleum Affairs ("MAPEG"). According to the contract, the transferor will be given a share of 7% of the gross ore to be produced on a monthly basis. The term of the contract is 32 years in total, 2 years for exploration and development activities and 30 years for operational activities, and the contract will be valid until 2049.

(d) The mining license located in Yenice / Çanakkale has been taken over from İhlas Gayrimenkul Proje Geliştirme ve Ticaret Anonim Şirketi ("the Transferor") and the transferor will be given a share of 7% of the gross ore to be produced on a monthly basis in accordance with the contract. The duration of the contract is 32 years in total, 2 years for exploration and development activities and 30 years for operational activities, and the contract will be valid until 2049.

In addition to the mining sites mentioned in the table above, there is a chrome mining site (IR202001387) in Heybeli / Erzincan with a license area of 1.983,09 Ha and a license expiry date of November 10, 2027, where the Parent Company is not yet in operation.

In the light of past experience, the Parent Company does not foresee any significant risk related to the extension of the expiry dates of the licenses with new applications to be made at the expiry date of the licenses.

As of December 31, 2023, the average number of personnel of the Company is 104 (December 31, 2022: 113).

The capital structure of the Company as of December 31, 2023 and 2022 is presented in Note 22.1.

<u>The Company's head office address is as follows:</u>

Kuruçeşme Mahallesi
Muallim Naci Caddesi No:105 B
Beşiktaş / Istanbul / Turkey

<u>Hayri Ögelman Madencilik Anonim Şirketi ("Hayri Ögelman Madencilik" or "the Company")</u>

Hayri Ögelman Madencilik Anonim Şirketi was established on October 03, 1955 under the name Hayri Ögelman Limited Company. On December 15, 1959, the Company was renamed Hayri Ögelman Madencilik Limited Şirketi and on June 25, 2012, the Company changed its name to its current title. The main activity of the Company is the purchase, sale, marketing, import and export of all kinds of finished, semi-finished, concentrated and raw ores, especially chrome ore.

Summary information about the mining sites owned and operated by Hayri Ögelman Madencilik is as follows:

License No	License Area (Ha)	License End Date	Region	Type of Mine	Source Estimate Quantity (M tons) (a)
IR45193	6.306.870	24.11.2031	Bursa/Harmancık	Chromium	5,73
IR45206	2.008.690	07.12.2030	Bursa/Buyukorhan	Chromium	0,06
IR550	326.560	18.11.2032	Kütahya/Tavşanlı	Chromium	0,07
IR34	174.320	03.12.2030	Bursa/Orhaneli	Chromium	0,06
IR26778	397.140	16.02.2031	Bursa/Kemalpasa	Chromium	0,06
IR1684	170.800	23.12.2029	Bursa/Orhaneli	Chromium	0,01
IR400 (c)	1.007.670	13.04.2023	Bursa/Orhaneli	Chromium	0,06
IR517	442.140	04.03.2030	Kutahya/ Tavsanli	Chromium	0,03
IR3537 (b) - (d)	1.850.03	17.02.2026	Pülümür/Tunceli	Chromium	-
IR7045 (b)	2.008.010	25.08.2027	Bursa/Orhaneli	Chromium	-
IR201200879	68.71	03.03.2030	Kayseri/Pınarbaşı	Chromium	-

a) obtained from the "Technical and Resource Estimation Report" prepared by the National Mining Resource and Reserve Reporting Commission ("Umrek") authorities in April 2021.

b) The resource estimate amounts for the relevant mining areas could not be obtained from the "Technical and Resource Estimation Report" prepared by the National Mining Resource and Reserve Reporting Commission ("Umrek") authorities in April 2021.

c) The license period of the relevant mining site expired on April 13, 2023 and license extension procedures have been initiated within the scope of the extension project. On February 29, 2024, the relevant mining site was included in the list of "Eligible extension requests" by MAPEG.

d) As of the date of the report, the related mining site has been transferred to an unrelated company located in Turkey.

Hayri Ögelman Madencilik does not foresee any significant risk in the light of past experience regarding the extension of the expiry dates of the licenses with new applications to be made at the expiry date of the licenses.

As of December 31, 2023, the average number of personnel of Hayri Ögelman Madencilik is 160 (December 31, 2022: 151).

The capital structure of Hayri Ögelman Madencilik as of December 31, 2023 and 2022 is as follows:

	December 31, 2023		December 31, 2022	
Shareholders	Share ratio	Share amount (TRY)	Share ratio	Share amount (TRY)
CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi	96,21%	27.900.000	96,21%	27.900.000
Hüseyin Çevik	3,79%	1.100.000	3,79%	1.100.000
Total	100,00%	29.000.000	100,00%	29.000.000

CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi acquired 86,21% shares of Hayri Ögelman Madencilik Anonim Şirketi on September 29, 2020. CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi acquired 10% shares of Hayri Ögelman Madencilik Anonim Şirketi on December 16, 2022 and increased its shareholding in the Company to 96,21%.

<u>The head office address of Hayri Ögelman Madencilik is as follows:</u>

Kuruçeşme Mahallesi
Muallim Naci Caddesi No:105 B
Beşiktaş / Istanbul / Turkey

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.a Basis of Presentation

Compatibility Statement

The Parent Company and its subsidiary maintain their books of account in accordance with the Turkish Commercial Code No. 6102 ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance.

The accompanying consolidated financial statements have been prepared in accordance with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" announced by the Capital Markets Board ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. In accordance with Article 5 of the Communiqué, Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS / TFRS") and the related appendices and interpretations ("TAS / TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") are taken as basis. TAS consists of Turkish Accounting Standards and the related appendices and interpretations. TFRS are updated through communiqués in line with the changes in International Financial Reporting Standards ("IFRS"). In addition, the financial statements are presented in accordance with the formats specified in the "Announcement on TAS Taxonomy" published by POA on October 04, 2022 and the Financial Statement Examples and User Guide published by CMB.

The accompanying consolidated financial statements of the Group have been prepared in accordance with the CMB's "Announcement on Financial Statements and Footnote Formats" dated June 07, 2013 and its resolution dated March 07, 2024 and numbered 14/382. In addition, the accompanying consolidated financial statements are presented in accordance with the 2016 TAS Taxonomy, which was developed by POA based on paragraph (b) of Article 9 of the Decree Law No. 660 ("Decree Law") and approved by the Board decision dated June 02, 2016 and numbered 30.

Based on the CMB's decision dated December 28, 2023 and numbered 81/1820 and the announcement made by POA on November 23, 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies" published on November 23, 2023, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying TAS / TFRS shall apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the accounting periods ending on December 31, 2023.

The consolidated financial statements are based on the statutory records of the Group and presented in TRY, with adjustments and reclassifications for the purpose of fair presentation in accordance with the TAS/TFRS issued by POA and the related communiqués of CMB.

Restatement of Financial Statements in Hyperinflationary Periods

With the decision of CMB dated December 28, 2023 and numbered 81/1820 and the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on November 23, 2023, companies applying TAS / TFRS have started to apply inflation accounting in accordance with "TAS 29 Financial Reporting in Hyperinflationary Economies" starting from their financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

The accompanying consolidated financial statements have been prepared under the historical cost convention, except for property, plant and equipment (except for mining exploration costs) and investment property, which are measured at fair value. These financial statements and all comparative figures for prior periods have been restated for the changes in the general purchasing power of the Turkish Lira in accordance with TAS 29 and expressed in terms of the purchasing power of the Turkish Lira at December 31, 2023.

In the application of TAS 29, the Group has used the adjustment factors derived from the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with the guidance of POA. The CPI and the corresponding adjustment factors for the current and prior periods since January 1, 2005, when the Turkish Lira ceased to be designated as the currency of a hyperinflationary economy, are as follows:

End of year	Index	Index %	Correction coefficient
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1.128,45	64,27	1,64773
2023	1.859,38	64,77	1,00000

In accordance with TAS 29, in order to make the necessary adjustments to the consolidated financial statements, assets and liabilities are first separated into monetary and non-monetary items, and non-monetary assets and liabilities are further separated into those measured at current value and those measured at cost. Monetary items (except for those linked to an index) and non-monetary items measured at their current values at the end of the reporting period are not subject to inflation adjustment as they are currently expressed in terms of the measuring unit current at December 31, 2023. As at December 31, 2023, non-monetary items that are not expressed in terms of the measuring unit current at December 31, 2023 are restated for inflation using the relevant coefficient. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or net realizable value, the carrying amount is reduced by applying the relevant TAS / TFRS. In addition, inflation adjustments have been made to equity components and all items in the statement of profit or loss and other comprehensive income. All items in the statements of profit or loss and other comprehensive income, except cost of sales, depreciation and amortization, gain / (loss) on sale of assets and fair value adjustments, have been restated by applying the relevant adjustment factors. Cost of sales, depreciation and amortization, gain / (loss) on sale of assets and fair value adjustments are recalculated based on the adjusted consolidated statement of financial position items using the adjustment factors. All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Non-monetary items acquired or incurred before January 1, 2005, the date on which the Turkish Lira ceased to be designated as the currency of a hyperinflationary economy, and non-monetary items included in equity items acquired or incurred before that date are restated for the changes in the CPI between January 1, 2005 and December 31, 2023.

The application of TAS 29 required adjustments to be made to the Net Gains (Losses) on Monetary Positions in the profit or loss section of the statement of profit or loss and other comprehensive income arising from the decline in the purchasing power of the Turkish Lira. Unless the value of monetary assets or liabilities depends on changes in an index, during an inflationary period, the purchasing power of entities holding monetary assets in excess of monetary liabilities weakens, while the purchasing power of entities holding monetary liabilities in excess of monetary assets increases. The net gain or loss on monetary position is derived from the restatement differences of non-monetary items, equity, items in the statement of profit or loss and other comprehensive income, and index-linked monetary assets and liabilities.

In addition, in the reporting period in which TAS 29 is applied for the first time, the provisions of the standard are applied assuming that there is always hyperinflation in the relevant economy. Therefore, the consolidated statement of financial position as at January 1, 2022, which is the beginning of the earliest comparative period, has been adjusted for inflation to provide a basis for subsequent reporting periods. As of January 01, 2022, the inflation adjusted amount of retained earnings/accumulated losses in the consolidated statement of financial position is derived from the balance sheet equivalence that should exist after the inflation adjustment of the other items of the said statement.

Relevant amounts for the previous reporting period are restated by applying the general price index so that the comparative consolidated financial statements are presented in the measuring unit current at the end of the reporting period. Information disclosed for prior periods is also presented in the measuring unit current at the end of the reporting period.

Currency and Rounding of Amounts Presented in the Financial Statements

The functional and presentation currency of the Group is TRY. Consolidated financial information presented in TRY is rounded to the nearest whole TRY.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group were approved and authorized for issue by the Board of Directors of the Parent Company on 02 May 2024. The consolidated financial statements will be finalized upon the approval of the general assembly of the Parent Company. Although there is no intention to do so, the Parent Company's management and certain regulatory bodies have the authority to amend the statutory financial statements after they are published.

Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" published in the Official Gazette No: 28676 dated June 13, 2013 and in accordance with the fifth article of the related communiqué, these consolidated financial statements are based on the TAS/TFRS and related appendices and interpretations published by POA. In addition, the consolidated financial statements and explanatory notes of the Group are presented in accordance with the formats announced by the CMB in its "Announcement on Financial Statement and Note Formats" dated June 07, 2013, including the mandatory disclosures. In addition, in accordance with the CMB's decision dated July 15, 2016 and numbered 22/805, the most current version of the 2016 TAS Taxonomy approved by the POA's Board decision dated June 02, 2016 and numbered 30 is presented in accordance with the 2022 TFRS Taxonomy.

Basis of Consolidation

Companies in which the Parent Company owns, directly or indirectly, 50% or more of the voting rights or over 50% of the voting rights or over which the Parent Company has the right to control the activities are subject to "full consolidation method". Control exists when the Parent Company has the right to determine the financial and administrative policies for its own benefit.

Principles of Complete Consolidation

The principles applied in full consolidation method are as follows:

- The accounting policies of the companies included in the consolidation have been harmonized with the accounting policies of the Parent Company.
- The cost of acquisition of the Parent Company's interest in the equity of the subsidiary within the scope of consolidation is deducted from the value of the shares represented in the equity of the subsidiary's balance sheet adjusted in accordance with the accounting policies of the Parent Company.
- The balance sheet items of the Parent Company and its subsidiaries other than paid-in capital and shareholders' equity at the date of acquisition are added together and the receivables and payables of the subsidiaries subject to the consolidation method are mutually deducted in the addition process.
- All equity items, including paid-in/issued capital, of subsidiaries included in the scope of consolidation are eliminated from equity attributable to equity holders other than the parent company and its subsidiaries and presented under "Non-controlling Interests" in the consolidated balance sheet.
- Shares of the Parent Company held by subsidiaries within the scope of consolidation are eliminated against the Parent Company's share capital.
- The profit or loss statement items of the Parent Company and its subsidiaries are aggregated separately and the income and expense items arising from their transactions with each other are offset against the related accounts. For the subsidiaries acquired during the accounting period, the income and expense items realized after the date of acquisition of the subsidiary are taken into consideration (except for business combinations under common control).
- The portion of the net profit or loss of subsidiaries included in the scope of consolidation that is attributable to interests other than those included in the consolidated financial statements is recognized under "Non-controlling Interests".

As at December 31, 2023 and 2022, the Company in which the Parent Company owns, directly or indirectly, 50% or more of the shares or has voting rights over 50% or has control over the operations and which is subject to "full consolidation method" is as follows

	Ownership of the Parent through the Equity Affiliates		Non-controlling Interests
Subsidiary	(Direct)	(Direct+ Indirect)	Ratio
Hayri Ögelman Madencilik Anonim Şirketi	%96,21	%96,21	%3,79

CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi acquired 86,21% shares of Hayri Ögelman Madencilik Anonim Şirketi on September 29, 2020. CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi acquired 10% shares of Hayri Ögelman Madencilik Anonim Şirketi on December 16, 2022 for TRY 29.799.540 (TRY 49.101.582 based on the purchasing power as of December 31, 2023) and increased its shareholding in the Company to 96,21%. The effect of the related share purchase transaction is recognized in the accompanying consolidated statement of changes in equity within the scope of "Partial share purchase and sale transactions with non-controlling interests".

Standard Accounting Policy

Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances. If the financial statements of any of the companies included in the consolidated financial statements are prepared using different accounting policies for similar transactions and other events in similar circumstances, the necessary adjustments are made to the financial statements of the related company during the preparation of the consolidated financial statements.

The consolidated financial statements of the investor are prepared using uniform accounting policies for similar transactions and other events in similar circumstances. If an associate uses accounting policies other than those used by the investor for similar transactions and other events in similar circumstances, adjustments are made to the financial statements of the associate to conform the accounting policies of the associate to those of the investor when the associate's financial statements are used by the investor in applying the equity method.

Assumption of Continuity of Business

The accompanying consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will realize the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

Netting / Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the consolidated financial position and performance. The Group has prepared the consolidated statement of financial position as of December 31, 2023 comparatively with the consolidated statement of financial position as of December 31, 2022 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period January 1 - December 31, 2023 comparatively with the period January 1 - December 31, 2022. In order to maintain consistency with the presentation of the current period consolidated financial statements, comparative information is reclassified and significant differences are explained if necessary.

The Group has not made any adjustments in its consolidated financial statements as of December 31, 2022, except for the adjustments made due to the application of TAS 29 standard explained in the "Restatement of Consolidated Financial Statements in Hyperinflationary Periods" section.

2.b Changes in Accounting Policies

An entity may change its accounting policies only in the following cases;

- Required by a standard or interpretation; or
- If the effects of transactions and events on the financial position, performance or cash flows of the entity are of a nature that will provide a more realistic and reliable presentation in the financial statements.

Financial statement users should have the ability to compare an entity's consolidated financial statements over time to identify trends in the entity's financial position, performance and cash flows. Therefore, the same accounting policies should be applied in each interim period and each accounting period, unless a change in accounting policy meets one of the conditions specified in the paragraph above.

Changes in Accounting Estimates and Errors

The preparation of the accompanying consolidated financial statements in conformity with TAS / TFRS requires management to make estimates and assumptions regarding the carrying amounts of certain assets and liabilities in the consolidated financial statements, disclosures about contingent liabilities and the reported amounts of revenues and expenses. Actual amounts may differ from the estimates. These estimates are reviewed periodically and reported in the statement of profit or loss in the periods in which they become known.

Interpretations that may have a significant effect on the amounts reflected in the consolidated financial statements and significant assumptions and judgments made by taking into account the underlying sources of estimates that existed at the date of the consolidated statement of financial position or that may be realized in the future are as follows:

Provision for doubtful receivables

The allowance for doubtful receivables reflects the amounts that the Group management believes will cover the future losses of receivables that exist as of the statement of financial position date but that have a risk of not being collected under current economic conditions. In assessing whether receivables are impaired, the past performance of debtors other than related parties and repeat customers, their creditworthiness in the market and their performance from the date of the consolidated statement of financial position to the date of approval of the consolidated financial statements and the renegotiated terms are also taken into consideration. Provision for doubtful receivables as of the consolidated statement of financial position date is reflected in Note 9.

Provision for impairment of inventories

In relation to impairment of inventories, inventories are examined physically and how far back the inventories are, their usability is determined in line with the opinions of technical personnel and a provision is recognized for the items that are estimated to be unusable (Note 12).

Deferred financial income/expense

The calculation of the amortized cost of trade receivables and payables using the effective interest method takes into account the expected collection and payment terms according to the available data on receivables and payables.

Useful lives of property, plant and equipment and intangible assets

The Group depreciates its property, plant and equipment and intangible assets over their useful lives as stated in Note 2.c, taking into account the residual values and the data in the Resource Estimation Report. Useful lives are explained in Note 2.c.

Fair value measurement of property, plant and equipment

In determining the fair values of property, plant and equipment (excluding mining exploration costs) in accordance with TAS 16, the appraisal reports dated 31 December 2023 prepared by Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, which is authorized by the Capital Markets Board, have been used. The fair values are determined by independent valuation experts using various estimates and assumptions. Future changes in these estimates and assumptions may have a material impact on the Group's consolidated financial statements (Note 18).

Litigation provision

When provisions for lawsuits are recognized, the probability of losing the related lawsuits and the consequences of losing the related lawsuits are evaluated in line with the opinions of the Group's legal advisors. Explanations regarding the provisions deemed necessary by the Group management based on its best estimates using the available data are disclosed in Note 20.

Rehabilitation provision

The Group recognizes the estimated costs of the legal and constructive obligations required to restore mine operating locations in the accompanying consolidated financial statements. Assumptions made in the calculation may involve significant uncertainties. Amounts related to rehabilitation provision are presented in Note 20.

Provision for employment termination benefits

Actuarial calculations are based on a number of assumptions including discount rates, future salary increases and employee turnover rates. Due to the long-term nature of these plans, these assumptions involve significant uncertainties. Details of provisions for employee benefits are disclosed in Note 21.

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS / TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS/IFRS and tax purposes. The Group has deferred tax assets resulting from deductible temporary differences. The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the assessment, future profit projections, losses incurred in the current period, the expiration dates of unused losses and other tax assets were taken into consideration. As a result of the assessments made, as of 31 December 2023 and 2022, deferred tax assets have been estimated and recognized for the portion of temporary differences arising from tax deductions that are foreseeable and can be utilized within the period in which the tax deduction right can be continued within the framework of tax laws. Details of deferred tax calculations as of the related statement of financial position date are disclosed in Note 29.

New and Revised Standards and Reviews

As at December 31, 2023, the accounting policies adopted in preparation of the financial statements for the year ended December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TAS / TFRS and TAS / TFRS interpretations effective as of January 1, 2023.

As at December 31, 2023, new standards, amendments and interpretations to existing standards effective as of December 31, 2023:

Amendment to IAS 12, Deferred tax on assets and liabilities arising from a single transaction;

Effective for annual periods beginning on or after January 01, 2023. These amendments require companies to recognize deferred tax on transactions that, when first recognized in the financial statements, give rise to taxable and deductible temporary differences in equal amounts.

Narrow scope amendments to IAS 1, Implementation Statement 2 and IAS 8;

Effective for annual periods beginning on or after January 01, 2023. These amendments are intended to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

TFRS 17 Insurance Contracts;

Effective for annual periods beginning on or after January 1, 2023. This standard replaces IFRS 4, which currently permits a wide range of applications. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to TAS 12, International tax reform - Pillar two model rules;

Deferred tax exemption and disclosure of the application of the exemption has entered into force. Other disclosure requirements are effective for annual periods beginning on or after January 1, 2023. These amendments provide companies with a temporary exemption from accounting for deferred taxes arising from international tax reform by the Organization for Economic Cooperation and Development. The amendments also include targeted disclosure requirements for affected companies.

Standards, amendments and interpretations issued but not yet effective as at December 31, 2023

TFRS 16 Sale and leaseback transactions;

Effective for annual periods beginning on or after January 1, 2024. These amendments include the sale and leaseback provisions in IFRS 16 that clarify how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that are not linked to an index or rate are likely to be affected.

Amendment to TAS 1 Long-term liabilities with contractual terms;

Effective for annual periods beginning on or after January 1, 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 on supplier financing arrangements;

Effective for annual periods beginning on or after January 1, 2024. These amendments require disclosures to increase transparency about supplier financing arrangements and their impact on an entity's liabilities, cash flows and liquidity risks. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently clear and hinder investor analysis.

TAS 21 Lack of fungibility;

Effective for annual periods beginning on or after January 1, 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.

TSRS 1 General requirements for disclosure of sustainability-related financial information;

Effective for annual periods beginning on or after January 01, 2024. This is subject to the standards being approved by local laws or regulations. This standard provides a basic framework for disclosing all material sustainability-related risks and opportunities across a company's value chain.

TSRS 2 Climate-related explanations;

Effective for annual periods beginning on or after January 01, 2024. This is subject to the standards being approved by local laws or regulations. This is the first standard to specify disclosure requirements for companies about climate-related risks and opportunities.

The amendments do not have a significant impact on the financial position or performance of the Group.

2.c Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amounts of these assets approximate their fair values.

Financial Instruments

IFRS 9 sets out requirements for the recognition and measurement of financial assets and financial liabilities. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The latest version of TFRS 9 incorporates the requirements of previous versions of TFRS 9, including a new expected credit loss model for calculating impairment on financial assets, as well as updated requirements for new general hedge accounting requirements. TFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Classification of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories for held-to-maturity financial assets, loans and receivables and available-for-sale financial assets have been removed.

The application of TFRS 9 did not have a significant impact on the Group's accounting policies for financial liabilities and derivative financial instruments. The impact of TFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as either measured at amortized cost; fair value through other comprehensive income ("FVOCI") - debt instruments; FVOCI - equity instruments; or FVTPL - equity instruments. The classification of financial assets under IFRS 9 is generally based on the entity's business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset. The standard eliminates the requirement to separate embedded derivatives from financial assets and requires an entity to consider how to classify a hybrid contract as a whole.

A financial asset is measured at amortized cost if both of the following conditions are met and it is not classified as at FVTPL:

- The financial asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVTOCI if both of the following conditions are met and the debt instrument is not classified as FVTPL:

- The financial asset is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of investments in equity instruments that are not held for trading, an irrevocable election may be made to present subsequent changes in fair value through other comprehensive income. This election can be made on an investment-by-investment basis. All financial assets mentioned above that are not measured at amortized cost or at FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, a financial asset may be irrevocably designated as measured at FVTPL, provided that the designation eliminates or significantly reduces an accounting mismatch that would arise from measuring financial assets and recognizing gains or losses on them differently.

Financial assets other than those at fair value through profit or loss (other than trade receivables that are measured at transaction cost on initial recognition and do not have a significant financing component) are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Impairment of financial assets

With the adoption of IFRS 9, the "Expected Credit Loss" (ECL) model replaces the "Realized Loss" model in IAS 39. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt instruments measured at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. Financial assets measured at amortized cost comprise trade receivables, cash and cash equivalents and private sector debt instruments.

Under IFRS 9, provisions for losses are measured on any of the following bases:

- 12-month ECLs: The portion representing expected credit losses arising from possible default events related to the financial instrument within 12 months after the reporting date and,
- Lifetime ECLs: Expected credit losses arising from all possible default events over the expected life of the financial instrument.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating ECLs, the Group considers reasonable and supportable information that is relevant to the estimation of expected credit losses, including the effects of expected prepayments, and that is available without undue cost or effort. This information includes quantitative and qualitative information and analysis based on the Group's past experience of credit losses and forward-looking information.

Financial liabilities

A financial liability is measured at fair value on initial recognition. On initial recognition of financial liabilities at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial liability are added to the fair value. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized over the effective interest rate.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognized at fair value and remeasured at each reporting date at fair value at the reporting date. Changes in fair value are recognized in the statement of profit or loss. The net gain or loss recognized in the statement of profit or loss includes any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized over the effective interest rate.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, where appropriate, a shorter period to the net present value of the financial liability.

Trade Receivables

Trade receivables arising from the provision of goods or services to the buyer are initially recognized at original invoice amount and subsequently measured at amortized cost using the effective interest method. Short-term receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

The "simplified approach" is applied in the impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (less than 1 year). Under the simplified approach, where trade receivables are not impaired for specific reasons (other than realized impairment losses), the allowance for losses on trade receivables is measured at an amount equal to "lifetime expected credit losses".

Subsequent to the recognition of impairment loss, if all or part of the impaired receivable is collected, the amount collected is recognized in other operating income, net of any impairment loss.

Credit finance income/expenses and foreign exchange gains/losses on trade transactions are recognized in "Other Operating Income/Expenses" in the statement of profit or loss.

Financial Liabilities

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the assumption of the financial liability are added to the fair value.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, where appropriate, a shorter period to the net present value of the financial liability.

Financial liabilities are classified as equity instruments and other financial liabilities.

Equity instruments

Financial liabilities related to put options granted to non-controlling interests are recognized at amortized cost in accordance with the amortization schedule of the option. The discounted amount of the financial liability is considered to approximate the fair value of the financial asset subject to the option.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Trade Payables

Trade payables represent payments due from suppliers for goods and services provided in the ordinary course of business. Trade payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost of inventories includes all acquisition costs, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for impairment losses and write-downs that reduce inventories to net realizable value are recognized as an expense in the period in which the write-down or loss occurs. Any reversal of an inventory impairment loss due to an increase in net realizable value is recognized as a reduction of the accrued cost of sales in the period in which the reversal occurs. Net realizable value is reviewed at each financial statement date. If the circumstances that previously caused inventories to be written down to net realizable value no longer exist or if there is evidence of an increase in net realizable value due to changing economic conditions, the provision for impairment is reversed (the amount reversed is limited to the amount of the previously recognized impairment loss).

Tangible Fixed Assets

Property, plant and equipment are carried at cost less residual value, if any, less accumulated depreciation. Depreciable assets are depreciated on a straight-line basis over their cost amounts at rates based on their estimated useful lives and are subject to accelerated depreciation based on the date of acquisition. Land is not depreciated since its useful life is considered to be indefinite. As at 31 December 2023, as a result of the appraisal reports of the Group, property, plant and equipment (excluding mining exploration costs) are reflected in the consolidated financial statements at their fair values determined by Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, which is authorized by the Capital Markets Board.

The cost of property, plant and equipment consists of the purchase price, import duties, non-refundable taxes and expenses incurred in preparing the property, plant and equipment for its intended use. Expenditures incurred after the property, plant and equipment is put into use, such as repairs and maintenance, are recognized as an expense in the statement of profit or loss in the period in which they are incurred. If the expenditures result in an increase in the economic value of the tangible fixed asset in its future use, these expenditures are added to the cost of the asset.

Leasehold improvements comprise expenditure on leased property and are depreciated over the lease term, where the useful life is longer than the lease term, or over their useful lives where the useful life is shorter.

The frequency of revaluations depends on changes in the fair value of the items of property, plant and equipment subject to revaluation.

If the carrying amount of an asset has increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated directly in equity as a revaluation surplus. However, a revaluation increase is recognized as income to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If the carrying amount of an asset decreases as a result of a revaluation, the decrease is recognized as an expense. However, the decrease is recognized in other comprehensive income to the extent of any credit balance in the revaluation surplus relating to that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading revaluation surplus.

The depreciation periods of property, plant and equipment, based on their estimated useful lives, are as follows:

	Useful life
Buildings	50 years
Surface and underground installations	2-10 years
Machinery, plant and equipment	5-20 years
Vehicles	4-10 years
Furniture and fixtures	3-10 years
Leasehold improvements	During the rental period

Repair and maintenance costs are charged to the statement of profit or loss in the period in which they are incurred. Costs associated with major renovations are capitalized to the cost of an item of property, plant and equipment when it is probable that future economic benefits will flow to the asset in substantially better condition than before the renovation. Such post-capitalization expenditures added to the cost of the asset are depreciated over the useful lives of the related assets. The Group derecognizes the carrying amount of parts replaced as part of post-capitalization expenditure, regardless of whether they are depreciated independently of other parts.

Mining Assets

Mining assets consist of costs related to mine site development, mining rights, mining lands, reclamation, rehabilitation and closure of mine sites. Mining assets (excluding mine site preparation and development costs) are carried at indexed acquisition cost less accumulated depreciation and permanent impairment losses, if any,

in the consolidated financial statements. As at 31 December 2023, as a result of the appraisal reports of the Group, mine site preparation and development costs are reflected in the financial statements over the fair values determined in the valuation studies carried out by Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, which is authorized by the Capital Markets Board.

Mining assets are amortized from the commencement of production. Depreciation expenses of mining assets are associated with the cost of production on a site-by-site basis.

Mine site development costs include the costs of evaluating and developing new ore seams, as well as the costs of opening underground galleries, excavation and construction of roads for the continuation and development of the production of existing ore seams. Mine development costs are capitalized when it is probable that future economic benefits will flow to the Group from the mine, it is identifiable for specific mine areas and the cost can be measured reliably. Costs incurred in production are capitalized to the extent that they are directly attributable to the development of the mine site. Costs associated with production are recognized as an expense in the statement of profit or loss and other comprehensive income.

Mining assets are depreciated when their capacity is ready for full utilization and their physical condition will meet the production capacity determined by the Group management. Mine development costs are capitalized when it is probable that future economic benefits will flow to the Group and depreciated over the period of economic benefit. Mine development costs are allocated to segments to the extent that they can be identified on the basis of the relevant mining areas at the time of initial recognition and are amortized using the units of production method, taking into account the economic benefits to be derived from the individual segments within each mining area.

Major and significant revisions to the mine that will increase the economic benefits to be obtained during the life of the related mine are capitalized. Maintenance and repair expenses other than major and significant revisions that can be evaluated within this scope are recognized as expense in the statement of profit or loss and other comprehensive income of the period in which they are incurred.

Mine development costs at each mine site are amortized over the amortization rate calculated by dividing the total amount of ore extracted from the related mine during the period by the remaining amount of visible and probable workable ore at that mine. The amounts of apparent and probable reserves at each mine site represent the known and measurable resources that can be economically extracted and processed in the foreseeable future.

In addition to the land on which the production facilities are located and where waste is stored, the Group also purchases land for mining exploration activities. These lands are recognized as mining assets and are carried at cost in the financial statements. These lands are depreciated over the depreciation rate calculated by dividing the total ore-based apparent and probable workable reserves by the remaining amount of ore in the relevant mine as soon as the ore is extracted in the relevant mining area.

Mining rights are recognized at acquisition cost and amortized over the remaining economic lives of the related mine or at the lower of the amortization rate determined by dividing the amount of ore extracted from underground and open pit mines during the period by the amount of visible and probable workable remaining ore reserves.

The costs of reclamation, rehabilitation and closure of the mine sites in their current condition arising from mine site development activities and production; the provision for the highly probable expenses to be incurred during the closure and rehabilitation of the mines is reflected in the consolidated financial statements as of the statement of financial position date.

For each mine, the costs of reclamation, rehabilitation and closure of the related mine sites are amortized using the lower of the remaining economic lives of the related mine or the amortization rate determined by dividing the amount of ore extracted from the related mine during the period by the total amount of visible and probable workable remaining ore reserves. Costs incurred to prevent pollution and protect the environment under existing programs are charged to the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Exploration, evaluation and development expenses

Pre-license costs are expensed in the period in which they are incurred. Post-license mining exploration and evaluation expenses include all kinds of technical services from the initial prospecting and exploration stages of a mining site to the realization of the mining project. These technical services include all kinds of geological studies related to mining activities from prospecting to reserve calculation, all kinds of ore production planning from operable reserve calculation to production method, optimization and organization, construction and implementation of ore beneficiation projects from process mininogy to complete flow chart determination, feasibility studies in every scope from market analysis to the necessary financing source.

Mine site development costs are capitalized when it is probable that future economic benefits will flow to the Group from the development of the mine, it is identifiable for specific mine sites and the costs can be measured reliably. Costs incurred in exploration and evaluation are capitalized to the extent that they are directly attributable to the development of the mine site.

At the point at which production is decided at the mine site, all costs incurred are transferred to the mining assets account. However, when it is determined that no future economic benefits will be realized, all costs incurred are recognized in the statement of profit or loss. As production commences after the preparation period, the mining assets are amortized.

For capitalized evaluation costs, at each statement of financial position date, the Group management assesses whether there is any indication of impairment, such as a significant decline in the amount of reserves, expiry of rights to mining properties and non-renewal or cancellation of the rights. If any such indication exists, the carrying amount of the asset is reduced to its recoverable amount, which is determined as the higher of its recoverable amount less costs necessary to use or sell the asset, and the carrying amount is reduced to its recoverable amount, with impairment losses recognized as an expense in profit or loss and other comprehensive income.

Right of Use Assets

The Group recognizes right-of-use assets at the commencement date of the operating lease (i.e. the date the related asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. This figure is adjusted when operating lease liabilities are revalued.

The cost of the right-of-use asset includes the following:

(a) the initial measurement amount of the lease liability,
(b) all lease payments made on or before the commencement date, less any lease incentives received; and
(c) all initial direct costs incurred by the Group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset and/or the period specified in the contract. Right-of-use assets are subject to impairment assessment.

The depreciation periods of right-of-use assets, based on their estimated useful lives, are as follows

	Useful life
Vehicles	1-3 years
Buildings	3-5 years

Lease Obligations

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date.

At the commencement date, lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) Fixed payments,
(b) Variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date,
(c) Amounts expected to be paid by the Group under residual value commitments
(d) If the Group is reasonably certain that it will exercise the option, the exercise price of the option and
(e) Penalty payments related to the termination of the lease if the lease term indicates that the Group will exercise an option to terminate the lease.

Variable lease payments that are not linked to an index or rate are recognized as an expense in the period in which the triggering event or circumstance occurs. The Group determines the revised discount rate for the remainder of the lease term as the interest rate implicit in the lease if it is readily determinable or, if not readily determinable, the Group's alternative borrowing rate at the date of reassessment.

Subsequent to the commencement date, the Group measures the lease liability as follows:

(a) Increase the carrying amount to reflect interest on the lease liability; and
(b) Reduce the carrying amount to reflect the lease payments made.

In addition, the value of finance lease liabilities is remeasured if there is a change in the lease term, a change in the in substance fixed lease payments or a change in the assessment of the option to purchase the underlying asset.

Short-Term Leases and Leases with Low Value of Underlying Assets

The Group applies the short-term lease recognition exemption to short-term machinery and equipment and low-value real estate leases (i.e. assets with a lease term of 12 months or less from the commencement date and without a purchase option). It also applies the exemption from accounting for low-value assets to fixtures and fittings for which the lease is considered to be of low value. Short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Significant Assumptions and Estimates Related to Lease Extension or Termination Options

The lease liability is determined by taking into account the extension and early termination options in the contracts. Most of the extension and early termination options in the contracts consist of options that can be exercised jointly by the Group and the lessor. The Group determines the lease term by including such extension and early termination options in the lease term if they are at the Group's discretion and the exercise of the options is reasonably certain. The assessment is reviewed by the Group if there is a material change in circumstances.

Facilitating Practices

The Group applies the short-term lease recognition exemption to short-term leases of machinery and equipment (assets with a lease term of 12 months or less from the commencement date and without a purchase option).

The Group also applies the low-value asset recognition exemption to office equipment for which the lease value is considered to be low. Short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

A single discount rate is applied to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar asset class in a similar economic environment).

Intangible Assets

Intangible Assets Acquired

Acquired intangible assets include acquired rights of use, information systems and other identifiable rights. Intangible assets with finite useful lives are carried at cost less residual values, if any, less accumulated amortization and accumulated impairment losses. These assets are amortized on a straight-line basis over their estimated useful lives (useful lives not exceeding 10 years). The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Computer Software

Purchased computer software is capitalized at the time of purchase and at the cost incurred from the time of purchase until the software is ready for use.

Derecognition of Intangible Assets

An intangible asset is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an intangible asset is calculated as the difference, if any, between the net proceeds from disposal and the carrying amount of the asset. This difference is recognized in profit or loss when the asset is derecognized.

Impairment of Assets

At each statement of financial position date, the Group assesses whether there is any indication that an asset, other than deferred tax assets and financial assets carried at fair value, may be impaired. If any such indication exists, the recoverable amount of that asset is estimated. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of the asset exceeds its recoverable amount, whether through use or sale. Impairment losses are recognized in the statement of profit or loss in the related period. An impairment loss is reversed to the extent that subsequent increases in the recoverable amount of an asset can be related objectively to an event occurring after the impairment was recognized, but not exceeding the amount previously impaired.

The Group considers the following criteria for impairment testing of all financial assets:

- Whether the borrower is in significant financial difficulty,
- Failure by the debtor to comply with contractual provisions, such as non-payment or late payment of principal or interest,
- Whether any concessions are granted to the debtor for economic or legal reasons,
- The borrower is expected to or has gone through a financial restructuring,

Using independent data, whether there will be significant reductions in the future cash flows of financial assets to the Group.

Business Combinations and Goodwill

A business combination is a combination of separate legal entities or businesses into a single reporting entity. Business combinations are accounted for using the acquisition method under TFRS 3 (Note 4).

Acquisition cost includes the fair value of assets given at the acquisition date, equity instruments issued, liabilities assumed or incurred at the date of exchange, and any costs attributable to the acquisition. If the business combination contract contains provisions that provide that the cost may be adjusted based on future events, the acquirer includes such adjustments in the cost of the combination at the acquisition date, if it is probable that such adjustment is probable and its value can be determined. Acquisition costs are expensed in the period in which they are incurred. Goodwill arising on the acquisition of subsidiaries, associates and joint ventures is the excess of the consideration paid over the Group's proportionate share of the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and its non-controlling interest in the acquiree.

Goodwill is allocated to cash-generating units for impairment testing. The allocation is made to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arises. Each unit or group of units to which goodwill is allocated is the smallest group of assets of the entity to which goodwill is allocated for internal management purposes. Goodwill is monitored on an operating segment basis. Goodwill impairment reviews are performed annually or more frequently if events or changes in circumstances indicate that an impairment may have occurred. The carrying amount of goodwill is compared with the recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment loss is recognized immediately and is not reversed in the subsequent period.

Legal combinations between entities controlled by the Group are not considered within the scope of TFRS 3. Therefore, goodwill is not recognized in such combinations. In addition, transactions arising between the parties in a legal combination are subject to adjustments during the preparation of the consolidated financial statements.

<u>Partial share purchase and sale transactions with non-controlling interests</u>

The Group considers transactions with non-controlling interests in the purchase and sale of shares in entities that it already controls as transactions between equity holders of the Group. Accordingly, in the case of purchases of

additional shares from non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the partnership in proportion to the interest acquired is recognized in equity. For the sale of shares to non-controlling interests, any gain or loss arising on the difference between the sales price and the carrying amount of the net assets of the Company attributable to the interest sold is also recognized in equity.

<u>Effect of mergers involving entities and businesses under common control</u>

A business combination involving entities or businesses under common control is a business combination in which all of the combined entities or businesses are controlled by the same person or persons before and after the business combination and such control is not temporary.

Business combinations under common control are accounted for using the pooling of interest method and therefore no goodwill is recognized in the consolidated financial statements. When applying the pooling of interest method, comparative financial statements should be prepared as if the merger had occurred as of the beginning of the reporting period in which common control is established. Since it would be appropriate to look at the financial statements of business combinations under common control from the perspective of the Parent Company, the financial statements are restated in accordance with the provisions of TAS / TFRS, including merger accounting, as if the financial statements were prepared in accordance with TAS / TFRS on and after the date on which the company that controls the group in the consolidation process obtains control of the companies under common control. "Effect of Mergers Involving Entities or Businesses Under Common Control" or "Share Premiums" accounts are used as an offsetting account under equity in order to eliminate the asset-liability mismatch arising from the business combination under common control. If the carrying amount of the net assets of the acquiree exceeds the consideration transferred, the difference is treated as additional capital contributions by the shareholders and the value of the "Share Premium" account is increased by the amount of the difference. If the consideration transferred exceeds the carrying amount of the net assets of the acquiree at the acquisition date, the difference is recognized as a reduction of equity in "Effect of Mergers Involving Entities or Businesses Under Common Control".

Determination of Fair Values

The Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values are determined for valuation and/or disclosure purposes using the following methods. Where applicable, the assumptions used in determining fair values are disclosed as additional information in the notes to the financial statements. Valuation methods by level are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
Level 3: Data that are not based on observable market data for the asset or liability (unobservable data).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are included in the cost of the asset until the asset is ready for its intended use or sale. Borrowing costs eligible for capitalization are offset against borrowing income from the temporary investment of the unspent portion of the loan related to the investment in financial investments. All other borrowing costs are recognized in profit or loss in the period in which they are incurred. As at 31 December 2023 and 2022, there are no borrowing costs capitalized.

Taxation

In the accompanying financial statements, tax expense consists of current and deferred tax.

Current period tax provision

A provision is made for corporation tax liabilities arising from the results of operations for the period at the statutory tax rates enacted or substantively enacted at the statement of financial position date. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In business combinations, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the fair value of the acquiree's share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are accrued when the Group has a present obligation (legal or constructive obligation) as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation in the future and a reliable estimate of the amount of the obligation can be made. These accrued provisions are reviewed at each balance sheet date and revised to reflect current estimates.

Contingent Liabilities and Contingent Assets

Transactions that give rise to commitments and contingent liabilities are those that depend on the outcome of one or more future events. Accordingly, certain transactions are recognized as off-balance sheet items because they involve a risk of future loss, risk or uncertainty. In the event that an estimate is made for possible future obligations or losses to be incurred, these liabilities are recognized as expenses and liabilities for the Group. Only income and profits that can be measured reliably and that are virtually certain to occur in the future are recognized in the financial statements.

Related Parties

A party is related to the Group if one of the following criteria exists;

(a) Directly or indirectly through one or more intermediaries,

(i) controls, is controlled by, or is under common control with, the entity (including parents, subsidiaries and fellow subsidiaries);
(ii) has an interest in the Group that gives it significant influence over the Group; or
(iii) has joint control over the Group;

(b) The party is an associate of the Group,
(c) The party is a joint venture in which the Group is a venture partner,
(d) The party is a member of the key management personnel of the Group or its parent,
(e) The Party is an immediate family member of any individual referred to in (a) or (d),
(f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
(g) The party has a post-employment benefit plan for the benefit of employees of the entity or of an entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, whether or not consideration is received. The Group enters into business relationships with related parties in the ordinary course of business (Note 5).

Foreign Currency Assets and Liabilities

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are revalued at period-end exchange rates. Exchange differences arising on valuation are recognized in the statement of profit or loss as foreign exchange gains or losses. The Group has performed the measurements in accordance with the announcement of POA on "Subsequent Measurement of Foreign Currency Monetary Items in accordance with Turkish Accounting Standards" dated March 15, 2021.

At the period end, the exchange rates used for the amounts classified in the assets section of the consolidated statement of financial position are as follows

	31.12.2023	31.12.2022
USD	29,4382	18,6983
EURO	32,5739	19,9349
GBP	37,4417	22,4892

At the end of the periods, the exchange rates used for the amounts classified in the liabilities section of the consolidated statement of financial position are as follows

	31.12.2023	31.12.2022
USD	29,4913	18,7320
EURO	32,6326	19,9708
GBP	37,6369	22,6065

Segmental Reporting of Financial Information

Industrial segments are those that provide a particular good or service or a group of related goods or services and that are different from other segments of the Group in terms of risks and benefits. Geographical segments are segments of the Group that provide goods or services within a particular economic environment and that are subject to risks and rewards that are different from those of other segments operating in another economic environment.

A reportable segment is an industrial or geographical segment for which segment information is required to be disclosed. For a business or geographical segment to be identified as a reportable segment, it is necessary the majority of segment revenue is earned from sales to external customers and segment revenue from sales to external customers and from transactions with other segments represents at least 10% of the total revenue, internal and external, of all segments; or the segment result, whether profit or loss, is 10% or more of the greater of the combined results of the profit-making segments and the combined results of the loss-making segments in absolute terms; or segment assets represent at least 10% of the total assets of all segments.

The Group operates in the same geographical area and in the same sector. Therefore, segment reporting has not been made.

Employee Benefits / Employment Termination Benefits

Severance Pay

In accordance with existing social legislation, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such severance payment is calculated on the basis of 30 days' gross salary and other benefits for each year of service at a maximum amount of TRY 23.490 as of December 31, 2023 (December 31, 2022: TRY 15.371).

The Group has calculated the provision for employment termination benefit in the accompanying consolidated financial statements using the "Projected Unit Credit Method" based on the Group's experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the effective interest rate at the balance sheet date. All gains and losses other than actuarial gains / (losses) are recognized in the statement of profit or loss and actuarial gains / (losses) are recognized in the statement of changes in equity.

The ratios of the basic assumptions used on the statement of financial position day are as follows:

	31.12.2023	31.12.2022
Real discount rates	2,11%	2,08%

Social Insurance Premiums

The Group pays compulsory social insurance premiums to the Social Insurance Institution. The Group has no further obligations as long as it pays these premiums. These premiums are recognized as personnel expenses in the related periods on accrual basis.

Dividends

Dividend receivables, dividends received by the Group from its subsidiaries are recognized as income when the Group's right to collect the dividend arises and dividend payments are recognized as distributions from profit in the period in which they are declared.

Paid-in Capital

Ordinary shares are classified in equity. Costs associated with the issue of new shares and options are recognized in equity as a deduction from the proceeds, net of tax.

Share Premiums / Discounts Related to Shares

Share premiums consist of share premium and/or "Effect of Mergers Involving Entities or Businesses Under Common Control" standard.

- Share premium represents the difference arising on the sale of the Group's own shares in subsidiaries or equity accounted investees held by the Group at a price higher than their nominal value or the difference between the nominal value and the fair value of the shares issued by the Group in respect of companies acquired by the Group.

- According to the standard "The Effect of Mergers Involving Entities or Businesses Under Common Control", if the carrying amount of the net assets of the acquiree at the acquisition date exceeds the consideration transferred, the difference is treated as additional capital contributions by the shareholders and the value of the "Share Premium" item is increased by the difference.

Government Incentives and Aids

Government grants and subsidies are transactions made to encourage an enterprise to engage in certain activities that it would not have done without government assistance or for other reasons. State aid refers to the transactions made by the state to provide economic benefits to an enterprise or group of enterprises, provided that they fulfill certain criteria; state incentives refer to the economic resources transferred by the state to the enterprise in return for the fact that the enterprise has complied or will comply with certain criteria related to its main field of activity in previous periods or in the future.

Government grants, including non-monetary government grants at fair value, are recognized in the financial statements when there is reasonable assurance that the Group will comply with the conditions precedent to receive the grants and that the Group will comply with the conditions precedent to receive the grants.

Events after the Statement of Financial Position (Balance Sheet) Date

Subsequent events cover all events that occur between the statement of financial position date and the date when the statement of financial position is authorized for issue, even if they occur after any announcement regarding profit or loss or any other selective financial information has been publicly disclosed.

The Group adjusts the amounts recognized in the financial statements if events requiring an adjustment occur after the statement of financial position date. Non-adjusting events subsequent to the statement of financial position date are disclosed in the notes to the financial statements, if material.

Earnings / (Loss) per Share

Earnings / (loss) per share disclosed in the statement of profit or loss is determined by dividing net profit / (loss) by the weighted average number of shares that have been outstanding during the related period concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (bonus shares) to existing shareholders from retained earnings and inflation adjustment to shareholders' equity. For the purpose of earnings per share computations, such bonus share distributions are treated as issued shares. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into consideration the retrospective effects of such share distributions.

Revenue

In accordance with TFRS 15 "Revenue from Contracts with Customers" effective from January 1, 2018, the Group has started to use the following five-step model in revenue recognition.

- Defining contracts with customers
- Defining performance obligations in contracts
- Determination of the transaction price in contracts
- Allocation of the transaction price to performance obligations
- Revenue recognition

According to this model, the goods or services promised in each contract with customers are first evaluated and each commitment to transfer such goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled over time or at a specific moment. If the Company transfers control of a good or service over time and therefore fulfills the performance obligations related to the related sales over time, the Company recognizes revenue over time by measuring the progress towards the full fulfillment of these performance obligations.

The Group recognizes revenue from the production and sale of mining ores and redevelopment transactions. Revenue related to performance obligations, which are commitments to transfer goods or services, is recognized when customers obtain control of the goods or services.

The Group assesses the transfer of control of the goods or services sold to the customer,

a) The Group's right to collect the goods or services,
b) The customer's legal ownership of the goods or service,
c) Transfer of possession of the goods or services,
d) The customer's ownership of the significant risks and rewards of ownership of the good or service,
e) The customer's acceptance of the goods or service.

The Group does not adjust the promised amount of consideration for the effect of a significant financing component if, at the inception of the contract, the Group estimates that the period between the date of transfer of the promised goods or services to the customer and the date on which the customer pays for those goods or services will be one year or less. On the other hand, if there is a significant financing component in the revenue, the revenue value is determined by discounting the future collections with the interest rate included in the financing component. The difference is recognized on an accrual basis as other operating income in the related periods.

Interest Income

Interest income is accrued over the remaining principal amount of the financial asset and the estimated future cash inflows over the expected life of the asset, based on the effective interest method.

Interest income and foreign exchange gains on trade transactions are recognized as other operating income.

Dividend income from equity investments is recognized in the financial statements when the shareholders' right to receive dividends is established. Dividend payables are recognized as a liability as an element of profit distribution upon approval of the general assembly.

Cash Flow Statement

The Group prepares cash flow statements in order to inform the users of the financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows according to changing conditions. In the statement of cash flows, cash flows for the period are classified and reported based on operating, investing and financing activities. Cash flows from operating activities represent the Group's cash flows from operating activities. Cash flows from investing activities represent the Group's cash flows used in and provided from investing activities (fixed asset investments and financial investments). Cash flows from financing activities represent the Group's resources used in financing activities and the repayment of these resources. Cash and cash equivalents comprise cash on hand and demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less.

NOTE 3 - SHARES IN OTHER ENTITIES

As at December 31, 2023 and 2022, the Parent Company's interests in the other entity and summary information about the related company in which the Parent Company has interests are as follows:

	Ownership of the Parent through the Equity Affiliates		Non-controlling Interests
Subsidiary	(Direct)	(Direct+ Indirect)	Share
Hayri Ögelman Madencilik Anonim Şirketi	%96,21	%96,21	%3,79

Summary financial information of the Parent Company's subsidiary as of December 31, 2023 is as follows:

Subsidiary	Field of Activity	Asset size	Total shareholders' equity	Revenue	Profit / (Loss) for the Period
Hayri Ögelman Madencilik Anonim Şirketi	Mine	2.224.802.118	1.316.818.834	1.008.238.172	304.354.443

Summary financial information of the Parent Company's subsidiary as of December 31, 2022 is as follows:

Subsidiary	Field of Activity	Asset size	Total shareholders' equity	Revenue	Profit / (Loss) for the Period
Hayri Ögelman Madencilik Anonim Şirketi	Mine	1.034.518.496	690.132.742	565.304.293	148.685.442

The details of the subsidiary are presented in Note 1.

NOTE 4 - EFFECTS OF MERGERS INVOLVING ENTITIES AND BUSINESSES UNDER COMMON CONTROL

A business combination involving entities or businesses under common control is a business combination in which all of the combined entities or businesses are controlled by the same person or persons before and after the business combination and such control is not temporary.

The amount of "Share Premiums" arising from the acquisition of shares corresponding to 86,21% of Hayri Ögelman Madencilik Anonim Şirketi by CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi on September 29, 2020 is recognized in the opening statement of financial position dated January 1, 2022 in accordance with the "2.6.7. Preparation of the Opening Statement of Financial Position Adjusted for the Effects of Inflation" of the POA's "Application Guidance on Financial Reporting in Hyperinflationary Economies", the amount of "Share Premium" arising from the acquisition of 21% of the Company's shares has been reclassified to "Retained Earnings / (Losses)" in the opening statement of financial position dated January 1, 2022.

CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi acquired 10% shares of Hayri Ögelman Madencilik Anonim Şirketi on December 16, 2022 in consideration of TRY 29.799.540 (TRY 49.101.582 based on the purchasing power as of December 31, 2023) and increased its shareholding in the Company to 96,21%. The effect of the related share purchase transaction is recognized in the accompanying consolidated statement of changes in equity within the scope of "Partial share purchase and sale transactions with non-controlling interests".

NOTE 5 - RELATED PARTY DISCLOSURES

i) Due from and due to related parties:

a) The details of order advances given to related parties classified under prepaid expenses are as follows (Note 14):

	31.12.2023	31.12.2022
Manolya Madencilik A.Ş.	-	9.976.905
	-	9.976.905

b) The details of trade payables to related parties classified under trade payables are as follows (Note 9):

	31.12.2023	31.12.2022
1919 The Good World Madencilik Dış Tic. Ltd. Şti	94.637.949	-
Çevik Madencilik San. ve Tic. A.Ş.	643.576	-
İkizler Tatlı Gıda Sanayi Ticaret Ltd. Şti.	-	76.427
	95.281.525	76.427

c) The details of due to related parties classified under other payables are as follows (Note 10):

	31.12.2023	31.12.2022
Hüseyin Çevik	-	21.410.812
CVK Mineral Madencilik Nakliyecilik İnşaat Taahhüt ve Sanayi ve Ticaret A.Ş.	-	224.012
	-	21.634.824

d) The details of order advances received from related parties classified under deferred income are as follows (Note 15):

	31.12.2023	31.12.2022
CVK Traverten ve Mermer Sanati Ticaret A.Ş.	-	288.353
	-	288.353

ii) Sales, purchases and transactions to related parties

a) The details of sales and returns to related parties classified under revenue are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Manolya Madencilik A.Ş.	-	774.261
	-	774.261

b) The details of purchases from related parties classified under cost of sales are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
1919 The Good World Madencilik Dış Tic.Ltd.Şti. (*)	78.864.958	-
CVK Mineral Madencilik Nakliyecilik İnşaat Taahhüt ve Sanayi ve Ticaret A.Ş.	615.372	6.098
Çevik Madencilik Sanayi ve Ticaret A.Ş.	484.210	-
Manolya Madencilik A.Ş. (*)	17.486	80.965.222
	79.982.026	80.971.320

(*) Consists of ore purchases.

c) The details of purchases from related parties classified under general administrative expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
CVK Mineral Madencilik Nakliyecilik İnşaat Taahhüt ve Sanayi ve Ticaret A.Ş.	3.611.329	105.890
Mahizer Tatlı ve Unlu Mamüller Üretim A.Ş.	1.273.221	-
İkizler Tatlı Gıda Sanayi Ticaret Ltd. Şti.	962.053	338.682
	5.846.603	444.572

d) The details of purchases from related parties classified under marketing expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Mahizer Tatlı ve Unlu Mamüller Üretim A.Ş.	230.390	-
CVK Mineral Madencilik Nakliyecilik İnşaat Taahhüt ve Sanayi ve Ticaret A.Ş.	14.681	372.738
	245.071	372.738

e) The details of foreign exchange losses to related parties classified under financial expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Hüseyin Çevik	1.194.931	-
	1.194.931	-

f) The details of purchases from related parties classified under property, plant and equipment and investment property are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
CVK Mineral Madencilik Nakliyecilik İnşaat Taahhüt ve Sanayi ve Ticaret A.Ş.	128.006.865	547.295
Çevik Madencilik Sanayi ve Ticaret A.Ş.	50.857	-
Manolya Madencilik A.Ş.	-	717.677
	128.057.722	1.264.972

g) The details of gain on sale of property, plant and equipment to related parties classified under income from investing activities are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
CVK Mineral Madencilik Nakliyecilik İnşaat Taahhüt ve Sanayi ve Ticaret A.Ş.	83.931	-
	83.931	-

h) The details of interest income from non-trade receivables from related parties classified under income from investing activities are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Begüm Çevik	1.429	-
	1.429	-

ı) The details of rental income from related parties classified under income from investing activities are as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
İkizler Tatlı Gıda Sanayi Ticaret Ltd. Şti.	150.000	-
	150.000	-

i) The details of remuneration and similar benefits provided to key management personnel are as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Benefits Provided to Key Management Personnel	8.680.393	7.536.811
	8.680.393	7.536.811

The Group has identified the members of the Board of Directors as key management personnel.

NOTE 6 - CASH AND CASH EQUIVALENTS

As of December 31, 2023 and 2022, cash and cash equivalents are as follows:

	31.12.2023	31.12.2022
Safe deposit box	539.640	520.170
Banks		
Time deposits	201.720.348	62.258.262
Demand deposits	1.140.341	56.851.378
Liquid funds	576.326.978	-
	779.727.307	119.629.810

As at December 31, 2023 and 2022, the Group's bank deposits consist of time and demand deposits. As at December 31, 2023 and 2022, there is no blockage on the related deposits. Liquid funds consist of cash equivalents that can be converted into cash at their carrying values.

As of December 31, 2023, the details of cash and cash equivalents in foreign currencies are as follows:

Currency	Currency Amount	Exchange Rate	TRY Amount
TRY	242.040.036	1,0000	242.040.036
USD	18.257.553	29,4382	537.469.497
EURO	2.096	32,5739	68.275
AUD	7.467	20,0213	149.499
Total			779.727.307

As of December 31, 2022, the details of cash and cash equivalents in foreign currency are as follows:

Currency	Currency Amount	Exchange Rate	TRY Amount
USD	2.971.309	18,6983	91.545.242
TRY	26.665.827	1,0000	26.665.827
EURO	43.192	19,9349	1.418.741
Total			119.629.810

As of December 31, 2023, details of time deposits are as follows:

Currency Denomination	Foreign Currency Amount	Interest Rate Range	Maturity Range	TRY Amount
TRY	79.715.623	%37 - %39	2 days	79.715.623
USD	4.144.436	%0,2 - %4,5	2 - 23 days	122.004.725
				201.720.348

As of December 31, 2022, details of time deposits are as follows:

Currency Denomination	Foreign Currency Amount	Interest Rate Range	Maturity Range	TRY Amount
USD	2.008.862	%3,50	17 days	61.892.500
TRY	365.762	%14,00	22 days	365.762
				62.258.262

NOTE 7 - FINANCIAL INVESTMENTS

As of December 31, 2023 and 2022, the details of financial investments are as follows

Short-term financial investments

	31.12.2023	31.12.2022
Financial assets at fair value through profit or loss	4.130.000	165.694
	4.130.000	165.694

Long-term financial investments

None (December 31, 2022: None).

NOTE 8 - FINANCIAL LIABILITIES

As of December 31, 2023 and 2022, details of financial liabilities are as follows

	31.12.2023	31.12.2022
Short-term bank borrowings	166.587.336	95.156.683
Payables arising from leases	4.846	69.628
Short-term finance lease payables, net	11.372.227	29.674.747
Short-term portion of long-term borrowings	11.361.215	25.009.365
Total short-term financial liabilities	189.325.624	149.910.423
Long-term bank borrowings	4.342.923	21.679.077
Payables arising from leases	-	26.832
Long-term finance lease payables, net	5.566.999	9.057.024
Total long-term financial liabilities	9.909.922	30.762.933
Total financial liabilities	199.235.546	180.673.356

As of December 31, 2023, the average effective interest rates of TRY and EURO denominated borrowings are 43,98% and 4,95%, respectively (December 31, 2022: TRY: 20,81%, EURO: 5,72%).

As at 31 December 2023, there is a pledge on the Group's vehicles in favor of financial institutions amounting to TRY 5.725.740 (31 December 2022: TRY 8.494.524). In addition, the Group's related parties have sureties in favor of financial institutions as collateral for the Group's financial liabilities.

As of December 31, 2023 and 2022, the maturity analysis of bank borrowings is as follows:

	31.12.2023	31.12.2022
Payable between 0 - 1 year	177.948.551	120.166.048
Payable between 1 and 2 years	3.571.869	15.650.737
Payable between 2 and 3 years	597.736	4.995.437
Payable over 3 to 4 years	173.318	800.726
Payable between 4 and 5 years	-	232.177
	182.291.474	141.845.125

As of December 31, 2023, the foreign currency position of bank borrowings is presented below:

Currency	Currency Amount	Exchange Rate	TRY Amount
TRY	182.291.474	1,0000	182.291.474
			182.291.474

As of December 31, 2022, the foreign currency position of bank borrowings is presented below:

Currency	Currency Amount	Exchange Rate	TRY Amount
TRY	141.845.125	1,0000	141.845.125
			141.845.125

As of December 31, 2023 and 2022, the maturity analysis of finance lease liabilities is presented below:

	31.12.2023	31.12.2022
Payable between 0 - 1 year	11.372.227	29.674.747
Payable between 1 and 2 years	3.882.937	7.691.984
Payable between 2 and 3 years	1.684.062	1.365.040
	16.939.226	38.731.771

As of December 31, 2023, the foreign currency position of finance lease liabilities is presented below:

Currency	Currency Amount	Exchange Rate	TRY Amount
EURO	284.116	32,6326	9.271.441
TRY	7.667.785	1,0000	7.667.785
Total			16.939.226

As of December 31, 2022, the foreign currency position of finance lease liabilities is presented below:

Currency	Currency Amount	Exchange Rate	TRY Amount
EURO	1.165.042	19,9708	38.337.415
TRY	394.356	1,0000	394.356
Total			38.731.771

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

As of December 31, 2023 and 2022, details of trade receivables are as follows:

Short term trade receivables

	31.12.2023	31.12.2022
Trade receivables	195.623.358	217.775.924
Rediscount on receivables (-)	(8.976.078)	(1.961.157)
Doubtful trade receivables	3.833.225	3.516.444
Provision for doubtful trade receivables (-)	(3.833.225)	(3.516.444)
	186.647.280	215.814.767

The movement of doubtful trade receivables during the period is as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Opening balance	3.516.444	2.432.270
Provisions reversed during the period	(98.384)	-
Monetary gain / (loss), net	(1.382.329)	(951.612)
Provisions recognized during the period (Note 26.2)	1.797.494	2.035.786
Closing balance	3.833.225	3.516.444

The maturity of the Group's trade receivables varies on an individual customer basis and averages between 30 - 60 days.

Long term trade receivables

None (December 31, 2022: None).

The credit risk table for trade receivables is presented in Note 31.

As of December 31, 2023 and 2022, details of trade payables are as follows:

Short-term trade payables

	31.12.2023	31.12.2022
Trade payables	335.046.722	95.437.224
Trade payables to related parties (Note 5)	95.281.525	76.427
Notes payable	7.632.624	2.707.845
Expense accruals	890.000	395.455
Rediscount on payables (-)	(16.570.200)	(1.934.343)
	422.280.671	96.682.608

As of December 31, 2023 and 2022, the details of notes payable on maturity basis are as follows:

	31.12.2023	31.12.2022
1-30 days	5.774.024	2.355.961
31-60 days	929.400	351.884
61-90 days	929.200	-
	7.632.624	2.707.845

The maturity of the Group's trade payables varies on a supplier-by-supplier basis and averages between 30 - 90 days.

Long-term trade payables

None (December 31, 2022: None).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

As of December 31, 2023 and 2022, details of other receivables are as follows:

Other short-term receivables

	31.12.2023	31.12.2022
VAT receivables from tax office (*)	23.344.597	8.545.746
Receivables from personnel	200.719	-
Other receivables	8.167.000	-
	31.712.316	8.545.746

(*) Related amount consists of VAT refund receivables arising from exports.

Other long term receivables

	31.12.2023	31.12.2022
Deposits and guarantees given	2.422.177	3.185.126
	2.422.177	3.185.126

As of December 31, 2023 and 2022, details of other payables are as follows:

Other short-term payables

	31.12.2023	31.12.2022
Taxes and funds payable	5.111.689	3.373.217
Tax debts in installments	3.573.958	4.162.266
Due to related parties (Note 5)	-	21.634.824
Debt securities given in advance	-	1.908.070
	8.685.647	31.078.377

Other long term payables

	31.12.2023	31.12.2022
Tax debts in installments	672.042	1.226.861
	672.042	1.226.861

NOTE 11 - EMPLOYEE BENEFIT OBLIGATIONS

As of December 31, 2023 and 2022, the details of employee benefit obligations are as follows:

	31.12.2023	31.12.2022
Social security premiums payable	3.097.783	2.015.232
Payables to personnel	4.958.504	3.624.007
	8.056.287	5.639.239

NOTE 12 - INVENTORIES

As of December 31, 2023 and 2022, the details of inventories are as follows:

	31.12.2023	31.12.2022
Raw materials	21.983.976	25.708.926
Semi-finished goods	1.295.148	886.035
Finished goods	5.662.395	21.349.271
Merchandises	334.533.787	78.239.473
Provision for impairment of inventories (-)	(1.125.651)	(1.108.675)
	362.349.655	125.075.030

The movement of provision for impairment on inventories is as follows:

	01.01. - 31.12.2023	01.01. - 31.12.2022
Balance at the beginning of the period	1.108.675	9.954.825
Reversal of prior period provision (-)	(346.205)	(5.507.878)
Monetary gain / (loss), net	(435.825)	(3.894.771)
Provision provided during the period (Note 26.2)	799.006	556.499
	1.125.651	1.108.675

The details of the provision for impairment on inventories are as follows:

	31.12.2023	31.12.2022
Raw materials	986.701	879.723
Finished goods	138.950	228.952
	1.125.651	1.108.675

As of December 31, 2023 and 2022, there is no insurance coverage on inventories.

NOTE 13 - OTHER CURRENT ASSETS

As of December 31, 2023 and 2022, details of other current assets are as follows:

	31.12.2023	31.12.2022
VAT carried forward	94.972.053	14.039.632
	94.972.053	14.039.632

NOTE 14 - PREPAID EXPENSES

As of December 31, 2023 and 2022, details of prepaid expenses are as follows:

Short-term prepaid expenses

	31.12.2023	31.12.2022
Order advances given (a)	10.447.752	61.367.927
Prepaid expenses	17.525.797	7.977.184
Order advances given	610.237	149.485
Advances given to personnel	1.017.518	198.316
	29.601.304	69.692.912

(a) As of December 31, 2022, TRY 9.976.905 of order advances given consists of advances given to related parties (December 31, 2023: None) (Note: 5).

Long-term prepaid expenses

	31.12.2023	31.12.2022
Advances given for purchases of property, plant and equipment (b)	331.646.845	2.722.049
Prepaid expenses	17.692	-
	331.664.537	2.722.049

(b) The related advances mainly consist of advances given by the Group for the gold mine investment in Sarıalan / Balıkesir.

NOTE 15 - DEFERRED INCOME

As of December 31, 2023 and 2022, the details of deferred income are as follows:

Short-term deferred income

	31.12.2023	31.12.2022
Order advances received (c)	26.973.173	10.219.604
Deferred income	641.455	643.957
	27.614.628	10.863.561

(c) As of December 31, 2022, TRY 288.353 of order advances received consists of advances received from related parties (December 31, 2023: None) (Note 5).

Long-term deferred income

	31.12.2023	31.12.2022
Deferred income	269.930	913.885
	269.930	913.885

NOTE 16 - RIGHT OF USE ASSETS

As of December 31, 2023 and 2022, the details and movement of right of use assets are as follows:

Cost	December 31, 2021	Additions	December 31, 2022	Additions	December 31, 2023
Vehicles	4.307.062	-	4.307.062	-	4.307.062
Total	4.307.062	-	4.307.062	-	4.307.062
Accumulated Depreciation (-)					
Vehicles	2.863.472	1.268.994	4.132.466	161.169	4.293.635
Total	2.863.472	1.268.994	4.132.466	161.169	4.293.635
Net Book Value	1.443.590		174.596		13.427

NOTE 17 - INTANGIBLE ASSETS

As of December 31, 2023 and 2022, the details and movement of intangible assets are as follows:

Cost	December 31, 2021	Additions	December 31, 2022	Additions	December 31, 2023
Rights	20.465.392	986.370	21.451.762	1.406.662	22.858.424
Total	20.465.392	986.370	21.451.762	1.406.662	22.858.424
Accumulated Depreciation (-)					
Rights	10.907.445	2.083.901	12.991.346	1.611.155	14.602.501
Total	10.907.445	2.083.901	12.991.346	1.611.155	14.602.501
Net Book Value	9.557.947		8.460.416		8.255.923

NOTE 18 – TANGIBLE FIXED ASSETS

As of December 31, 2023 and 2022, the details and movement of property, plant and equipment are as follows:

Cost	December 31, 2021	Additions	Disposals	Transfer	December 31, 2022	Additions	Disposals	Valuation effect	Impairment	December 31, 2023
Mining Assets										
Mining exploration costs	481.762.297	57.071.717	-	-	538.834.014	67.720.629	-	-	-	606.554.643
Cost of mine site preparation and development	1.171.148.385	117.867.318	-	-	1.289.015.703	163.470.956	-	401.546.914	(11.889.098)	1.842.144.475
Other Tangible Fixed Assets										
Land and Plots	13.700.595	-	-	-	13.700.595	5.073.412	-	12.215.452	-	30.989.459
Underground and Above Ground Utilities	43.546.106	2.338.503	(2.059.159)	-	43.825.450	1.935.228	-	-	-	45.760.678
Buildings	111.328.699	569.493	-	689.823	112.588.015	97.410.568	-	23.107.846	(3.015.506)	230.090.923
Machinery, plant and equipment	458.808.939	32.955.702	(22.808.533)	-	468.956.108	61.617.903	(24.521.979)	45.959.257	(16.223.057)	535.788.232
Vehicles	95.582.705	16.892.127	(3.198.557)	-	109.276.275	39.970.183	(2.166.692)	19.330.470	(11.007.712)	155.402.524
Fixtures	23.258.172	3.798.657	(2.272.057)	-	24.784.772	8.301.170	(179.188)	-	-	32.906.754
Special Costs	4.528	33.586	-	-	38.114	236.717	-	-	-	274.831
Investments in Progress	689.823	1.053.977	-	(689.823)	1.053.977	68.762.518	-	-	-	69.816.495
Total	2.399.830.249	232.581.080	(30.338.306)	-	2.602.073.023	514.499.284	(26.867.859)	502.159.939	(42.135.373)	3.549.729.014
Accumulated Depreciation (-)										
Mining Assets										
Mining exploration costs	38.792.475	8.961.014	-	-	47.753.489	7.104.250	-	-	-	54.857.739
Cost of mine site preparation and development	182.407.198	32.479.581	-	-	214.886.779	39.972.697	-	-	-	254.859.476
Other Tangible Fixed Assets										
Underground and Above Ground Utilities	29.518.627	4.036.511	(817.445)	-	32.737.693	3.814.723	-	-	-	36.552.416
Buildings	17.784.714	2.224.304	-	-	20.009.018	2.423.992	-	-	-	22.433.010
Machinery, plant and equipment	159.617.355	34.773.288	(7.515.352)	-	186.875.291	39.817.561	(7.109.471)	-	-	219.583.381
Vehicles	14.376.277	7.563.004	(509.499)	-	21.429.782	9.020.847	(552.852)	-	-	29.897.777
Fixtures	19.697.024	3.646.181	(2.025.334)	-	21.317.871	3.633.988	(172.717)	-	-	24.779.142
Special Costs	4.528	1.401	-	-	5.929	16.518	-	-	-	22.447
Total	462.198.198	93.685.284	(10.867.630)	-	545.015.852	105.804.576	(7.835.040)	-	-	642.985.388
Net Book Value	1.937.632.051				2.057.057.171					2.906.743.626

Property, plant and equipment (excluding mining exploration costs) are stated in the accompanying consolidated financial statements at fair value based on the valuation report dated December 31, 2023. The fair values of property, plant and equipment disclosed in the consolidated financial statements have been determined by independent valuation expert(s) authorized by the Capital Markets Board of Turkey. The fair values of the property, plant and equipment owned by the Group have been determined by using the market approach and cost approach, which are the methods that are estimated to determine the fair value of the related property, plant and equipment in the most accurate manner. The positive difference between the revaluation result and the carrying amount of the related property, plant and equipment (value increase) is recognized in the "Revaluation increase/decrease in property, plant and equipment" account in equity (Note 22.5) and the negative difference between the revaluation result and the carrying amount of the related property, plant and equipment (Impairment) is recognized in the "Expenses from investing activities" account in the statement of profit or loss (Note 27.2).

As of December 31, 2023, the Group's property, plant and equipment subjected to appraisal and the fair value hierarchy of these assets is Level 2 and there has not been any transition between Level 1 and Level 2 in the current period.

As at 31 December 2023, there is a pledge on the Group's vehicles in favor of financial institutions amounting to TRY 5.725.740 (31 December 2022: TRY 13.996.675) in order to provide provision for the vehicle loans used by the Group.

As of the report date, the total amount of insurance on property, plant and equipment (excluding mining exploration costs) is TRY 1.999.370.387. Transactions with related parties are presented in Note 5.

NOTE 19 - INVESTMENT PROPERTIES

As of December 31, 2023 and 2022, the details and movement tables of investment properties are as follows:

Cost	December 31, 2021	Additions	December 31, 2022	Additions	December 31, 2023
Land and Plots	-	-	-	15.439.081	15.439.081
Buildings	-	-	-	22.438.131	22.438.131
	-	-	-	37.877.212	37.877.212
	-		-		37.877.212

As of December 31, 2023 and 2022, the Group's investment properties are carried at fair value in the accompanying consolidated financial statements. There is no restriction on the transfer of income from investment properties to the Group. The appraisal values of the Group's investment properties have been calculated as of November 22, 2023 by a company included in the CMB's list of real estate appraisal companies. The fair values of the Group's investment properties are determined using the market approach. The Group's investment properties consist of land and building located in Kuruçeşme / Beşiktaş / İstanbul.

The fair value hierarchy of the Group's investment properties subjected to appraisal valuation and the fair value hierarchy of these assets is Level 2 and there has not been any transition between Level 1 and Level 2 in the current period.

As of December 31, 2023, there is no mortgage on the related properties. Transactions with related parties are presented in Note 5.

NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of December 31, 2023 and 2022, provisions, contingent assets and liabilities are as follows:

Short-term provisions

	31.12.2023	31.12.2022
Provision for mining state rights	22.969.059	14.584.492
Provision for litigation expenses	2.008.446	2.214.158
	24.977.505	16.798.650

As of December 31, 2023 and 2022, the movement of provisions for litigation is as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Balance at the beginning of the period	2.214.158	1.070.948
Provisions recognized during the period (Note 26.2)	664.683	1.631.417
Monetary gain / (loss), net	(870.395)	(419.002)
Litigation provisions closed during the period	-	(69.205)
Balance at the end of the period	2.008.446	2.214.158

Long-term provisions

	31.12.2023	31.12.2022
Rehabilitation provision	26.826.824	19.412.983
	26.826.824	19.412.983

Contingent Assets

The Group does not have any contingent assets.

Contingent Liabilities

As of December 31, 2023 and 2022, the Group's guarantee / pledge / mortgage / guarantor ("GPM") position is as follows:

GPMs given by the Group	31.12.2023	31.12.2022
A. Total amount of GPMs given on behalf of its own legal entity	397.194.947	398.607.649
B. Total amount of GPMs given in favor of subsidiaries included in the scope of full consolidation (a)	241.741.668	312.845.299
C. Total Amount of GPMs Given to Secure Debts of Other Third Parties for the Execution of Ordinary Commercial Activities	-	-
D. Total amount of other GPMs given	-	-
i. Total amount of GPMsgiven in favor of the main shareholder	-	-
ii. Total amount of GPMs given in favor of other group companies which are not in the scope of B and C	-	-
iii. Total amount of GPMsgiven in favor of third parties not included in the scope of Article C	-	-
Total	638.936.615	711.452.948

a) The related amounts consist of joint and several guarantees given to financial institutions in favor of each other by the companies under full consolidation.

The details of the Group's contingent liabilities are as follows:

Letters of guarantee - As of 31 December 2023, the Group has letters of guarantee amounting to TRY 41.997.302 (31 December 2022: TRY 19.399.009) received from banks and given to Republic of Turkey Ministry of Energy and Natural Resources, electricity distribution companies and other institutions.

Mortgages - As of December 31, 2023, there is a mortgage amounting to TRY 61.931.730 (USD 2.100.000) in favor of İhlas Madencilik Enerji ve Ticaret Anonim Şirketi and İhlas Gayrimenkul Proje Geliştirme ve Ticaret Anonim Şirketi on the licenses numbered IR87500 and IR20066206 (December 31, 2022: TRY 64.817.053 (USD 2.100.000)).

Guarantee Bond - As at 31 December 2023, the Group has given a promissory note amounting to TRY 287.540.175 (USD 9.750.000) in favor of İhlas Madencilik Enerji ve Ticaret Anonim Şirketi and İhlas Gayrimenkul Proje Geliştirme ve Ticaret Anonim Şirketi on the licenses numbered IR87500 and IR20066206 (31 December 2022: TRY 300.394.913 (USD 9.750.000)).

Pledge - As at 31 December 2023, there is a pledge amounting to TRY 5.725.740 (31 December 2022: TRY 13.996.675) on the Group's vehicles in favor of financial institutions as a provision for the vehicle loans used by the Group.

Lawsuits - From time to time, lawsuits may be filed against the Group in connection with its business activities. The Parent Company management and legal advisors analyze the realizability of the related risks. As a result of the analysis, the total litigation provision allocated by the Parent Company management as of 31 December 2023 is TRY 2.008.446 (31 December 2022: TRY 2.214.158).

NOTE 21 - PROVISIONS FOR EMPLOYEE BENEFITS

As of December 31, 2023 and 2022, provisions for short-term and long-term employee benefits are as follows:

Provisions for short-term employee benefits

	31.12.2023	31.12.2022
Provision for unused vacation	3.539.767	2.421.279
	3.539.767	2.421.279

Provisions for long-term employee benefits

	31.12.2023	31.12.2022
Provision for employment termination benefits	7.808.624	8.992.124
	7.808.624	8.992.124

The Group's provision for employment termination benefits is calculated as explained in Note 2. At December 31, 2023 and 2022, the provision is calculated on the basis of 30 days' salary for each year of service, maximum TRY 23.490, using the rates prevailing at the date of retirement or termination (December 31, 2022: TRY 15.371).

In the consolidated financial statements for the periods ended December 31, 2023 and 2022, the Group has reflected a liability calculated on the basis of the above mentioned principles, using the expected inflation rate and the real discount rate, discounted to the balance sheet date.

The ratios of the basic assumptions used on the day of the consolidated statement of financial position are as follows:

	31.12.2023	31.12.2022
Interest rate	43,98%	22,50%
Inflation rate	41,00%	20,00%
Real discount rates	2,11%	2,08%
The rate used for the probability of retirement	100%	100%

The Group does not provide any benefits other than severance pay to its employees.

As of December 31, 2023 and 2022, the movement of provision for employment termination benefits is as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Balance at the beginning of the period	8.992.124	5.686.877
Service cost	4.486.780	7.991.173
Interest cost	113.501	70.861
In-period payments	(2.535.393)	(2.759.179)
Monetary gain / (loss), net	(3.534.840)	(2.224.960)
Actuarial difference	286.452	227.352
Closing balance	7.808.624	8.992.124

NOTE 22 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

22.1 Paid-in Capital

As at December 31, 2023, the Parent Company's share capital consists of 42.000.000 shares each with a par value of TRY 1.

The capital structure of the Parent Company as of December 31, 2023 and 2022 is as follows:

	December 31, 2023		December 31, 2022	
Shareholders	Share ratio	Share amount (TRY)	Share ratio	Share amount (TRY)
Hüseyin Çevik	80,00%	33.600.000	96,00%	33.600.000
Public part	20,00%	8.400.000	0,00%	-
Begum Çevik	-	-	4,00%	1.400.000
Capital	100,00%	42.000.000	100,00%	35.000.000
Adjustment to share capital		164.019.214		161.007.476
Paid-in Capital		206.019.214		196.007.476

Pursuant to the approvals of the Capital Markets Board of Turkey and Borsa Istanbul Anonim Şirketi, CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi's issued capital of TRY 35.000.000 within the registered capital ceiling of TRY 175.000.000 was increased to TRY 42.000.000 by completely restricting the pre-emptive rights of existing shareholders TRY 7.000.000 nominal capital amount and shares with a nominal value of TRY 1.400.000 within the scope of the shareholder sale, shares with a nominal value of TRY 8.400.000 in total, were offered to the public on April 06 - 07, 2023 at a price of TRY 105, and the Parent Company shares started to be traded on the Borsa Istanbul Stars Market on April 13, 2023 with the code "CVKMD" and continuous trading method. Capital increase transactions were registered on April 10, 2023.

Adjustment to share capital

As of December 31, 2023, the adjustment to share capital amounts to TRY 164.019.214 (December 31, 2022: TRY 161.007.476). Adjustment to share capital represents the difference between the restatement effect of cash and cash equivalent contributions to share capital and the restatement effect before inflation adjustment.

As of December 31, 2023, the Parent Company's share capital consists of 42.000.000 shares with a value of TRY 1 each and the Parent Company's shares are divided into Group A and Group B shares. As of December 31, 2023, the details of the Parent Company's capital structure on the basis of Group A and Group B shares are as follows

		December 31, 2023		
Shareholders	Group	Share Ratio	Number of shares	Share amount (TRY)
Hüseyin Çevik	Group A	42,00%	17.500.000	17.500.000
Hüseyin Çevik	Group B	38,00%	16.100.000	16.100.000
Public Portion	Group B	20,00%	8.400.000	8.400.000
Total		100,00%	42.000.000	42.000.000

Effective from November 24, 2022, the privileges granted to Group A shares are as follows:

Election of board members

According to Article 7 of the Articles of Association titled "Board of Directors and its Term", it is stated that the Board of Directors may consist of at least 6 members and half of the members of the Board of Directors may be elected among the candidates nominated by the majority of Group A shareholders.

Right to vote

According to Article 10 of the Articles of Association titled "General Assembly", each Group A share has 5 voting rights and each Group B share has 1 voting right in ordinary and extraordinary general assembly meetings.

As of December 31, 2023 and 2022, there are no privileges granted to Group B shares.

The Group's explanation regarding the adjusted equity accounts in accordance with TAS 29 prepared in accordance with the Capital Markets Board Bulletin published on March 07, 2024 is as follows;

	Financial statements according to TPL	Financial statements according to TAS / TFRS	Differences to be recognized in retained earnings / (losses)
Capital Adjustment Differences	261.276.055	164.019.214	(97.256.841)
Restricted Reserves	11.940.957	12.223.816	282.859

The Group's explanation on adjusted retained earnings in accordance with TAS 29 prepared in accordance with the Capital Markets Board Bullet in published on March 07, 2024 is as follows;

Retained Earnings / (Losses)	Amount Before TAS 29	Amount after TAS 29
January 01, 2021	71.052.935	1.003.201.232

22.2 Restricted Reserves

The legal reserve is appropriated out of the statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. Other legal reserves are appropriated at the rate of 10% of the total amount to be distributed to shareholders after payment of a 5% dividend to shareholders. According to the Turkish Commercial Code, unless the legal reserve does not exceed half of the share capital or issued capital, it can only be used to cover losses, to continue the business when business is not going well, or to take measures to prevent unemployment and mitigate its consequences.

As of December 31, 2023 and 2022, the details of restricted reserves are as follows:

	31.12.2023	31.12.2022
Restricted reserves	12.223.816	5.261.896
	12.223.816	5.261.896

22.3 Retained Earnings

As of December 31, 2023 and 2022, details of retained earnings / (losses) are as follows:

	31.12.2023	31.12.2022
Retained earnings / (losses), net	1.629.944.107	1.006.043.481
	1.629.944.107	1.006.043.481

As of December 31, 2023 and 2022, the movement of retained earnings / (losses) is presented in the accompanying consolidated statement of changes in equity.

22.4 Gain / (Loss) on Remeasurement of Defined Benefit Plans

For the years ended December 31, 2023 and 2022, the Group has reflected a liability for employment termination benefits calculated on the basis described in Note 2, using the expected inflation rate and the real discount rate discounted to the statement of financial position date. All gains and losses other than actuarial gains / (losses) are recognized in the statement of profit or loss and actuarial gains / (losses) are recognized in the statement of changes in equity.

	31.12.2023	31.12.2022
Gain / (loss) on remeasurement of defined benefit plans	(383.900)	(178.325)
	(383.900)	(178.325)

22.5 Revaluation Increase/Decrease in Revaluation of Property, Plant and Equipment

Value increase funds consist of the excess of the net book value of property, plant and equipment and deferred tax calculated over this excess. As of December 31, 2023, as a result of the appraisal reports prepared by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., property, plant and equipment are reflected in the consolidated financial statements at their fair values determined according to the valuation report prepared by the Group.

The details of value increase funds are as follows:

	31.12.2023	31.12.2022
Excess of net book value (Note 18)	502.159.939	-
Minority interests (Note 22.7)	(12.235.638)	-
Deferred tax liabilities (Note 29)	(124.218.266)	-
Total value increase fund	365.706.035	-

22.6 Share Premium

As of December 31, 2023 and 2022, the details of the related account are as follows:

	31.12.2023	31.12.2022
Premiums obtained from the sale of shares on Borsa Istanbul A.Ş.	1.041.220.763	-
Expenses related to the public offering process	(24.158.928)	-
	1.017.061.835	-

With the sale of 7.000.000 shares of the Parent Company, each of which is TRY 1, at a price of TRY 105 per share on Borsa Istanbul A.Ş. through capital increase, a total fund amounting to TRY 735.000.000 has been generated. TRY 7.000.000 of the related amount is reported under share capital account and the remaining TRY 728.000.000 (TRY 1.041.220.763 based on the purchasing power as of December 31, 2023) is reported under share premium account. Total public offering cost of the Parent Company amounting to TRY 16.891.422 (TRY 24.158.928 based on the purchasing power as of December 31, 2023) is reported by deducting from the share premium amount.

22.7 Minority interests

As of December 31, 2023 and 2022, the details of non-controlling interests on the basis of the accounts in which they arise are as follows:

	31.12.2023	31.12.2022
Capital	9.472.940	8.676.388
Revaluation difference (Note 22.5)	12.235.638	-
Retained earnings / (losses)	16.695.244	11.861.270
Net profit for the period (Note 30)	11.544.479	5.639.793
	49.948.301	26.177.451

NOTE 23 - REVENUE AND COST OF SALES

23.1 Revenue

As of December 31, 2023 and 2022, the details of revenue are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Domestic sales		
Chrome ore	135.475.293	-
Redevance revenues	250.472.924	174.394.869
Magnesite ore	-	497.198
Other sales	9.671.582	3.740.732
	395.619.799	178.632.799
International sales		
Chrome ore	1.375.492.574	1.448.688.347
Zinc ore	4.629.876	156.909.242
Lead ore	3.023.564	112.272.388
	1.383.146.014	1.717.869.977
Returns from sales		
Chrome ore	-	(60.013)
Sales Revenues (net)	1.778.765.813	1.896.442.763

As of December 31, 2023 and 2022, concentration risk analysis is presented in Note 31.

23.2 Cost of Sales

As of December 31, 2023 and 2022, the details of cost of sales are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Cost of goods sold	906.980.873	766.942.223
Depreciation and amortization	72.303.133	94.838.731
Cost of services sold	4.335.749	-
	983.619.755	861.780.954

The details of purchases from related parties are disclosed in Note 5.

NOTE 24 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

As of December 31, 2023 and 2022, general administrative and marketing expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
General administrative expenses	60.274.857	18.455.274
Marketing expenses	134.881.110	221.947.729
	195.155.967	240.403.003

NOTE 25 – EXPENSES BY NATURE

25.1 General administrative expenses

As of December 31, 2023 and 2022, the details of general administrative expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Personnel expenses	38.899.155	12.535.991
Consultancy service expenses	7.295.310	2.586.903
Depreciation and amortization	3.071.178	217.972
Vehicle expenses	1.726.688	261.488
Taxes, duties and fees	1.470.147	76.467
Representation and hospitality expenses	1.104.292	194.130
Travel expenses	519.632	166.346
Notary expenses	412.221	85.423
Office expenses	315.113	575.906
Communication expenses	99.387	104.255
Other expenses	5.361.734	1.650.393
	60.274.857	18.455.274

25.2 Marketing expenses

As of December 31, 2023 and 2022, the details of marketing expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Transportation expenses	123.950.779	218.130.247
Surveillance and analysis costs	4.868.872	1.341.441
Customs expenses	362.898	727.505
Depreciation and amortization	9.090	6.409
Other expenses	5.689.471	1.742.127
	134.881.110	221.947.729

NOTE 26 - OTHER OPERATING INCOME / (EXPENSES)

26.1 Other operating income

As of December 31, 2023 and 2022, other operating income is as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Foreign exchange gains from trading activities	56.165.789	45.068.954
Rediscount income	20.008.538	7.676.897
Due date income from trading activities	16.263.527	-
Reversal of unnecessary provision	98.384	9.712.868
Other income	7.835.272	3.780.976
	100.371.510	66.239.695

26.2 Other operating expenses

As of December 31, 2023 and 2022, other operating expenses are as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Idle capacity expenses (a)	49.295.314	33.631.517
Depreciation and amortization of idle capacity expenses (a)	32.193.499	1.975.067
Foreign exchange losses from trading activities	23.644.527	39.874.066
Rediscount expenses	12.122.486	8.375.365
Provision for doubtful receivables (Note 9)	1.797.494	2.035.786
Provision for impairment of inventories (Note 12)	799.006	556.499
Provision for litigation expenses (Note 20)	664.683	1.631.417
Other expenses	6.780.916	1.782.506
	127.297.925	89.862.223

(a) The Group reports the fixed costs related to the time when production is stopped at the mine sites in the related accounts.

NOTE 27 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

27.1 Income from investing activities

As of December 31, 2023 and 2022, income from investing activities is as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Currency hedged deposit income	57.303.969	4.819.181
Gain on sale of fixed assets	11.246.204	559.307
Fair value gains on financial investments	289.328	-
Rental income from investment property	161.563	-
Interest income from non-trade receivables (Note 5)	1.429	-
	69.002.493	5.378.488

27.2 Expenses from investing activities

As of December 31, 2023 and 2022, expenses from investing activities are as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Provision for impairment of property, plant and equipment (Note 18)	42.135.373	-
Fair value differences of financial investments	3.039.624	-
Loss on sale of fixed assets	1.267.254	5.960.700
	46.442.251	5.960.700

NOTE 28 - FINANCIAL INCOME / (EXPENSES)

28.1 Finance income

As of December 31, 2023 and 2022, financial income is as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Interest income	157.260.791	1.877.253
Foreign exchange gains	73.463.551	34.760.655
	230.724.342	36.637.908

28.2 Finance expenses

As of December 31, 2023 and 2022, financial expenses are as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Interest expense on loans and leasing	20.227.605	18.650.103
Foreign exchange loss	9.673.514	20.438.217
Other financial expenses	1.105.543	1.937.879
	31.006.662	41.026.199

NOTE 29- TAX ASSETS AND LIABILITIES

Deferred Tax

The Group's deferred tax assets and liabilities arise from temporary differences between the financial statements prepared in accordance with TAS / TFRS and the statutory records of the Group. These differences arise from the differences in taxation of income and expenses in different reporting periods for TAS / IFRS and tax purposes.

Within the scope of the Law No. 7061 "Law on Amendments to Certain Tax Laws and Certain Other Laws" published in the Official Gazette dated December 05, 2017, the corporate tax rate for the years 2018, 2019 and 2020 was increased from 20% to 22%. Within the scope of the "Corporate Tax Law" numbered 5520, which entered into force after being published in the Official Gazette dated April 22, 2021, as of July 1, 2021, corporate earnings for 2021 are taxed at a rate of 25% and corporate earnings for 2022 are taxed at a rate of 23%. Within the scope of the aforementioned laws, deferred tax assets and liabilities in the financial statements dated December 31, 2022, 2021 and 2020 are calculated with a tax rate of 25% for the portion of temporary differences that will have a tax effect in 2021 and with a rate of 23% for the portion of temporary differences that will have a tax effect in 2022. Deferred tax assets and liabilities that are expected to be realized in the long term are calculated using a tax rate of 20%. As of the date of the consolidated statement of financial position, the corporate tax rate is 20%. According to the regulations in force as of the report date, the corporate tax rate will be applied as 25% in 2023. As of December 31, 2023, deferred tax assets and liabilities are calculated using tax rates (and tax laws) that are expected to apply in the periods in which assets are realized or liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and that are expected to be enacted or substantively enacted by the end of the reporting period. 25% rate is used in the calculation of deferred tax (for the Parent Company: 23%).

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided at the consolidated statement of financial position dates using enacted tax rates is as follows:

	December 31, 2023		December 31, 2022	
	Total temporary differences	Deferred tax assets/ (liabilities)	Total temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Cash capital increase deduction	6.591.250	1.515.988	8.323.092	1.664.618
Provision for employment termination benefits	7.808.624	1.915.839	8.992.124	1.798.426
Provision for impairment of property, plant and equipment	93.822.652	23.481.704	63.160.465	12.632.092
Rediscount of receivables	9.098.919	2.224.381	1.961.157	392.232
Provision for doubtful receivables	3.833.225	921.173	3.516.444	703.289
Loan interest accrual	520.216	130.054	1.332.431	266.486
Provision for unused vacation	3.539.767	861.230	2.421.279	484.256
Provision for impairment of inventories	1.125.651	259.988	1.108.675	221.735
Provision for litigation expenses	2.008.446	484.312	2.214.158	442.832
Expense accrual	23.994.084	5.968.678	17.007.554	3.401.511
Prepaid expenses	1.448.904	347.087	-	-
Reclassification of deferred income	913.886	210.194	1.557.841	311.567
Foreign exchange losses	1.360.282	325.777	2.019.826	403.970
Adjustments related to inventories	746.991	186.748	-	-
Deferred tax assets		38.833.153		22.723.014
Deferred tax liabilities:				
Adjustments related to inventories	(147.458)	(33.915)	(6.143.257)	(1.228.652)
Revaluation difference on property, plant and equipment	(502.159.939)	(124.218.266)	-	-
Amortization of property, plant and equipment and intangible assets	(1.444.318.782)	(348.144.474)	(1.855.412.398)	(371.082.478)
Rediscount on payables	(16.693.041)	(4.126.129)	(1.934.343)	(386.869)
Adjustments to prepaid expenses	-	-	(450.115)	(90.024)
Foreign exchange gains	(138.304)	(31.827)	-	-
Adjustment of prepaid expenses	-	-	(220.797)	(44.162)
Deferred tax liabilities		(476.554.611)		(372.832.185)
Deferred tax assets / (liabilities), net		(437.721.458)		(350.109.171)

As of December 31, 2023 and 2022, tax income/expense for the years ended as follows:

	01.01.-31.12.2023	01.01.-31.12.2022
Current Period Tax Income / (Expense)	(125.016.327)	(120.285.590)
Deferred Tax Income / (Expense)	36.534.369	(94.544.296)
Tax income / (expense), net	(88.481.958)	(214.829.886)

As of December 31, 2023 and 2022, the calculation of tax income / (expense) for the period is as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Unaudited profit / (loss) before tax	612.093.003	475.807.965
Total additions / deductions to the base	(187.230.573)	(22.976.954)
Unaudited financial profit / (loss)	424.862.430	452.831.011
Applicable tax rate	23% - 25%	23%
Tax calculated (a)	101.967.642	104.151.133
Other tax (b)	585.195	-
Monetary gain / (loss), net	22.463.490	16.134.457
Corporate tax provision in the statement of profit or loss	125.016.327	120.285.590

(b) Within the scope of the Law No. 7440 on Restructuring of Certain Receivables and Amendments to Certain Laws published on March 12, 2023, it has been declared that additional tax at the rate of 10% will be levied on the corporate tax return for the year 2022 over the discount and exemption amounts utilized in accordance with the Corporate Tax Law and other laws and the reduced corporate tax base in accordance with Article 32/A of the Corporate Tax Law. In this context, additional provision amounting to TRY 399.623 (TRY 585.195 on the basis of purchasing power as of December 31, 2023) calculated over the discount and exemption utilized from the corporate tax provisions reflected in the financial statements dated December 31, 2022 is reflected in the consolidated financial statements dated December 31, 2023.

As of December 31, 2023 and 2022, the Group's current income tax liabilities are as follows:

	31.12.2023	31.12.2022
Provision for corporate tax	26.067.259	35.576.330
	26.067.259	35.576.330

As of December 31, 2023 and 2022, the movement of deferred tax income / (expense) is as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Opening balance at the beginning of the period	350.109.171	255.610.345
Deferred tax recognized in equity	124.146.656	(45.470)
Gain (Loss) on Remeasurement of Defined Benefit Plans	*(71.610)*	*(45.470)*
Revaluation Increase on Property, Plant and Equipment	*124.218.266*	-
Deferred tax assets / (liabilities), net	(437.721.458)	(350.109.171)
Deferred tax income / (expense), net	36.534.369	(94.544.296)

Corporate Tax

The Group is subject to corporate tax in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the current period.

Corporate tax is payable at a rate of 25% on taxable corporate income, which is calculated on the tax base remaining after adjusting for certain non-deductible expenses and deducting tax-exempt income, non-taxable income and other deductions (accumulated losses, if any, and investment incentives used if preferred). As at December 31, 2023, the effective tax rate is 25% (2022: 23%).

In Turkey, advance tax is calculated and accrued on a quarterly basis. As at 31 December 2023, the advance tax rate to be calculated on corporate income for the period ended 31 December 2023 is 25% (2022: 23%). In accordance with the regulation in the Corporate Tax Law, corporate tax is applied with a 2 percentage point discount on the corporate earnings of corporations whose shares are offered to the public for the first time in the Borsa Istanbul Equity Market at a rate of at least 20% for 5 accounting periods starting from the accounting period in which the shares are offered to the public for the first time.

In Turkey, there is no definite and firm reconciliation procedure for tax assessments. Companies file their tax returns between April 1-25 of the year following the close of the accounting period of the relevant year (between 1-25 of the fourth month following the close of the period for those with special accounting periods). These returns and the underlying accounting records can be reviewed and amended by the Tax Office within 5 years.

Income Tax Withholding

In addition to corporate income tax, companies should also calculate income withholding tax on dividends distributed, except for companies receiving dividends and declaring such dividends as part of their corporate income, and branches of foreign companies in Turkey. The withholding tax rate was changed to 15% as of July 23, 2006. As per the Presidential Decree dated December 21, 2021 and numbered 4936 published in the Official Gazette dated December 22, 2021, the dividend withholding tax rate was reduced from 15% to 10%. Dividends that are not distributed but added to capital are not subject to withholding tax.

NOTE 30 - EARNINGS / (LOSS) PER SHARE

As at December 31, 2023 and 2022, earnings / (loss) per month are as follows:

	01.01.- 31.12.2023	01.01.- 31.12.2022
Profit / (loss) for the period, net	313.385.700	636.502.339
Profit / (loss) attributable to non-controlling interests, net	11.544.479	5.639.793
Profit / (loss) for the period attributable to equity holders of the parent, net	301.841.221	630.862.546
Total weighted average number of shares (*)	40.082.192	350.000
Basic and diluted earnings / (loss) per share (TRY)	7,53	1.802,46

(*) Number of shares are calculated by weighted average method considering the dates of capital increase. As of December 31, 2023, the Parent Company's share capital is TRY 42.000.000 and the value of 1 share is TRY 1 (December 31, 2022: Share capital TRY 35.000.000 - Value of 1 share: TRY 100).

NOTE 31 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Instruments

Credit risk

Credit risk is the risk that a party to a financial instrument will default on a contractual obligation, resulting in a financial loss to the Group. The Group is exposed to credit risk through its trade and other receivables from forward sales and deposits held at banks. The Group management mitigates the credit risk related to receivables from customers by setting credit limits for each customer individually and by obtaining collaterals when necessary and by selling to risky customers only through cash collections. The Group's collection risk arises mainly from trade receivables. Trade receivables are evaluated by the Group management based on past experience and the current economic situation and are recognized net in the statement of financial position after an appropriate allowance for doubtful receivables is recognized.

As of December 31, 2023, the Group's exposure to credit risks by types of financial instruments is as follows:

	Trade receivables		**Other Receivables**		**Banks**	
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Deposit**	**Other**
Maximum credit risk exposure as of reporting date (A+B+C+D+D+E) (*)	**-**	**186.647.280**	**-**	**34.134.493**	**202.860.689**	**576.326.978**
Portion of maximum risk under guarantee with collaterals, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	186.647.280	-	34.134.493	202.860.689	576.326.978
B. Carrying amount of financial assets with renegotiated terms that would otherwise be considered past due or impaired	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	-	-	-	-	-
-The part secured by guarantees etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
-Past due (gross carrying amount)	-	3.833.225	-	-	-	-
-Impairment (-)	-	(3.833.225)	-	-	-	-
Portion of net value under guarantee with collaterals, etc.	-	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- Portion of net value under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with off-balance sheet credit risk	-	-	-	-	-	-

The Group's exposure to credit risks in terms of types of financial instruments as of December 31, 2022 is as follows:

	Trade receivables		**Other Receivables**		**Banks**	
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Deposit**	**Other**
Maximum credit risk exposure as of reporting date (A+B+C+D+D+E) (*)	**-**	**215.814.767**	**-**	**11.730.872**	**119.109.640**	**-**
Portion of maximum risk under guarantee with collaterals, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	215.814.767	-	11.730.872	119.109.640	-
B. Carrying amount of financial assets with renegotiated terms that would otherwise be considered past due or impaired	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	-	-	-	-	-
-The part secured by guarantees etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
-Past due (gross carrying amount)	-	3.516.444	-	-	-	-
-Impairment (-)	-	(3.516.444)	-	-	-	-
Portion of net value under guarantee with collaterals, etc.	-	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- Portion of net value under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with off-balance sheet credit risk	-	-	-	-	-	-

(*) This field represents the sum of rows A, B, C, D and E in the table. In determining the amount in question, factors that increase credit reliability, such as guarantees received, are not taken into account.

Interest rate risk

Fluctuations in the value of financial instruments may occur as a result of changes in market prices. Such fluctuations may result from price changes in securities or from factors specific to the issuer or affecting the entire market.

Interest-bearing financial liabilities have variable interest rates, whereas interest-bearing financial assets have fixed interest rates and future cash flows do not vary with the size of these assets. The Group's exposure to the risk of changes in market interest rates depends primarily on the Group's floating rate debt obligations. The Group's policy is to manage interest cost by using fixed and floating rate borrowings. As of December 31, 2023 and 2022, the Group does not have any floating interest rate financial liabilities.

The Group's interest rate position table is as follows:

	31.12.2023	31.12.2022
Fixed rate financial instruments		
Financial liabilities	199.235.546	180.673.356
Financial instruments with floating interest rates		
Financial liabilities	-	-

Liquidity risk

Liquidity risk is the possibility that the Group will not be able to meet its net funding obligations. Liquidity risk arises from the occurrence of events that result in a decrease in funding sources, such as market disruptions or credit rating downgrades. The Group management manages liquidity risk by allocating funding sources and maintaining sufficient cash and cash equivalents to meet its current and prospective obligations.

The tables showing the Group's liquidity risk as of December 31, 2023 are as follows:

Contractual maturities	**Book Value**	**Total cash outflowsaccordance with the contract(=I+II+III+IV)**	**Less than 3 Months (I)**	**3 to 12 Months (II)**	**1- 5 Years (III)**	**More than 5 years (IV)**
Non-Derivative Financial Liabilities						
Financial liabilities	182.291.474	**249.096.929**	24.480.370	218.573.416	6.043.143	-
Lease obligations	16.944.072	**22.293.720**	3.067.352	9.230.227	9.996.141	-
	199.235.546	**271.390.649**	27.547.722	227.803.643	16.039.284	-

Expected maturities	**Book Value**	**Total cash outflowsin accordance with expected maturity(=I+II+III+IV)**	**Less than 3 Months (I)**	**3 to 12 Months (II)**	**1- 5 Years (III)**	**More than 5 years (IV)**
Non-Derivative Financial Liabilities						
Trade payables	422.280.671	**438.850.871**	437.960.871	890.000	-	-
Other payables	17.413.976	**17.413.976**	13.167.976	3.573.958	672.042	-
	439.694.647	**456.264.847**	451.128.847	4.463.958	672.042	-

The tables showing the Group's liquidity risk as of December 31, 2022 are as follows:

Contractual maturities	**Book Value**	**Total cash outflowsaccordance with the contract(=I+II+III+IV)**	**Less than 3 Months (I)**	**3 to 12 Months (II)**	**1- 5 Years (III)**	**More than 5 Years (IV)**
Non-Derivative Financial Liabilities						
Financial liabilities	141.845.125	**155.490.162**	75.388.578	49.756.262	30.345.322	-
Lease obligations	38.828.231	**40.481.674**	11.136.652	19.448.897	9.896.125	-
	180.673.356	**195.971.836**	86.525.230	69.205.159	40.241.447	-

Expected maturities	**Book Value**	**Total cash outflowsin accordance with expected maturity(=I+II+III+IV)**	**Less than 3 Months (I)**	**3 to 12 Months (II)**	**1- 5 Years (III)**	**More than 5 Years (IV)**
Non-Derivative Financial Liabilities						
Trade payables	96.682.608	**98.616.951**	98.221.496	395.455	-	-
Other payables	37.944.479	**37.944.479**	10.920.528	25.797.090	1.226.861	-
	134.627.087	**136.561.430**	109.142.024	26.192.545	1.226.861	-

Currency risk

Foreign currency risk is the risk arising from the effects of movements in foreign exchange rates on assets, liabilities and off-balance sheet liabilities denominated in foreign currencies. Foreign currency transactions during the period are translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the end of the period. Exchange gains or losses arising on the settlement and translation of foreign currency items are recognized in the statement of profit or loss.

As of December 31, 2023, assets and liabilities denominated in foreign currencies held by the Group are as follows:

	TRY equivalent functional currency	**USD**	**EURO**	**AUD**
1. Trade Receivables	57.510.950	1.952.621	900	-
2a. Monetary Financial Assets (including cash and bank accounts)	537.687.287	18.257.553	2.096	7.467
2b. Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4.Current Assets (1+2+3)	**595.198.237**	**20.210.174**	**2.996**	**7.467**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	1.712.182	-	52.563	-
6b. Non-monetary financial assets	16.405.910	-	503.652	-
7. Other	-	-	-	-
8. Fixed Assets (5+6+7)	**18.118.092**	**-**	**556.215**	**-**
9. Total Assets (4+8)	**613.316.329**	**20.210.174**	**559.211**	**7.467**
10. Trade Payables	124.101.304	3.986.624	200.112	-
11. Financial Liabilities	7.851.161	-	240.593	-
12a. Other monetary liabilities	25.428.055	862.219	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Short-term liabilities (10+11+12)	**157.380.520**	**4.848.843**	**440.705**	**-**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.420.285		43.523	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	**1.420.285**	**-**	**43.523**	**-**
18. Total liabilities	**158.800.805**	**4.848.843**	**484.228**	**-**
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**	**-**
19a. Total amount of hedged assets	**-**	**-**	**-**	**-**
19b. Total amount of hedged liabilities	**-**	**-**	**-**	**-**
20. Net foreign currency asset/liability position (9-18+19)	**454.515.524**	**15.361.331**	**74.983**	**7.467**
21. Net foreign currency asset/liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	438.109.614	15.361.331	(428.669)	7.467
22. Total fair value of financial instruments used for foreign currency hedges	**-**	**-**	**-**	**-**
23. Export	**1.133.510.838**	**45.471.904**	**-**	**-**
24. Import	**-**	**-**	**-**	**-**

As of December 31, 2022, assets and liabilities denominated in foreign currencies held by the Group are as follows:

	TRY equivalent functional currency	**USD**	**EURO**
1. Trade Receivables	207.533.757	6.735.980	-
2a. Monetary Financial Assets (including cash and bank accounts)	92.963.983	2.971.309	43.192
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4.Current Assets (1+2+3)	**300.497.740**	**9.707.289**	**43.192**
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Fixed Assets (5+6+7)	-	-	-
9. Total Assets (4+8)	**300.497.740**	**9.707.289**	**43.192**
10. Trade Payables	37.713.002	959.197	246.369
11. Financial Liabilities	27.163.435	-	825.474
12a. Other monetary liabilities	26.228.080	476.614	350.000
12b. Other non-monetary liabilities	-	-	-
13. Short-term liabilities (10+11+12)	**91.104.517**	**1.435.811**	**1.421.843**
14. Trade Payables	-	-	-
15. Financial Liabilities	11.173.985	-	339.568
16a. Other monetary liabilities	-	-	-
16b. Other non-monetary liabilities	-	-	-
17. Long-term liabilities (14+15+16)	**11.173.985**	-	**339.568**
18. Total liabilities	**102.278.502**	**1.435.811**	**1.761.411**
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-
19a. Total amount of hedged assets	-	-	-
19b. Total amount of hedged liabilities	-	-	-
20. Net foreign currency asset/liability position (9-18+19)	**198.219.238**	**8.271.478**	**(1.718.219)**
21. Net foreign currency asset/liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	198.219.238	8.271.478	(1.718.219)
22. Total fair value of financial instruments used for foreign currency hedges	-	-	-
23. Export	**1.434.841.021**	**53.893.045**	-
24. Import	-	-	-

Sensitivity Analysis to Currency Risk

As at December 31, 2023, according to the foreign currency position in the statement of financial position as at December 31, 2023, if the Turkish Lira had appreciated/depreciated by 10% against foreign currencies with all other variables held constant, net loss for the year then ended would have been higher/lower by TRY 45.451.552 as a result of foreign exchange gains/losses on assets and liabilities denominated in foreign currencies.

	Profit / (Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
	In case of a 10% appreciation/depreciation of the US Dollar against TRY			
1-US Dollar net asset/liability	45.195.194	(45.195.194)	45.195.194	(45.195.194)
2-US Dollar hedged portion (-)	-	-	-	-
3-US Dollar Net effect (1+2)	45.195.194	(45.195.194)	45.195.194	(45.195.194)
	If Euro appreciates/depreciates by 10% against TRY			
4-Euro net asset / liability	241.408	(241.408)	241.408	(241.408)
5-Euro hedged portion (-)	-	-	-	-
6-Euro Net effect (4+5)	241.408	(241.408)	241.408	(241.408)
	A. In case of a 10% appreciation/depreciation of USD against TRY			
7-Australian Dollar net asset/liability	14.950	(14.950)	14.950	(14.950)
8-Australian Dollar hedged portion (-)	-	-	-	-
9-Australian Dollar Net effect (10+11)	14.950	(14.950)	14.950	(14.950)
TOTAL (3+6+9)	45.451.552	(45.451.552)	45.451.552	(45.451.552)

As at December 31, 2022, according to the foreign currency position in the statement of financial position as at December 31, 2022, if the Turkish Lira had appreciated/depreciated by 10% against foreign currencies with all other variables held constant, net loss would have been higher/lower by TRY 19.821.923 as a result of foreign exchange gains/losses on assets and liabilities denominated in foreign currencies for the year then ended.

	Profit / (Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
	In case of a 10% appreciation/depreciation of the US Dollar against TRY			
1-US Dollar net asset/liability	25.476.231	(25.476.231)	25.476.231	(25.476.231)
2-US Dollar hedged portion (-)	-	-	-	-
3-US Dollar Net effect (1+2)	25.476.231	(25.476.231)	25.476.231	(25.476.231)
	If Euro appreciates/depreciates by 10% against TRY			
4-Euro net asset / liability	(5.654.308)	5.654.308	(5.654.308)	5.654.308
5-Euro hedged portion (-)	-	-	-	-
6-Euro Net effect (4+5)	(5.654.308)	5.654.308	(5.654.308)	5.654.308
TOTAL (3+6)	19.821.923	(19.821.923)	19.821.923	(19.821.923)

Concentration risk related to sales

As at December 31, 2023 and 2022, the concentration risk of the Group's sales arises from its sales from its main operations.

As at December 31, 2023 and 2022, the Group's sales and customers create a concentration risk due to the high share of some customers in the Group's sales. Under IFRS 8 Operating Segments, if the revenue from transactions with a single external customer is 10 percent or more of the entity's revenue, the entity discloses that fact, the total amount of revenue from each such customer, and the segment or segments reporting the revenue. An entity need not disclose the identity of its major customers or the amount of revenue reported by each segment from that customer.

As of December 31, 2023 and 2022, the customers and their proportions that account for 10% or more of the Group's revenue are as follows:

	01.01. - 31.12.2023	01.01. - 31.12.2022
Company A	15,42%	-
Company B	-	61,07%
Company C	-	15,34%
Company D	-	2,78%
Company E	13,72%	10,07%
Company F	28,45%	-
Company G	10,01%	-

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital management using the debt to equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by deducting cash and cash equivalents from total debt (which includes current and non-current liabilities as presented in the statement of financial position). Cash and cash equivalents comprise cash and cash equivalents and currency hedged deposits recognized in short-term financial investments. Total capital is calculated as equity plus net debt, as shown in the statement of financial position.

As of December 31, 2023 and 2022, net debt / total capital ratio is as follows:

	31.12.2023	31.12.2022
Total payables	1.193.756.188	760.388.424
Minus: Cash and cash equivalents	783.857.307	119.795.504
Net debt	409.898.881	640.592.920
Total equity	3.582.360.629	1.864.174.525
Total capital	3.992.259.510	2.504.767.445
Net Debt/Total Capital ratio	10%	26%

NOTE 32 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING)

Fair value is the price at which a financial instrument could be exchanged between willing parties in a current transaction, other than in a forced sale or liquidation. The quoted market price, if any, is the price that best reflects the fair value of a financial instrument. The fair values of the Group's financial instruments have been estimated to the extent that relevant and reliable information is available from financial markets in Turkey. The estimates presented herein do not necessarily reflect the amounts the Group could realize in a market transaction. The following methods and assumptions were used in estimating the fair values of the Group's financial instruments.

The following methods and assumptions are used to estimate the fair values of financial instruments for which it is practicable to estimate fair values:

Financial Assets

Monetary assets whose fair value approximates their carrying amount:

-Foreign currency balances are translated at the period-end exchange rate.
-The fair values of certain financial assets (cash and cash equivalents) carried at cost in the statement of financial position are considered to approximate their respective carrying values.
-The fair value of trade receivables, net of allowances (including rediscounts), is estimated to approximate their carrying value.

Financial Liabilities

Monetary liabilities whose fair value approximates their carrying amount:

The fair values of short-term borrowings and other monetary liabilities are considered to approximate their carrying values due to their short-term nature.
-The fair value of long-term debt denominated in a foreign currency and translated at period-end exchange rates is assumed to be equal to its carrying amount.
-The carrying amounts of trade payables and accrued expenses representing estimated amounts payable to third parties are assumed to approximate their fair values.

Fair value measurements hierarchy table

The Group classifies the fair value measurements of financial instruments carried at fair value in the financial statements according to the source of inputs for each class of financial instruments, using a three-level hierarchy, as follows

Level 1: Financial assets and liabilities are valued at quoted market prices in active markets for identical assets and liabilities.

Level 2: Financial assets and liabilities are valued using inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Financial assets and liabilities are valued using inputs that are not based on observable market data used to determine the fair value of the asset or liability.

As at December 31, 2023 and 2022, the Group has not made any transfers between level two and level one and to or from level three.

As of December 31, 2023, the classes of financial instruments and their fair values are as follows:

	Financial liabilities measured at amortized cost	Financial assets at fair value through profit or loss	Book value	Note
Financial assets				
Cash and cash equivalents	779.727.307	-	779.727.307	6
Trade receivables	186.647.280	-	186.647.280	9
Financial investments	-	4.130.000	4.130.000	7
Financial liabilities				
Financial liabilities	199.235.546	-	199.235.546	8
Trade payables	422.280.671	-	422.280.671	9

As of December 31, 2022, the classes of financial instruments and their fair values are as follows:

	Financial liabilities measured at amortized cost	Financial assets at fair value through profit or loss	Book value	Note
Financial assets				
Cash and cash equivalents	119.629.810	-	119.629.810	6
Trade receivables	215.814.767	-	215.814.767	9
Financial liabilities				
Financial liabilities	180.673.356	-	180.673.356	8
Trade payables	96.682.608	-	96.682.608	9

NOTE 33 - SUBSEQUENT EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

Significant events that occurred after the statement of financial position date are as follows;

a) At the Board of Directors meeting of Hayri Ögelman Madencilik Anonim Şirketi, a subsidiary of the Parent Company, dated January 05, 2024; it was decided to start working on the feasibility and financing for the establishment of a ferrochrome production facility and to initiate the public offering process within this scope. Pursuant to the decision of the Board of Directors of Hayri Ögelman Madencilik Anonim Şirketi dated March 19, 2024, the application file for transition to the Registered Capital System and amendment of the Articles of Association was submitted to the Capital Markets Board on March 19, 2024.

b) The license transfer procedures of the mining site numbered 201200879 located in Pınarbaşı / Kayseri, which was purchased by Hayri Ögelman Madencilik Anonim Şirketi, a subsidiary of the Parent Company, on November 21, 2023, before the General Directorate of Mining and Petroleum Affairs were completed on January 09, 2024.

c) On January 30, 2024, the Board of Directors of the Parent Company, in order to support its ongoing investments and to diversify its funding sources, within the framework of capital markets legislation, has resolved to issue TRY 100.000.000 (One Hundred Million Turkish Liras), with various maturities up to 1 (one) year, in one or more times, in Turkish Lira, in various maturities up to 1 (one) year, in one or more times, in Turkish Lira, in the form of allocated sale and/or sale to qualified investors without public offering in the country, and in this context, it has been decided to apply to the Capital Markets Board for the issuance of debt instruments and the relevant application was made to the Capital Markets Board on February 16, 2024.

d) The "Share buy-back transactions" process announced by the Parent Company on December 29, 2023 was terminated on February 07, 2024. The Parent Company acquired nominal shares amounting to TRY 100.000 for TRY 39.487.232 between the relevant dates.

e) In 2020, 86.2% of the shares representing the capital of Hayri Ögelman Madencilik Anonim Şirketi, a subsidiary of the Parent Company, were acquired by CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi from Fatih Çevik and Serap Çevik. In 2018, 10% of the shares of Hayri Ögelman Madencilik Anonim Şirketi, which were sold by Fatih Çevik to CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi, were acquired by Fatih Çevik from MHS Dış Ticaret Anonim Şirketi. Between MHS Dış Ticaret Anonim Şirketi, which is the former shareholders of the Company, and Fatih Çevik, 10% of the Company's shares (with a nominal value of TRY 2.900.000 TRY nominal value) between MHS Dış Ticaret Anonim Şirketi and Fatih Çevik, who are the former shareholders of the Company, on December 28, 2018, MHS Dış Ticaret Anonim Şirketi filed a lawsuit against Fatih Çevik, and together with Fatih Çevik, against CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi, Hayri Ögelman Madencilik Anonim Şirketi and Hüseyin Çevik, firstly for the cancellation of the share transfer agreement, and if the Honorable Court does not accept, for the payment of the share price. Commercial Court of First Instance with the number 2024/130 Esas and the Group has been notified as of February 23, 2024. The Group managements foresee that no risk will arise due to the following matters;

- The Group has reached the conclusion that the share transfer transaction dated December 28, 2018, subject to the lawsuit, has been realized by fulfilling all legal requirements,

- With the letter of undertaking dated February 23, 2024 sent to the Group by Fatih Çevik, the defendant of the share transfer transaction dated December 28, 2018, Fatih Çevik has accepted and undertaken to compensate the material and immaterial damages that may arise based on all possible judgments that may be ruled against CVK Maden İşletmeleri Sanayi ve Ticaret Anonim Şirketi, Hayri Ögelman Madencilik Anonim Şirketi and Hüseyin Çevik.

f) The Parent Company's branch "Sarıalan Altın İşletmesi" located at the address "Kasaplar Mahallesi 23 Soma Cad. N97-99 İç Kapı N23 Altıeylül / Balıkesir" address of the Parent Company was moved to the address "Sarıalan Mahallesi Sarıalan 11 Sokak N3 Altıeylül / Balıkesir" on February 28, 2024.

g) The capital of Hayri Ögelman Madencilik Anonim Şirketi, a subsidiary of the Parent Company, which was TRY 50.000.000 as of December 31, 2023, was increased to TRY 200.000.000 and the related transaction was registered on February 29, 2024. The entire amount of the increase was covered from the positive differences of capital adjustment account.

h) The Parent Company's EIA application dated January 18, 2022 for the "Lead, Zinc, Copper Flotation Plant Capacity Increase and Additional Waste Storage Facility" project planned to be constructed in Kalkım Mevkii, Yenice District, Çanakkale Province was approved by the Ministry of Environment, Urbanization and Climate Change in order to terminate the current EIA process so that a new EIA process can be initiated.The application made to the Ministry of Environment, Urbanization and Climate Change was accepted by the Administration and the current EIA application process at Kalkım Lead-Zinc Plant was terminated with the letter of the Administration notified to the Parent Company on March 01, 2024. The Parent Company plans to apply for the new EIA process at Kalkım Lead-Zinc Plant after the necessary preparations are completed.

i) Hayri Ögelman Madencilik Anonim Şirketi, a subsidiary of the Parent Company, has reached an agreement on the transfer of the mining site located in Pülümür / Tunceli to a company located in Turkey on March 08, 2024 and official procedures have been initiated in line with the decision of the board of directors for the transfer.

j) The lawsuits filed with the Administrative Court for the stay of execution and cancellation of the "Environmental Impact Assessment (EIA) Positive" decision issued by the Ministry of Environment, Urbanization and Climate Change regarding the Sarıalan Gold Mine Project, which is being carried out by the Parent Company, were decided to be "Dismissed" on March 12, 2024, with an open appeal before the Council of State, and the related lawsuits were concluded in favor of the Parent Company. The Parent Company's current EIA Positive Certificate regarding the Sarıalan Gold Mine Project remains valid and in case of any developments regarding the lawsuits, the relevant developments will be shared with the public.