

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

**İpek Doğal Enerji Kaynakları Araştırma ve
Üretim A.Ş.**

**Consolidated financial statements as at
December 31, 2023 and independent auditor's
report**

Table of contents	<u>Pages</u>
Report on Audit of consolidated financial statements.....	1-6
Statement of consolidated financial position.....	7-8
Statement of consolidated profit or loss and other comprehensive income.....	9
Statement of consolidated changes in equity.....	10
Statement of consolidated cash flows.....	11
Explanatory notes to the consolidated financial statements	12-86

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

A) Report on the Audit of the Financial Statements

1) Qualified opinion

We have audited the financial statements of İpek Doğal Enerji Kaynakları Araştırma ve Üretim Anonim Şirketi (the Company) and its subsidiaries (collectively referred to as the "Group") which comprise the statement of consolidated financial position as at December 31, 2023, and the statement of consolidated comprehensive income, statement of consolidated changes in equity and statement of consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for qualified opinion

- i. As explained in detail in detail in Note 19, pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, the management of the Group was transferred to the Board of Trustees and then to the Savings Deposit Insurance Fund ("SDİF") on September 22, 2016 and various examinations and studies are continuing before the Group by the Prosecutor's Office, the Police Financial Crimes Branch and the CMB as of the balance sheet date. Regarding the reports that will constitute the basis of the relevant decision and the status of the ongoing legal process, we could not obtain sufficient and appropriate audit evidence as to whether any correction is required in the financial statements of the Group.
- ii. As explained in detail in Note 11, the control over the Group's UK-based subsidiary Koza Ltd was lost as a result of the General Meeting of the Company on September 11, 2015 and its registration in England on November 2, 2015. The legal process initiated by the CMB regarding loss of control pursuant to its decision dated February 4, 2016 continues as of the date of this report. While the shares of Koza Ltd are required to be accounted for with their fair value in accordance with the provisions of TFRS 9 - Financial Instruments Standard after loss of control, these shares are carried at cost values in the financial statements because the relevant value determination could not be made. In case the related shares are accounted with their fair value, it is not decided whether any adjustments are required in the financial statements.

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

3) Emphasis of Matter

We draw attention to Note 33 explaining that the independently audited consolidated financial statements of the Group for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 were approved and published by the Board of Directors with the resolutions dated April 24, 2018, April 30, 2018, February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively by excluding the possible cumulative reflections of the works and transactions belonging to the previous financial periods on the tables in accordance with the provisions of Article 401/4 of the Turkish Commercial Code No. 6102 ("TCC"). Independently audited financial statements for the year ended December 31, 2015, on the other hand, were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 could not be held due to the reasons stated in the paragraph of the basis for qualified conclusion and the financial statements of the relevant periods could not be submitted to the approval of the General Assembly. However, this issue does not affect the result announced by us.

4) 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How key matters addressed in the audit
Capitalized Mining Assets The Group capitalizes the expenses made in the following cases; - Where the development costs incurred in the mine sites are highly likely to obtain an economic benefit in the future from the mine in question, can be defined for certain mining areas and the cost can be measured reliably, - When there are direct costs incurred during stripping work that facilitates access to the defined part of the ore in each open pit ore deposit and overhead costs associated with stripping - When the provision for expenses that are likely to be spent during the closure and rehabilitation of mines are reduced cost values as of the balance sheet date, reclamation, rehabilitation and closure costs according to the current conditions of the mine fields that arise due to the open pit mine development activities and the production in the open pit Due to the share of the capitalized development costs in the consolidated financial statements dated December 31, 2023 and the management judgments applied during the capitalization of the related costs, this issue has been identified as a key audit matter. The complexity and significant judgments these assumptions of these capitalized mining assets contains are important to our audit and have therefore been identified as a key audit matter by us. Detailed explanations about the capitalized mining assets can be found in Note 2.5 and Note 14.	The following audit procedures have been applied for the mining assets capitalized during our audit: - Evaluation of the content of development costs capitalized for each mine site, - Meeting with the managers of the group's departments responsible for mining sites, - Detail testings on development, stripping and rehabilitation costs, - Checking the compliance of management evaluations with the independent valuation report on mineral reserves of expected future economic benefit, - Testing the capitalized rehabilitation, land and rights costs by comparing them with the actualized ones. Within the scope of the above-mentioned specific accountings, we have questioned the appropriateness of the information in the financial statements and explanatory footnotes.

Key audit matter	How our audit addressed the key audit matter
Application of the hyperinflationary accounting	
As stated in Note 2.1 to the financial statements, the Group has started to apply "IAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group ("Turkish Lira") is the currency of a hyperinflationary economy as per IAS 29 as of December 31, 2023. In accordance with IAS 29, financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date. In accordance with the guidance in IAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.1. Given the significance of the impact of IAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	Our audit procedures included the following; • We inquired management responsible for financial reporting on the principles, which they have considered during the application of IAS 29, identification of non-monetary accounts and tested IAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by IAS 29, • We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with IAS 29.

5) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated 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.

6) Auditor's Responsibilities for the Audit of the Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are 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 standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- In order to give an opinion on the consolidated financial statements, sufficient and appropriate audit evidence is obtained on financial information for businesses or business segments within the group. We are responsible for directing, supervising and conducting group supervision. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) It was decided to appoint a trustee to the Group in accordance with the decision of Ankara 5th Criminal Judgeship of Peace dated October 26, 2015 and paragraph 1 of Article 133 of the Criminal Procedure Code. Since there is no regulation in the capital market legislation regarding the issue, it has been decided not to seek the provisions regarding the structuring of the board of directors in accordance with the Capital Market legislation. Therefore, the Group does not have an Early Detection of Risk Committee.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period January 1 - December 31, 2023 and financial statements are not in compliance with laws and provisions of the Group's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Mehmet Can Altıntaş.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Mehmet Can Altıntaş, SMMM
Partner

May 24, 2024
Ankara, Türkiye

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Statement of consolidated financial position as at December 31, 2023

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

Assets	Notes	Audited	Audited
		Current period	Prior period
		December 31, 2023	December 31, 2022
Current assets		12.089.014	19.058.346
Cash and cash equivalents	4	1.070.138	863.855
Financial investments	11	8.876.201	16.082.628
Trade receivables			
- Due from third parties	5	83.890	72.811
Other receivables			
- Due from third parties	6	153.617	149.101
Inventories	7	1.555.665	1.411.743
Biological assets	8	46.791	49.592
Prepaid expenses	9	300.561	417.909
Assets related to current period tax	10	2.151	10.221
Assets held for sale		-	486
Non-current assets		14.998.741	10.892.422
Financial investments	11	2.371.598	1.828.369
Other receivables			
- Due from related parties	27	777.630	-
- Due from third parties	6	4.193	5.908
Investment property	12	880.374	1.662.879
Right of use assets	13	10.478	61.368
Property, plant and equipment	14	6.733.739	6.189.812
Intangible assets			
- Goodwill	15	95.253	95.253
- Other intangible assets	15	12.772	8.217
Prepaid expenses	9	1.950.836	97.174
Deferred tax assets	20	1.539.342	-
Other non-current assets	10	622.526	943.442
Total assets		27.087.755	29.950.768

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Statement of consolidated financial position as at December 31, 2023

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

Liabilities	Notes	Audited	Audited
		Current period	Prior period
		December 31, 2023	December 31, 2022
Current liabilities		2.090.357	1.905.794
Short term liabilities			
- Bank credits	18	383.335	-
- Lease liabilities	16	3.009	26.913
Trade payables			
- Due to third parties	5	327.744	283.611
Payables related to employee benefits	17	133.491	63.131
Other payables			
- Due to related parties	6, 27	42.341	9.530
- Due to third parties	6	18.465	152.602
Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		7.306	3.395
Current income tax liabilities	20	206.224	64.185
Short-term provisions			
- Provisions for employee benefits	19	28.807	123.653
- Other short-term provisions	19	920.867	1.156.467
Other short-term liabilities		18.768	22.307
Non-current liabilities		662.548	1.338.182
Long term liabilities			
- Lease liabilities	16	2.107	9.987
Other payables			
Other payables to third parties	6	161.652	169.183
Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		396	307
Long-term provisions			
- Provisions for employee benefits	19	148.079	194.813
- Other long-terms provisions	19	327.680	465.278
Deferred tax liabilities	20	22.634	498.614
Equity		24.334.850	26.706.792
Equity holders of the parent		6.797.027	7.084.796
Paid-in share capital	21	259.786	259.786
Adjustment to share capital	21	2.536.786	2.536.786
Share premium		64.590	64.590
Cross share capital adjustment		(49.723)	-
Other comprehensive income / expense not to be reclassified to profit or loss			
- Actuarial gain / (loss) fund for employee benefits		(10.692)	(31.318)
Restricted reserves	21	679.808	588.328
Reserves for withdrawn shares		487.783	-
Retained earnings		2.649.302	4.609.627
Net profit / (loss) for the period		179.387	(943.003)
Non-controlling interests		17.537.823	19.621.996
Total liabilities and equity		27.087.755	29.950.768

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Statement of profit or loss and other comprehensive income
for the year ended December 31, 2023**

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

		<i>Audited</i>	<i>Audited</i>
		<i>Current period</i>	<i>Prior period</i>
		January 1 –	January 1 –
	Notes	December 31, 2023	December 31, 2022
Revenue	22	8.606.132	11.609.073
Cost of sales (-)	22	(5.283.893)	(5.223.218)
Gross profit		3.322.239	6.385.855
Research and development expenses (-)	23	(617.050)	(540.802)
Marketing, sales and distribution expenses (-)	23	(112.631)	(126.863)
General administrative expenses (-)	23	(973.341)	(854.662)
Other operating income	24	134.749	397.786
Other operating expenses (-)	24	(1.511.307)	(1.036.417)
Operating profit		242.659	4.224.897
Income from investing activities	25	7.265.129	4.429.490
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		594	9.203
Operating profit before financial income		7.508.382	8.663.590
Financial expenses (-)		(143.675)	(273.827)
Net monetary loss (-)		(7.652.557)	(10.173.226)
Loss before tax from continued operations		(287.850)	(1.783.463)
Tax income / (expense) from continuing operations		868.031	(1.911.950)
- Current tax expense (-)	20	(1.134.909)	(1.655.182)
- Deferred tax income / (expense) (-)	20	2.002.940	(256.768)
Net profit / (loss) for the period		580.181	(3.695.413)
Attribution of Profit / (Loss) for the period:			
Non-controlling interests		400.794	(2.752.410)
Equity holders of the parent		179.387	(943.003)
Not to be reclassified to profit or loss			
Gains / (losses) on remeasurements of defined benefit plans		(49.525)	(139.519)
Gains / (losses) on remeasurements of defined benefit plans, tax effect		12.381	27.904
Total comprehensive income / (expense)		543.037	(3.807.028)
Attribution of Comprehensive Income / (Expense) for the period:			
Non-controlling interests		343.024	(2.832.707)
Equity holders of the parent		200.013	(974.321)
Earnings / (Loss) per 100 share			
- common stock (TL)	26	0,691	(3,630)
Earnings / (Loss) per 100 shares from total comprehensive income / (expense)			
- common stock (TL)	26	0,770	(3,750)

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Consolidated statements of changes in equity for the period ended December 31, 2023

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

					Other comprehensive income / expense not to be reclassified to profit or loss			Retained earnings			
	Paid-in share capital	Adjustment to Capital	Share premium	Capital Adjustments due to Cross- Ownership	Actuarial gain / (loss) fund for employee benefits	Restricted reserves	Retained earnings	Net profit for the period	Equity holders of the parent	Non- controlling interests	Total equity
Balances as of January 1, 2022	259.786	2.536.786	64.590	-	-	474.527	4.723.428	-	8.059.117	25.113.857	33.172.974
Net loss for the period	-	-	-	-	-	-	-	(943.003)	(943.003)	(2.752.410)	(3.695.413)
Other comprehensive income/(loss)	-	-	-	-	(31.318)	-	-	-	(31.318)	(80.297)	(111.615)
Total comprehensive income/(loss)	-	-	-	-	(31.318)	-	-	(943.003)	(974.321)	(2.832.707)	(3.807.028)
Transfers	-	-	-	-	-	113.801	(113.801)	-	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	(2.659.154)	(2.659.154)
Balance as of December 31, 2022	259.786	2.536.786	64.590	-	(31.318)	588.328	4.609.627	(943.003)	7.084.796	19.621.996	26.706.792
Balance as of January 1, 2023	259.786	2.536.786	64.590	-	(31.318)	588.328	4.609.627	(943.003)	7.084.796	19.621.996	26.706.792
Net profit for the period	-	-	-	-	-	-	-	179.387	179.387	400.794	580.181
Other comprehensive loss	-	-	-	-	20.626	-	-	-	20.626	(57.770)	(37.144)
Total comprehensive income/(loss)	-	-	-	-	20.626	-	-	179.387	200.013	343.024	543.037
Transfers	-	-	-	-	-	91.480	(1.034.483)	943.003	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	(838.162)	(838.162)
Increase (Decrease) through treasury share transactions(*)	-	-	-	(49.723)	-	487.783	(925.842)	-	(487.782)	(1.606.530)	(2.094.312)
Capital increase	-	-	-	-	-	-	-	-	-	17.495	17.495
Balance as of December 31, 2023	259.786	2.536.786	64.590	(49.723)	(10.692)	1.167.591	2.649.302	179.387	6.797.027	17.537.823	24.334.850

(*) It is related to share repurchase and share purchase and sale transactions initiated with the decision of Koza Altın İşletmeleri A.Ş. Board of Directors. Within the scope of share repurchase transactions, 50,000,000 Koza Altın İşletmeleri A.Ş shares were repurchased during the period. Within the scope of share purchase and sale transactions, 7,778,677 Koza Anadolu Metal Madencilik İşletmeleri A.Ş. shares were purchased, 5,529,108 İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. shares were purchased and 63,307,785 shares in total were purchased for 2.094.313 thousand TL.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Statement of consolidated cash flows
for the year ended December 31, 2023**

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

		<i>Audited</i>	<i>Audited</i>
		<i>Current period</i>	<i>Prior period</i>
		January 1 – December 31, 2023	January 1 – December 31, 2022
	Notes		
A. Cash flows from operating activities		(1.067.990)	2.232.504
Net profit for the period from continuing operations		580.181	(3.695.413)
Adjustments to reconcile profit for the period			
Adjustments for depreciation and amortisation	12,13,14,15	856.528	1.125.857
Adjustments for fair value loss (gains) of financial assets	25	(5.596.965)	(2.610.065)
Adjustments for impairments			
- Adjustments for recognition impairment of inventory		-	(80.595)
- Adjustments for impairment / (cancellation) of receivables	5	23.000	29.832
Adjustments for provisions			
- Adjustments for provisions for employee benefits (cancellation)	19	(69.294)	33.625
- Adjustments for lawsuits and/ or penalty provisions	19	165.116	65.411
- Adjustment for debt provisions	19	(109.620)	82.981
- Adjustments for rehabilitation and state rights provision		758.632	1.055.791
Adjustments for tax (income) / expense	20	(868.031)	1.911.950
Adjustments for interest income	25	(705.846)	(1.763.349)
Adjustments for interest expenses	16,18,19	66.776	27.113
Adjustments for losses (gains) from disposal of fixed assets	25	(196.184)	(39.140)
Adjustments for losses (gains) on disposal of investment property	25	(746.710)	-
Adjustments for monetary loss		6.850.581	10.227.820
Total adjustments		427.983	10.067.231
Net cash from operating activities		(2.076.154)	(4.139.314)
B. Cash flows from investing activities		4.444.590	(17.434.932)
Cash inflows from the sales of tangible assets	14,25	267.016	273.134
Cash outflows from the purchase of tangible assets	14	(1.267.102)	(1.006.326)
Cash outflows from the purchase of intangible assets	15	(13.831)	(5.902)
Cash outflows from the purchase of investment property	12	-	(31)
Cash inflows from the sales of investment property		1.080.503	-
Interest received		704.430	496.301
Cash inflows related to financial investments		13.960.189	5.077.017
Cash outflows related to financial investments (-)		(8.586.615)	(22.269.125)
Adjustments for losses (gains) on sale of non-current assets classified as held for sale		486	-
Cash advances and debts given (-)		(1.700.486)	-
C. Net cash from financing activities		(2.606.306)	(2.703.816)
Cash outflows arising from changes in mutual participation shares (-)		(2.094.312)	-
Dividends paid		(838.162)	(2.659.154)
Cash outflows related to lease agreements (-)	16	(19.573)	(44.662)
Cash inflows due to borrowing	18	349.157	-
Cash outflows arising from participation in capital increases of subsidiaries and/or joint ventures		(3.416)	-
Monetary loss on cash and cash equivalents		(562.594)	(5.968.685)
Net increase in cash and cash equivalents (A+B+C)		207.700	(23.874.929)
D. Cash and cash equivalents at the beginning of the year	4	861.057	24.735.986
Cash and cash equivalents at the end of the year (A+B+C+D)	4	1.068.757	861.057

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements for the year ended December 31, 2023

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

1. Group's organization and nature of operations

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. ("Company") was established as a Joint Stock Company with Trade Registry Number 55759 with the articles of association published in the Trade Registry Gazette dated January 8, 1985 and numbered 1174. The Group has changed its title as İpek Doğal Enerji Kaynak Araştırma ve Üretim A.Ş. on June 10, 2011 which was İpek Matbaacılık Sanayi ve Ticaret A.Ş., by including oil, natural gas, energy and energy resources research and production activities in its main field of activity which was printing and invitation in the establishment. This change was announced in the Trade Registry Gazette dated June 15, 2011 and numbered 7837. The company and all of its subsidiaries, whose details are explained in footnote 2.2, are named as "Group" together.

Company's address; Uğur Mumcu Mahallesi, Fatih Sultan Mehmet Bulvarı, İstanbul Yolu 10. Km, No: 310, 06370, Yenimahalle, Ankara, Türkiye. As of December 31, 2023, the number of employees is 2.645 (December 31, 2022: 2.821 people).

As of 31 December 2023, 62.12% of the Company's shares, including the stocks traded on Borsa İstanbul ("BIST"), belongs to İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. (31 December 2022 62.12%, Although 25 of them belong to İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.), the Company Management was transferred to the Trustee Committee, pursuant to the decision of the Ankara 5th Criminal Court of Peace dated October 26, 2015, and then the State of Emergency No. 674 was published on September 1, 2016. With the Decree-Law on Making Certain Arrangements within the scope of the Law ("KHK"), all the powers of the Company were transferred to the Savings Deposit Insurance Fund ("TMSF") on 22 September 2016. As of December 31, 2023, shares corresponding to 37.72% of the Company's capital (31 December 2022: 37.72%) are traded on the BIST.

As of October 26, 2015, all the powers of the management body have been transferred to the trustees appointed to the Group Management and it has been decided that new management bodies will be formed by these trustees. With the Decree Law No. 674 on Making Some Regulations under the State of Emergency ("Decree") published on September 1, 2016, it was decided to transfer all the powers previously given to the trustees assigned to companies by the courts to the Savings Deposit Insurance Fund ("SDIF"). In this context, on September 22, 2016, it has decided to terminate all the powers given to the trustees assigned to the Group on the basis of the article 19/1 of the aforementioned Decree and transfer the Group to the SDIF.

In accordance with the "reservation of the rights of bona fide shareholders and third parties" stipulated in the decision of the 3rd Criminal Chamber of the Supreme Court of Appeals dated April 14, 2023, numbered 2022/18087 Principles, Decision no. 2023/2215, the Company and other Koza İpek Group companies are In a way that protects the rights of bona fide shareholders and third parties, the parent company-subsidiary structure in group companies continues as it is, and the rights of investors in companies traded on BIST are protected, and the registration and announcement of the shares of real persons other than these on behalf of the Treasury are carried out by the Trade Registry Office. It was held in July 2023.

The Group's consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 have been approved by the Board of Directors with the board decisions dated April 24, 2018, April 30, 2018, February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively and published by excluding the possible cumulative effects of the works and transactions belonging to the previous financial periods, whose judgment process continues, in accordance with the provisions of Article 401/4 of the Turkish Commercial Code No. 6102 ("TCC"). Audited consolidated financial statements for the year ended December 31, 2015 were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 as explained in detailed in Note 10, could not be carried out due to various examinations and works by the Prosecutor's Office, the Police Financial Crimes Branch and the CMB, and these consolidated financial statements of the Group could not be submitted to the approval of the General Assembly.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

1. Group's organisation and nature of operations (continued)

Koza Altın İşletmeleri AŞ, a subsidiary of the Group, has established UK-based Koza Ltd., which owns 100%, in order to establish abroad mining ventures on March 31, 2014. The control of Koza Ltd, which the Company was consolidated until September 11, 2015, was lost as a result of the General Assembly held on September 11, 2015. The legal process initiated by the CMB regarding loss of control pursuant to decision dated February 4, 2016 continues as of the date of the consolidated financial statements. Under condensed consolidated financial statements, the Group has presented Koza Ltd. under the "Financial Investments" account with a cost value amounting to Thousand TL 1.711.562 (December 31, 2022: Thousand TL 1.711.562).

Main activity of the group is the operation of gold mines in Ovacık-Bergama-İzmir, Çukuralan-İzmir, Kaymaz-Eskişehir, Mastra-Gümüşhane and Himmetdede-Kayseri; gold mine exploration and ongoing projects across Turkey including gold mine field development.

Group's consolidated participations located in Turkey until December 31, 2015, Bugün Televizyon Radyo ve Perakende A.Ş., Yaşam Televizyon Yayın Hizmetleri A.Ş. ve Koza İpek Basın ve Basım Sanayi ve Ticaret A.Ş. and subsidiaries Koza Prodüksiyon ve Ticaret A.Ş., Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ve İpek Online Bilişim Hizmetleri Ltd. Şti. has not been included in the scope of consolidation since 2016 due to the official cancellation of the trade registry record with the Decree Law in 2016.

Approval of consolidated financial statements:

The consolidated financial statements dated December 31, 2023 were approved by the Board of Directors and authorized to be published on May 24, 2024.

2. Basis of presentation of consolidated financial statements

2.1 Basis of presentation

Financial reporting standards

The Company and its subsidiaries established in Turkey, prepare its financial statements in accordance with the Turkish Commercial Code (TCC) numbered 6102, tax legislation and the Uniform Chart of Accounts published by the Ministry of Finance.

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Resmi Gazete No:28676 on June 13, 2013. The accompanying consolidated financial statements are prepared based on the Turkish Financial Reporting Standards and Interpretations ("TAS/TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The consolidated financial statements and notes are presented in accordance with the "2022 TAS Taxonomy" announced by the POA with the principle decision dated October 4, 2022.

The consolidated financial statements are based on legal records and expressed in TL, and have been prepared by subjecting to some corrections and classification changes in order to present the Group's status according to TAS and TFRS.

Foreign currency

Functional and reporting currency

The consolidated financial statements are presented in TL, which is the functional currency of the Company and the presentation currency of the Group.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.1 Basis of presentation (continued)

Foreign currency transactions and balances

Foreign currency transactions have been converted over the exchange rates valid on the dates of the transaction. Monetary assets and liabilities based on foreign currency are converted using the exchange rates valid on the date of the statement of financial position. Exchange difference income or expense arising from foreign currency-based operational transactions (trade receivables and debts) is presented under the "other income / expenses from operating activities", while the exchange difference income or expense arising from the translation of other foreign currency based monetary assets and liabilities is presented under "finance income / expenses" in the statement of profit or loss.

Adjustment of Financial Statements in High Inflation Periods

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

Adjustment of Financial Statements in High Inflation Periods (continued)

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year end	Index	Index, %	Conversion Factor
2004	113.86	13.86	16.33041
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	1128.45	64.27	1.64773
2023	1859.38	64.77	1.00000

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

Adjustment of Financial Statements in High Inflation Periods (continued)

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

Going concern

The Group has prepared its consolidated financial statements according to the going concern principle.

Declaration of conformity to TFRS

The Group has prepared its interim consolidated financial statements for the period ending on December 31, 2023, in accordance with the CMB's Communiqué Serial: II-14.1 and its announcements clarifying this communiqué. The consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB and including the required information.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements

for the year ended December 31, 2023

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

2. Basis of presentation of consolidated financial statements (continued)

2.2 Consolidation principles

- (a) Consolidated financial statements include the accounts of the Company and its subsidiaries prepared according to the principles stated below. During the preparation of the financial statements of the companies included in the scope of consolidation, necessary corrections and classifications were made in terms of compliance with TFRS and the accounting policies and presentation styles applied by the Group.
- (b) The subsidiaries controlled by the company has been included in the consolidated financial statements by full consolidation method. Control is provided only when all of the following indicators are present on the enterprise in which the Company invests;
- a) has power over the enterprise in which it invests,
b) is exposed to or is entitled to varying returns due to its relationship with the investee,
c) has the ability to use its power over the investee to influence the amount of returns it will generate.

During the consolidation process, the registered participation values of the shares owned by the Company and its subsidiaries were netted mutually with the relevant equities. Intra-group transactions and balances between the Company and the subsidiaries have been netted during the consolidation process. The registered values of the shares owned by the Company and the dividends arising from them have been netted from the relevant equity and profit or loss statement accounts. The subsidiaries have been included in the scope of consolidation as of the date the control over its activities was transferred to the Group.

Subsidiaries

As of December 31, 2023 and 2022, the activities of the consolidated subsidiaries and the operating segments in which the subsidiaries operate in line with the purpose of the consolidated financial statements are as follows:

December 31, 2023

Title	Business segments	Nature of business
Koza Anadolu Metal Madencilik İşletmeleri A.Ş.	Mining	Mining
ATP İnşaat ve Ticaret A.Ş.	Construction and mining	Mining
Koza Altın İşletmeleri A.Ş.	Mining	Mining
Özdemir Antimuan Madenleri A.Ş.	Mining	Mining
ATP Havacılık Ticaret A.Ş.	Air transportation	Transportation
ATP Koza Turizm Seyahat Ticaret A.Ş.	Tourism and hotel management	Tourism
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Food and farming	Food
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Mining	Mining

December 31, 2022

Title	Business segments	Nature of business
Koza Anadolu Metal Madencilik İşletmeleri A.Ş.	Mining	Mining
ATP İnşaat ve Ticaret A.Ş.	Construction and mining	Mining
Koza Altın İşletmeleri A.Ş.	Mining	Mining
Özdemir Antimuan Madenleri A.Ş.	Mining	Mining
ATP Havacılık Ticaret A.Ş.	Air transportation	Transportation
ATP Koza Turizm Seyahat Ticaret A.Ş.	Tourism and hotel management	Tourism
ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.	Food and farming	Food
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	Mining	Mining

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.2 Consolidation principles (continued)

As of December 31, 2023 and 2022 titles, capitals, effective ownership rates and minority rates of the subsidiaries of the Group are as follows:

December 31, 2023

Title	Direct ownership share (%)	Effective ownership share (%)	Minority share (%)
Koza Anadolu Metal Maden. İşletmeleri A.Ş.	52,25	52,25	47,75
ATP İnşaat ve Ticaret A.Ş.	-	51,75	48,25
Koza Altın İşletmeleri A.Ş. (*)	-	23,29	76,71
Özdemir Antimuan Madenleri A.Ş.	-	51,75	48,25
ATP Havacılık Ticaret A.Ş.	-	51,23	48,77
ATP Koza Turizm Seyahat Ticaret A.Ş.	-	51,75	48,25
ATP Koza Gıda Tarım Hayvancılık San. ve Tic. A.Ş.	-	51,75	48,25
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	-	37,48	62,52
Koza İpek Tedarik Ticaret A.Ş. (**)	28,00	52,88	47,12

December 31, 2022

Title	Direct ownership share (%)	Effective ownership share (%)	Minority share (%)
Koza Anadolu Metal Maden. İşletmeleri A.Ş.	52,25	52,25	47,75
ATP İnşaat ve Ticaret A.Ş.	-	51,75	48,25
Koza Altın İşletmeleri A.Ş. (*)	-	23,29	76,71
Özdemir Antimuan Madenleri A.Ş.	-	51,75	48,25
ATP Havacılık Ticaret A.Ş.	-	51,23	48,77
ATP Koza Turizm Seyahat Ticaret A.Ş.	-	51,75	48,25
ATP Koza Gıda Tarım Hayvancılık San. ve Tic. A.Ş.	-	51,75	48,25
Konaklı Metal Madencilik Sanayi Ticaret A.Ş.	-	37,48	62,52
Koza İpek Tedarik Ticaret A.Ş. (**)	28,00	52,88	47,12

(*) Although the effective ownership rate of the Group is less than 50%, it uses its dominance power to manage the financial and operating policies of the company in question.

(**) It is not included in the scope of consolidation due to its lack of significant impact. Ratio of total assets, revenue and net profit of the subsidiary not included in the scope of consolidation to consolidated total assets, revenue and net profit is below 1%.

(c) The shares of non-controlling shareholders in the net assets and operating results of subsidiaries are shown as "non-controlling interests" in the consolidated financial statements.

(d) Koza Altın İşletmeleri A.Ş. ("Koza Altın"), one of the subsidiaries of the Group, established UK-based Koza Ltd., in which it has a 100% share, to make mining ventures abroad on March 31, 2014. It has been understood that the control of the Group over its subsidiary Koza Ltd, which it consolidated until September 11, 2015, was lost as a result of the general meeting held on September 11, 2015. The legal process initiated by the CMB regarding the loss of control pursuant to its decision dated February 4, 2016 continues as of the balance sheet date. In its consolidated financial statements, the Group has presented Koza Ltd. under "Financial Investments" in non-current assets at a cost of Thousands TL 1.711.562.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.2 Consolidation principles (continued)

- (e) Group's consolidated participations located in Turkey until December 31, 2015, Bugün Televizyon Radyo ve Perakende A.Ş., Yaşam Televizyon Yayın Hizmetleri A.Ş. ve Koza İpek Basın ve Basım Sanayi ve Ticaret A.Ş. and subsidiaries Koza Prodüksiyon ve Ticaret A.Ş., Rek-Tur Reklam Pazarlama ve Ticaret Ltd. Şti. ve İpek Online Bilişim Hizmetleri Ltd. Şti. has not been included in the scope of consolidation since 2016 due to the official cancellation of the trade registry record with the Decree Law in 2016.

2.3. Accounting policies, changes in accounting estimates and errors

Accounting policy changes arising from the implementation of a new TAS / TFRS for the first time are applied retrospectively or prospectively in accordance with the transition provisions of the TAS / TFRS, if any. If there is no transition requirement, significant optional changes in accounting policies or detected accounting errors are applied retrospectively and the financial statements of the previous period are restated. Changes in accounting estimates are applied in the current period when the change is made if they are related to only one period, and if they are related to future periods, they are applied both in the period of change and prospectively.

Assets that are critical parts worth 618,846 thousand TL, which were presented as spare parts under stocks in the 31 December 2022 financials, started to be presented as other fixed assets as of 31 December 2023.

2.4. The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

- Amendments to TAS 8 - Definition of Accounting Estimates
- Amendments to TAS 1 - Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.4. The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

Overall, the Group expects no significant impact on its balance sheet and equity.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

- Amendments to IAS 21 - Lack of exchangeability
- IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

2.5 Summary of significant accounting policies

Significant accounting policies adopted in the preparation of consolidated financial statements are summarized below:

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term time deposits. Short-term time deposits are highly liquid that can be easily converted into cash without a risk of losing its value. Cash and cash equivalents are presented in the statement of financial position with the sum of acquisition cost and accrued interest. Deposits from which interest income is obtained despite being blocked are classified under long-term financial investments.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements

for the year ended December 31, 2023

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Trade receivables

Group sales of the product, the content of dore bars of gold pre-emptive right with a bank on the domestic as consignment to be sold to the Central Bank of Turkey, while the sale of silver on domestic refinery is still done on a consignment basis.

The "simplified approach" is applied within the scope of the impairment calculations of trade receivables originating from other activities of the Group, which are accounted at amortized cost in the financial statements and do not contain a significant financing component (with a term of less than 1 year). With the application of this approach, in cases where the trade receivables are not impaired for certain reasons (except for the realized impairment losses), the loss allowance for trade receivables is measured at an amount equal to "lifetime expected credit losses". Following the allocation of a provision for impairment, if all or a portion of the impaired receivable is collected, the collected amount is deducted from the provision for the impairment allocated and recorded in other operating income.

Inventories

The cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition. The components of the cost included in inventories are material, labor and overhead costs. The cost of inventories is determined on the weighted average basis. Inventories are stated at the lower of cost and net realizable value.

The Group's inventories consists of mining inventories, chemicals and operating materials. Mining inventories consists of ready to be processed and mined ore clusters, solution obtained by treating mining inventories through tank leaching (heap leach) and gold and silver bars in the production process or ready for shipment. The ore clusters ready to be processed and the costs of gold and dore bars made ready for shipment in the production process are calculated by taking into account the amount of gold they contain on an ounce basis and the recycling rate calculated based on the processing in the facility.

The quantities of ready-to-work, mined ore clumps and dore bars made of gold and silver are determined by periodic counts. Depreciation and amortization of mineral assets and other fixed assets related to production are included in the costs of the inventory at the relevant production location and stage.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Related parties

If one of the below listed criteria exists the party is regarded as related with the Group:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Leases

a) Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the above mentioned assessments.

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

- c) any initial direct costs incurred by the Company, and
- d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)

Useful lives of right-of-use assets are as follows:

Buildings	3-5 years
Motor vehicles	2-4 years

Right-of-use assets are subject to impairment.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

The lease payments included in the measurement of the lease liability comprise 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, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c) amounts expected to be paid under residual value guarantees
- d) exercise price of a purchase option reasonably certain to be exercised by the Group
- e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, Group measures the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payments made, and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Significant judgement in determining the lease term of contracts with renewal options

Group assesses the contractual options to extend or to terminate the lease when determining the lease liability. Most of the options to extend and terminate are exercisable both by the Group and the respective lessor. Group determines the lease term of a lease considering the periods covered by options to extend and terminate the lease if the options are exercisable by the Group and the Group is reasonably certain to exercise those options. If a significant change in circumstances takes place, related lease term assessment is revisited by the Group.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Leases (continued)

Practical expedients

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

The Group applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group applies a single discount rate to a portfolio of leases which have similar characteristics (asset classes which have similar remaining rent periods in a similar economic environment).

Variable lease payments

Some lease contracts of the Group contain variable payment terms. Variable lease payments are recognised in the statement of profit or loss in the related period.

b) Group – as a lessor

All the leases that Group is the lessor are operating leases. Assets leased out under operating leases are classified under investment properties or operating leases in the financial position. Rental income is recognised in the statement of income on a straight-line basis over the lease term.

Transaction with related parties is the transfer of resources, services or obligations between related parties, regardless of whether they are paid for.

Investment properties

Properties those are held for long term rental yields or capital appreciation or both, rather than in the production of supply of goods and services or administrative purposes or for the sale in the ordinary course of business are classified as "Investment property". Investment properties are carried at cost less accumulated depreciation. Depreciation is provided for investment properties on a straight-line basis over their estimated useful lives.

Investment properties are reviewed for possible impairment losses and where the carrying amount of the investment property is greater than the estimated recoverable amount, it is written down to its recoverable amount. Recoverable amount of the investment property is the higher of the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or fair value less costs of disposal.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of income.

Property, plant and equipments are depreciated with the linear depreciation method in accordance with the useful life principle. The useful lives of buildings, machinery, facilities and devices are limited by the useful life of the respective mines. Land is not depreciated as it is deemed to have an indefinite useful life. Depreciation commences when the assets are ready for their intended use.

The cost of the property, plant and equipment consists of acquisition cost, import taxes, non-refundable taxes, and expenses incurred to make the asset ready for use.

After the asset is started to be used, expenses such as repair and maintenance are recognized as an expense in the period they occur. If the expenditures provide an economic value increase for the related asset in its future use, these expenses are added to the cost of the asset.

Assets in the construction phase are shown by deducting the impairment loss, if any, from their cost. When these assets are built and ready for use, they are classified into the relevant fixed asset item. Such assets are subject to depreciation when they are ready for use, as in the depreciation method used for other fixed assets.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful lives
Land improvements	(During the useful life of the relevant mine) 2-15 years
Buildings	(During the useful life of the relevant mine) 2-50 years
Machinery and equipments	(During the useful life of the relevant mine) 2-20 years
Motor vehicles	2-15 years
Furniture and fixtures	3-20 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Repair and maintenance expenses are charged to the income statements during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits more than the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Mining assets

Mining assets consist of mine site development, mining rights, mining plots, deferred mining costs and discounted costs associated with the rehabilitation, rehabilitation and closure of mine sites. Mineral assets are reflected in the financial statements with their net value after deducting the accumulated depreciation and permanent impairment, if any, over their acquisition costs.

Mining assets begin to be amortized with the commencement of production. The depreciation expenses of the mining assets are associated with the production costs on the basis of the relevant mining sites.

The mine site development costs include the evaluation and development of new ore veins, as well as the opening of underground galleries, excavation and construction of roads for the continuation and development of existing ore seams. Mine development costs are capitalized in cases where it is highly likely to obtain an economic benefit in the future from the mine in question, can be identified for specific mining areas and the cost can be measured reliably. Costs incurred during production are capitalized as long as they are directly related to the development of the mine site. Production-related costs are reflected as expense in the statement of profit or loss and other comprehensive income. In cases where mining site development expenses cannot be distinguished from research and evaluation expenses, the said expenses are recorded as expense in the profit or loss and other comprehensive income statement in the period they occur.

Mining assets are depreciated when their capacity is ready to be used fully and their physical conditions meet the production capacity determined by the Group management. Mine development costs are capitalized in cases where it is highly probable to obtain economic benefit in the future and are subject to depreciation considering the economic benefit. Mine development costs are distributed to the departments to the extent that they can be defined on the basis of the relevant mining areas as soon as they are first recorded, and the departments in each mine area are subjected to depreciation by using the units of production method, taking into account the economic benefits separately.

The large-scale and important revision works carried out at the said mine, which will increase the economic benefits to be obtained during the life of the relevant mine, are capitalized. Maintenance and repair expenses, excluding large-scale and significant revisions, that can be evaluated within this scope are recorded as expense in the profit or loss and other comprehensive income statement of the period in which they occur.

The mine development costs at each mine site are depreciated over the redemption rate found by dividing the total amount of gold in ounce mined from the relevant mine by the total ounce of visible and possible workable remaining gold reserves in the said mine during the period. The visible and possible reserve amounts in each mine site indicate the known and measurable resource that can be extracted and processed economically in the foreseeable future.

Apart from the land on which the production facilities are built and where the wastes are stored, the Group also purchases land for mining exploration activities. These lands are followed in mineral assets and are reflected in the financial statements over their acquisition costs. These lands begin to be depreciated over the depreciation rate found by dividing the total ounce of visible and possible workable reserve in the said mine by the remaining gold reserve amount as soon as the ore is started to be extracted in the relevant mine site.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Mining assets (continued)

The deferred mining costs consist of the direct costs incurred during stripping, which facilitates access to the defined part of the ore in each open pit ore deposit during the period, and the general production costs associated with the stripping work. It is subject to depreciation taking into account the deferred extraction rate, which is calculated based on the usable remaining life of each open pit.

The production costs corresponding to the part of the benefit generated in the stripping work realized in the form of manufactured products are accounted for by including the cost of inventories. The removal costs of each open pit ore deposit and, as long as it is measurable, for phases related to each ore deposit are accounted by taking into account the calculated rates.

Deferred mining costs are depreciated over the amortization rate found by dividing the total ounce of gold mined from the relevant mine by the total ounce of visible and possible workable remaining gold reserves in the said mine. The visible and possible reserve amounts in each mine site indicate the known and measurable resource that can be extracted and processed economically in the foreseeable future.

The actual mineral extraction rate is calculated by proportioning the amount of waste and ore extracted from each open pit until the balance sheet date. The estimated mineral extraction rate, which is calculated by taking into account the remaining useful life of each open pit, is calculated by proportioning the estimated cumulative pass and ore amounts to each other in tonnes to be prospectively extracted from each open pit connected to the reserve.

Accordingly, if the actual extraction rate is higher than the estimated extraction rate calculated by taking into account the useful life of each related open pit, part of the estimated cumulative passage during the year and the cost incurred for ore extraction is capitalized in line with the said rates.

If the estimated mineral extraction rate calculated considering the useful life of the mine is higher than the actual extraction rate, the related costs are accounted as production expense in the profit or loss and other comprehensive income statement, taking into account the depreciation rate stated above. The useful life of the mine is reviewed annually and changes in the deferred extraction rate are accounted for prospectively.

Mining rights are accounted in the financial statements at the acquisition cost. It is amortized by using the lower of the depreciation rate found by dividing the remaining economic lives of the relevant mine or the ounce amount of gold extracted from underground and open pit during the period by the amount of visible and possible workable remaining ounce of gold reserves.

Reclamation, rehabilitation and closure costs according to the current conditions of the mine fields that arise due to the open pit mine development activities and the production in the open pit; Provision for expenses that are likely to be spent during the closure and rehabilitation of mines is reflected in the financial statements at their reduced cost values as of the balance sheet date.

These provisions are reduced to their values at the balance sheet date, taking into account the risk of interest and liability in the markets, with a pre-tax discount rate that does not include the risk of future cash flow estimates, and the calculations are reviewed in each balance sheet period. Changes resulting from changes in management estimates used in the computation of the reclamation, rehabilitation and closure provision of mine sites are reflected in the cost of rehabilitation, rehabilitation and closure of mine sites.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

On the other hand, for each mine, the costs of rehabilitation, rehabilitation and closure of the respective mine sites; It is amortized by using the lower of the depreciation rate found by dividing the remaining economic lives of the relevant mine or the ounce amount of gold extracted from the relevant open pit during the period by the remaining visible and possible workable reserve amount in ounce. The costs incurred in relation to the prevention of environmental pollution and protection of the environment within the scope of the existing programs are reflected in the profit or loss and other comprehensive income statement as expense in the period they occur.

Mineral exploration, evaluation and development expenses

Pre-license costs are expensed in the period in which they occur.

After the license acquisition, mineral exploration and evaluation expenses include all kinds of technical services from the initial prospecting and exploration stages of a mine site to the realization of a mining project. These technical services; All kinds of geological studies from mining activities to reserve calculation, all kinds of ore production planning from exploitable reserve calculation to production method, optimization and organization, construction and implementation of ore enrichment projects for determination of complete flow chart, from process mineralogy to market analysis, necessary financing It includes activities such as feasibility studies in every scope up to its source.

Mine site development costs are capitalized in cases where it is highly likely that an economic benefit will be obtained from the mine in question in the future, can be identified for specific mine sites and the costs can be measured reliably. The costs incurred during the research and evaluation are capitalized as long as they are directly related to the development of the mine site.

At the point where production is decided at the mine site, all costs incurred are transferred to the mining assets account. However, when it is decided that there is no future economic benefit, all costs incurred are reflected in the income statement. As the production starts after the preparation period, mineral assets begin to be depreciated.

For the capitalized development costs, the Group management evaluates on each balance sheet date whether there is any indication of depreciation, such as a significant decrease in the reserve amount, expiration of the rights acquired for mining sites, and failure to renew or cancel. If there is such an indicator, the relevant recoverable value, which is determined as the higher of the amount to be recovered through sale after deducting the expenses required for the use or sale of the said asset, is estimated and the impairment losses are reflected as expense in the profit or loss and other comprehensive income statement. the carried value is reduced to its recoverable value.

Intangible assets

Intangible assets are comprised of rights and computer software. They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognised as an expense.

Any gain or loss arising on the disposal of an item of intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss as "gains from investment activities".

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Computer software and rights

Computer software and rights are recognized at their acquisition cost. They are amortized on a straightline basis over their estimated useful lives and carried at cost less accumulated amortization. Their estimated useful lives are between 3 and 5 years.

Business combination and goodwill

Business combinations are accounted for by using the purchase method in the scope of TFRS 3 "Business combinations". Any excess of the cost of acquisition over the acquirer's interest in the (i) net fair value of the acquiree's identifiable assets and contingent liabilities as of the acquisition date, (ii) amount of any non-controlling interest in the acquired entity and (iii) fair value of any equity interest previously held by acquirer is accounted for as goodwill. If those amounts are less than fair value of the net identifiable assets of the business acquired, the difference is recognised directly in "Gains from investment activities" as a gain from bargain purchase.

Under this method, the cost of an acquisition is measured over the fair value of cash and other assets given as of the acquisition date, equity instruments issued or liabilities incurred. If a business combination contract includes clauses that enable adjustments in the cost of business combination depending on events after the acquisition date; in case the adjustment is measurable and more probable than not, than the cost of business combination at acquisition date is adjusted. Costs related to the purchase are recognized as expense in the period in which they are incurred.

Identifiable assets, liabilities and contingent liabilities of the business acquired are measured initially at their fair values at the acquisition date in the scope of TFRS 3.

Goodwill recognised in business combinations is tested for impairment annually (as of December 31) or more frequently if events or changes in circumstances indicate impairment, instead of amortisation. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3. Therefore, goodwill is not recognized in such transactions.

In business combinations involving entities under common control, assets and liabilities subject to a business combination are recognised at their carrying amounts in the consolidated financial statements. In addition, statements of income are consolidated from the beginning of the financial year in which the business combination takes place. Similarly, comparative consolidated financial statements are restated retrospectively for comparison purposes. As a result of these transactions, no goodwill is recognised. The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired company is directly accounted under "transactions under common control" in "prior years' income".

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Impairment on non-financial assets

At each financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

When an impairment loss subsequently reversed, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Taxes on income

Taxes include current period income tax liabilities and deferred tax liabilities. A provision is recognised for the current period tax liability based on the period results of the Group at the financial position date.

Deferred income tax is provided for in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences (including unused incentive amounts and carried forward tax losses of prior years) are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

The parent company recognizes deferred tax asset for all deductible temporary differences arising from investments in Subsidiaries, only to the extent that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Taxes on income (continued)

The parent company recognizes deferred tax liability for all taxable temporary differences associated with investments in Subsidiaries except to the extent that both of the following conditions are satisfied:

- the parent is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Government grants allowing reduced corporate tax payment are evaluated within the scope of TAS 12 Income Taxes standard and are recognised as deferred tax asset by the qualified tax advantage amount, to the extent it is highly probable that future taxable profits will be available against which the unused investment tax credits can be utilised.

The tax effects of the transactions that are accounted directly in the equity are also reflected to the equity.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority with the condition of being same taxpayer entity and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Environmental rehabilitation, rehabilitation of mining sites and mine closure provision

The Group records the present value of the estimated costs of legal and constructive obligations required to restore the operating places in the period in which the obligation occurred (Note 19 b). These restoration activities include the dismantling and removal of structures, the rehabilitation of mines and waste dams, the dismantling of operating facilities, the closure and restoration of factories and waste areas, and the remediation and greening of the affected areas. The requirement usually occurs when the asset is set up or the place / environment in the production area is adversely affected. When the liability is first recorded, the present value of the estimated costs is capitalized by increasing the net book value of the relevant mining assets up to the amount at which the development / construction of the mine will take place. The liability that is discounted over time is increased by the change in the present value, which depends on the discount rates reflecting the market evaluations in the current period and the risks specific to the liability.

The periodic fluctuation of the discount is recognized as a financial cost in the income statement. Additional disruptions or changes in rehabilitation costs are reflected in the respective assets and rehabilitation liabilities as purchase or expense as they occur.

Provisions for employee benefits

a) Provision for employment termination benefits

In accordance with the current labor law in Turkey, the Group is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior.

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses and recognised under other comprehensive income.

b) Defined benefit plans

The Group has to pay contributions to the Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. These contributions are recognised as an employee benefit expense when they are accrued.

c) Unused vacation rights

Kullanılmamış izin haklarından doğan yükümlülükler, hak kazanıldıkları dönemlerde tahakkuk edilir.

Paid in capital

Ordinary shares are classified in equity. Costs related to the issuance of new shares and options are recognized in equity with an amount equal to collected amount less tax effects.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Since the company has withdrawn shares in the current accounting period, the effect of these transactions is also taken into account in the calculation of earnings per share.

Revenue from contracts with customers

In accordance with TFRS 15 "Revenue from Customer Contracts", effective from January 1, 2018, the Group has started to use the five-step model below to recognize revenue.

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. According to this model, firstly, the goods or services in the contract with the customers are assessed and each commitment for transferring the goods or services is determined as a separate performance obligation. Then it is assessed whether the performance obligations will be fulfilled at a point in time or over time. When the Group transfers control of a good or service over time, and therefore fulfills a performance obligation over time, then the revenue is recognised over time by measuring the progress of completion. Revenue is recognized when control of the goods or services is transferred to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services:

- a) presence of Group's collection right of the consideration for the goods or services,
- b) customer's ownership of the legal title on goods or services,
- c) physical transfer of the goods or services,
- d) customer's ownership of significant risks and rewards related to the goods or services,
- e) customer's acceptance of goods or services.

The main activities of the Group are operating seven mines in five regions which are Ovacık-Bergama-İzmir, Çukuralan-İzmir, Kaymaz-Eskişehir, Mastra- Gümüşhane and Himmetdede-Kayseri, searching for gold mines generally in Turkey regions and improving the mine fields of on going projects. The Group sales consist gold dore bars with a right of first refusal to domestic banks on consignment to be sold to the Central Bank of the Republic of Turkey and silver to a domestic refinery on consignment. Due to the fact that the sales are made on demand and the customer is corporate, the Group effectively manages the receivable risk, taking into account the past experiences.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

At contract inception, if the Group expects that the period between the transfer of the promised good or service and the payment is one year or less, the Group applies the practical expedient and does not make any adjustment for the effect of a significant financing component on the promised amount of consideration. On the other hand, when the contract effectively constitutes a financing component, the transaction price for these contracts is discounted, using the interest rate implicit in the contract. The difference between the discounted value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest and foreign exchange gains and losses arising from trading transactions are recognized in other operating income and expense

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

At initial recognition Group classifies its financial assets in three categories as; financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement and classification

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

a. Financial assets measured at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements

for the year ended December 31, 2023

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

i. Financial assets (continued)

a. Financial assets measured at amortized cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents, trade receivables and other receivables.

b. Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they are not held for trading. The classification is determined on an instrument-by instrument basis. The Group elected to classify irrevocably its non-listed equity investments under this category .

The accounting policies below apply to gains and losses from subsequent measurements:

Debt instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Financial assets (continued)

c. Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the asset, or retains the contractual rights to receive the cash flows of the financial asset but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. When the Group has transferred its contractual rights to receive cash flows from an asset and neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognised in two stages:

- 12-month ECL: For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months,
- Lifetime ECL: For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure.

For trade receivables, other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The expected credit losses were calculated based on a provision matrix that is based on the Group's historical credit loss experience, considering for forward-looking factors.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements

for the year ended December 31, 2023

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

• ***Financial liabilities at fair value through profit or loss***

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by TFRS 9. Gains and losses are recognised in the statement of profit or loss.

• ***Financial liabilities at amortised cost***

After initial recognition, borrowings and trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

ii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of consolidated financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Government grants

Government grants along with investment, research and development grants are accounted on accrual basis with their fair values when the application of grants is approved. These grants are accounted for as deferred income in the statement of financial position and are credited to income statement on a straightline basis over the expected lives of related assets. Government grants allowing reduced corporate tax practice are evaluated within the scope of TAS 12 Income Taxes standard.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements

for the year ended December 31, 2023

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

2. Basis of presentation of consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Segment reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decisionmaker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The sectors reported under "Other" do not meet the required minimum quantitative thresholds to be a reportable segment; hence they have been merged for segment reporting.

For an operating segment to be identified as a reportable segment it has to meet any of the following quantitative thresholds:

- i. its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments
- ii. the absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.
- iii. its assets are 10 per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered as reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Events after financial position date

The Group adjusts the amounts recognised in its financial statements to reflect the adjusting events after the financial position date. If non-adjusting events after the financial position date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the financial statements.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions

In the preparation of consolidated financial statements, the Group management requires the use of estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the amounts of income and expenses reported during the accounting period. Accounting judgments, estimates and assumptions are continuously evaluated by considering past experience, other factors and reasonable expectations about future events under current conditions. Necessary corrections are made and presented in the profit or loss statement in the period when it realized. Although these estimates and assumptions are based on management's best knowledge of current events and transactions, actual results may differ from their assumptions.

- a) Mining assets consists of mine site development costs, mining rights, mining lands, deferred stripping costs and discounted costs associated with the improvement, rehabilitation and closure of mine sites. Mining assets are accounted in the consolidated financial statements with their net book value after deducting the accumulated depreciation and permanent impairment, if any, from their acquisition costs. Mining assets start to be amortized on a production basis according to producible ore reserve with the commencement of production. The depreciation expenses of the mining assets are associated with the production costs on the basis of the relevant mining sites.

Within the scope of long-term plan studies, which are regularly updated, the Group conducts studies to determine the remaining reserves of mining assets, production-based depreciation calculations, and rehabilitation provisions within this scope.

The Group management reviews the estimates made in relation to the visible and probable mineral reserves in each balance sheet period. In certain periods, the Group management has independent professional valuation companies make valuation studies in accordance with the Australian Exploration Results, Mineral Resources and Gold Reserves 2012 Standards ("JORC") to determine the amount of visible, possible and probable mineral reserves and It is updated by or under the supervision of persons who have the competencies specified in. The reserves and resource amounts in question have been audited and approved by the independent professional valuation company "SRK Consulting" in line with the "JORC" standards as of December 31, 2023. Inspection of reserves and resources according to UMREK standards has been completed and approved.

Within the scope of these studies, the assumptions and methods used in determining the mineral reserves contain some uncertainties (such as gold prices, exchange rates, geographic and statistical variables), and the assumptions and methods developed in relation to the mineral reserve may change significantly depending on the availability of new information. The cost and depreciation of mining assets are adjusted prospectively based on these updates.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

Notes to the consolidated financial statements

for the year ended December 31, 2023

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

2. Basis of presentation of consolidated financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

b) Mining assets are amortized using the "production" method and the visible and possible gold reserve amount is used to calculate the depreciation rate. Other tangible assets, both movable and fixed, other than mining assets are depreciated using the straight-line method over their useful lives, limited with lifetime of the mines they are related to. The depreciation amounts calculated on the basis of the visible and possible gold reserves and using the production units method may vary between periods and for some mining assets, the depreciation may be affected by the deviation between the actual and estimated production amounts. These differences arise from the variables or assumptions stated below;

- Changes in the amount of visible and possible gold reserves as a result of the work done,
- The reserve's tenor ("grade") ratio, which can vary significantly from time to time,
- The actual gold price and the estimated gold price taken into account in reserve valuation and tenor determination studies,
- Other matters that may occur in the mine sites and cannot be predicted in advance and may affect the activities,
- Unpredictable changes in mining, processing and rehabilitation costs, discount rates, exchange rate changes,
- The effects of changes in mineral life on the useful life of tangible assets depreciated with the straight-line method and whose useful life are limited to the mine life.

The impairment tests performed by the Group management depend on the management's estimates about the future gold prices, current market conditions, exchange rates and pre-tax discount rate together with the relevant project risk. The recoverable value of the cash-generating units is determined as the higher one from the use value of the relevant cash-generating unit or its fair value after deducting sales costs. These calculations require the use of some assumptions and estimates. Changes in assumptions and estimates based on gold prices may affect the useful lives of mines, and conditions may arise that may require adjustment on the carrying values of both goodwill and related assets.

Assets are grouped as independent and smallest cash generating units. If an impairment indicator is determined, estimates and assumptions are established for the cash flows to be obtained from each cash-generating unit determined. Impairment tests of both tangible assets and goodwill contain a certain amount of uncertainty due to the estimates and assumptions used. This uncertainty arises from the amount of visible and possible workable gold reserves used, current and future predicted gold prices, discount rates, exchange rates and estimated production costs.

c) Amount of provisions reflected in consolidated financial statements regarding environmental rehabilitation, improvement of mine sites and closure of mine sites is based on the plans of the Group management and the requirements of the relevant legal regulations. Changes in the aforementioned plans and legal regulations, up-to-date market data and prices, discount rates used, changes in estimates based on mineral resources and reserves may affect provisions.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

2. Basis of presentation of consolidated financial statements (continued)

2.6 Significant accounting judgments estimates and assumptions (continued)

As of December 31, 2023, the Group reassessed the provision amounts due to changes in discount rates, costs, production areas subject to rehabilitation and reserve lifetimes. The Group evaluates the mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation due to the large number of factors that may affect the final liability to be paid. These factors include estimates of the scope and cost of rehabilitation activities, technological changes, changes in regulations, cost increases proportional to inflation rates and changes in net discount rates (December 31, 2023: 5,35%, December 31, 2022: 4,07%). These uncertainties may cause future expenditures to differ from the amounts estimated today.

The provision amount at the reporting date represents the best estimate of the present value of future rehabilitation costs. Changes in estimated future costs are accounted in the balance sheet by increasing or decreasing the rehabilitation obligation or asset if the initial estimate was initially recognized as part of an asset measured in accordance with TAS 16 Tangible Assets. Any reduction in the rehabilitation obligation and hence any reduction in the rehabilitation asset cannot exceed the carried value of that asset. In case of excess, the amount exceeding the carried value is immediately taken to profit or loss.

- d) Deferred tax assets are recorded when it is determined that it is possible to generate taxable income in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over temporary differences. The Group management, as a result of its assessment, has been recognized as a deferred tax asset for financial losses that can be used within a predictable period and within the framework of tax laws. This evaluation is based on the assumptions used that the related subsidiary has taxable profit in the future periods.
- e) As the Group operates in the mining industry, it is exposed to many risks arising from laws and regulations. As of the balance sheet date, The results of current or future legal practices can be estimated within a certain ratio, based on the past experiences of the Group management and as a result of the legal consultancy received. Negative effects of a decision or application that may be taken against the Group may significantly affect the activities of the Group. As of December 31, 2023, there is no legal risk expected to significantly affect the activities of the Group.
- f) At the stage of determining the amount of the provision for the lawsuits, the management consider the possibility of the ongoing lawsuits to be concluded against the Group and the legal advisors' evaluation of the consequences that may arise in case these lawsuits are concluded against the Group. The Group management makes the best estimate based on the information provided.
- g) The gold in circuit inventory amount, which is followed as a semi-finished product and has not yet turned into finished gold during the production process, is evaluated separately for each production facility by making technical production calculations and estimations. The gold in circuit process, which is common for both tank leaching and heap leach production plants, ends after finished gold is obtained. Since the production processes of tank leaching and heap leaching facilities are different from each other, the amount of gold stock in the circuit differs on the basis of facilities, and the estimated amount of gold that can be obtained from the gold in circuit stocks of each facility at the end of the production process and the life of mine is analyzed based on technical calculations.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

3. Segment reporting

The Group's reporting according to the operating segments as of December 31, 2023 is presented as follows:

	Mine	Transportation	Tourism	Consumer	Elimination adjustments	Total
Revenue						
Domestic sales	8.119.173	12	21.570	424.375	(1.743)	8.563.387
Exports	42.745	-	-	-	-	42.745
Total revenue	8.161.918	12	21.570	424.375	(1.743)	8.606.132
Operating results						
Depreciation expense (-)	(754.328)	(69.836)	(31.886)	(478)	-	(856.528)
Interest income from investment activities	1.043.103	849	4.781	2.624	(345.511)	705.846
Financial expense (-)	(82.825)	(395.132)	(222)	(18.258)	352.762	(143.675)
Current tax expense (-)	(1.127.807)	-	(1.795)	(5.307)	-	(1.134.909)
Deferred tax income / (expense)	1.302.306	122.636	559.978	3.314	14.706	2.002.940
Monetary gain / (loss)	(8.350.646)	617.405	(13.459)	(43.525)	137.668	(7.652.557)
Operating profit / loss	373.477	(158.094)	(17.365)	48.051	(3.410)	242.659
Profit / loss before tax from continuing operations	257.072	65.028	(25.633)	(11.108)	(573.209)	(287.850)
Assets as of December 31, 2023	43.145.889	1.510.791	1.333.014	229.099	(19.131.038)	27.087.755
Liabilities as of December 31, 2023	3.033.529	24.505	8.237	122.691	(436.057)	2.752.905

In the table above, the amounts related to the segments are presented at the combined level, and all elimination balances within the Group are presented in the "Elimination adjustments" column.

The Group's reporting according to the operating segments as of December 31, 2022 is presented as follows:

	Mine	Transportation	Tourism	Consumer	Elimination adjustments	Total
Revenue						
Domestic sales	11.229.540	12	12.582	169.869	471	11.412.474
Exports	196.599	-	-	-	-	196.599
Total revenue	11.426.139	12	12.582	169.869	471	11.609.073
Operating results						
Depreciation expense (-)	(1.016.277)	(71.039)	(32.689)	(5.852)	-	(1.125.857)
Interest income from investment activities	1.959.314	516	2.196	461	(199.138)	1.763.349
Financial expense (-)	(117.034)	(65.225)	-	(13.853)	144.361	(51.751)
Current tax expense (-)	(1.655.182)	-	-	-	-	(1.655.182)
Deferred tax income / (expense)	(181.565)	(72.224)	(21.053)	18.989	(915)	(256.768)
Monetary gain / (loss)	(10.675.476)	697.637	(13.674)	(102.234)	(79.479)	(10.173.226)
Operating profit / loss	4.430.187	(176.951)	(32.351)	1.535	2.477	4.224.897
Profit / loss before tax from continuing operations	602.440	71.842	(39.000)	(49.373)	(2.369.372)	(1.783.463)
Assets as of December 31, 2022	43.876.708	1.512.503	928.768	165.539	(16.532.750)	29.950.768
Liabilities as of December 31, 2022	3.210.986	1.578.563	136.541	45.250	(1.727.364)	3.243.976

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

4. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash	256	428
Banks		
- Demand deposits	425.821	6.953
- Time deposits	644.061	856.474
Total	1.070.138	863.855
Less: Interest accruals	(1.381)	(2.798)
Cash and cash equivalents presented in the cash flow statement	1.068.757	861.057

The details of the Group's time deposits as of December 31, 2023 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	40,00 – 45,00%	30-35 Days	644.061	644.061
Total				644.061

The details of the Group's time deposits as of December 31, 2022 are as follows;

Currency	Interest rate	Maturity	Currency amount	TL Equivalent
TL	15,00 – 26,50%	1-30 Days	852.469	852.469
USD	0,70 – 1,30%	1-30 Days	214	4.005
Total				856.474

The Group's blocked deposits of TL 87.809 have been presented under financial investments account (December 31, 2022: TL 113.736).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

5. Trade receivables and payables

a- Trade receivables

	December 31, 2023	December 31, 2022
Trade receivables	176.167	238.306
Notes receivable	17.957	8.962
Provision for doubtful trade receivables (-)	(110.234)	(174.457)
Toplam	83.890	72.811

The movement of provision for doubtful trade receivables is as follows;

	2023	2022
January 1	174.457	246.768
Additions / (cancellations) (Note 24)	23.000	29.832
Monetary gain	(87.223)	(102.143)
December 31	110.234	174.457

b- Trade payables

	December 31, 2023	December 31, 2022
Trade payables	327.744	283.611
Total	327.744	283.611

6. Other receivables and payables

a. Other receivables

I. Short-term other receivables

i. Other receivables from third parties

	December 31, 2023	December 31, 2022
VAT refund receivables	152.647	147.317
Deposits and guarantees given	35	58
Other receivables due from personnel	8	14
Other	927	1.712
Total	153.617	149.101

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

6. Other receivables and payables (continued)

a. Other receivables (continued)

II. Long-term other receivables

i. Other receivables from related parties

	December 31, 2023	December 31, 2022
Other receivables from related parties (Note 27)	777.630	-
Total	777.630	-

b. Other payables

I. Short-term other payables

i. Short-term other payables

	December 31, 2023	December 31, 2022
Other payables to related parties (Note 27)	42.341	9.530
Deposits and guarantees received	276	489
Other	18.189	152.113
Total	60.806	162.132

II. Long-term other payables

i. Long-term other payables

	December 31, 2023	December 31, 2022
Other payables (*)	161.652	169.183
Total	161.652	169.183

(*) The account results from the the Group's purchase of Newmont Gold in 2010.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

7. Inventories

The inventories of the Group as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Gold and silver in the production process and gold and silver bars	795.919	499.499
Ready to be processed and mined ore clusters	372.479	492.287
Chemicals and operating materials	189.306	281.299
Other inventories (*)	197.961	138.658
Total	1.555.665	1.411.743

(*) Other inventories consist of food and concentrated antimony stocks.

8. Biological assets

Biological assets of the Group as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Biological assets	46.791	49.592
Total	46.791	49.592

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

9. Prepaid expenses

The Group's prepaid expenses as of December 31, 2023 and 2022 are as follows:

a. Short-term prepaid expenses

	December 31, 2023	December 31, 2022
Advances given	241.112	392.053
Prepaid expenses	59.449	25.856
Total	300.561	417.909

b. Long-term prepaid expenses

	December 31, 2023	December 31, 2022
Advances given (*)	1.947.329	78.018
Other (**)	3.507	19.156
Total	1.950.836	97.174

(*) Under the Mollakara Gold Mine Project in Diyadin district of Ağrı Province, the company has made an investment decision for the production of gold and silver. In this context, Fernas Construction Inc. has been determined as the contractor company to establish the facility through a tender, and an advance payment of 1,700,486 TL has been made to them.

(**) The company's expenses consist of rental fees and insurance costs for the coming years.

10. Other current and non-current assets

The details of other current and non-current assets of the Group as of December 31, 2023 and 2022 are as follows:

a) Other current assets

	December 31, 2023	December 31, 2022
VAT receivables	-	129
Job advances given	1.246	9.628
Other	905	464
Total	2.151	10.221

b) Other non-current assets

	December 31, 2023	December 31, 2022
VAT receivables	52.496	324.596
Other tangible assets (*)	570.030	618.846
Total	622.526	943.442

(*) It consists of spare parts, materials and operating materials that are generally consumed over a period of more than one year.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

11. Financial investments

a. Short term financial investments

The short term financial investments of the Group as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Currency protected time deposits (**)	1.409.863	1.955.858
Financial assets accounted at fair value under profit or loss (***)	7.466.338	14.126.770
Toplam	8.876.201	16.082.628

b. Long term financial investments

The long term financial investments of the Group as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Shares in subsidiaries (*)	1.714.632	1.714.632
Blocked deposits	656.966	113.737
Total	2.371.598	1.828.369

(*) With the decisions taken at the General Assembly meeting held on September 11, 2015 and the amendment of the articles of association on the same date of Koza Ltd. which is the subsidiary of the Company with 100% share, two A Group shares each worth 1 GBP ("GBP") and the control has transferred to A Group shareholders. Pursuant to the amendment to the articles of association made as of September 11, 2015, savings regarding all operational and managerial activities of Koza Ltd., decision and approval of the articles of association, approval of liquidation transactions and share transfer transactions, etc. rights are given to directors. As a result of the mentioned changes, the Company has lost the control over Koza Ltd. and Koza Ltd. was excluded from the scope of consolidation. It has been accounted in the financial statements at cost since the date the control has ended. As of the report date, fair value measurement could not be calculated due to uncertainties arising from the ongoing legal processes about Koza Ltd.

A legal process has been initiated by the CMB with the decision dated February 4, 2016 regarding the General Assembly and the resolutions taken, in cases where the final judicial decisions regarding this decision differ from the initially recorded amounts, these differences will be accounted in the period determined.

(**) Currency protected time deposits are accounted as financial assets at fair value under profit or loss. The Group has converted foreign exchange deposit accounts amounting to USD 63.824.440 into "Currency protected time deposits accounts". The maturity of currency protected time deposits is between 92-182 days. The Group's blocked deposits in the 'Currency protected time deposits accounts' of 569,157 TL have been presented under financial investments account (December 31, 2022:None).

(***) The Group has 2,947,000,000 investment fund participation certificates worth 4,407,188 thousand TL in total and 129,213,455 Mint Gold Certificates worth 3,035,224 thousand TL in total, 23.827 thousand TL worth private sector bonds and the fund accounts are accounted as financial assets whose fair value is recognized in profit or loss.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

12. Investment properties

Investment properties of the Group as of December 31, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals(*)	Transfers	December 31, 2023
Cost					
Flats	874.967	-	(780.776)	(94.191)	-
Dormitory	28.923	-	-	-	28.923
Hotel	1.615.264	-	(23)	-	1.615.241
Total	2.519.154	-	(780.799)	(94.191)	1.644.164
Accumulated depreciation					
Flats	124.934	3.928	(115.327)	(13.535)	-
Dormitory	5.254	578	-	-	5.832
Hotel	726.087	31.886	(15)	-	757.958
Total	856.275	36.392	(115.342)	(13.535)	763.790
Net book value	1.662.879				880.374

(*) A total of 48 real estates, 43 of which are domestic and 5 of which are abroad, within the body of the Group have been sold to Koza-İpek Holding A.Ş. in accordance with the Board of Directors decision dated March 20, 2023. As of December 31, 2023, all remaining investment properties have been classified as tangible assets in line with their current intended use.

	January 1, 2022	Additions	Disposals(*)	Transfers	December 31, 2022
Cost					
Flats	874.967	-	-	-	874.967
Dormitory	28.923	-	-	-	28.923
Hotel	1.624.403	31	(9.170)	-	1.615.264
Total	2.528.293	31	(9.170)	-	2.519.154
Accumulated depreciation					
Flats	108.935	15.999	-	-	124.934
Dormitory	4.676	578	-	-	5.254
Hotel	702.568	32.689	(9.170)	-	726.087
Total	816.179	49.266	(9.170)	-	856.275
Net book value	1.712.114				1.662.879

In 2023, from investment properties owned by Koza Altın, 1.458 thousand TL rental income has been obtained. (2022: 2.904 thousand TL). In addition, within the scope of the lease contract of Angel's Hotel and Royal Garden Hotel, which are owned by Koza Turizm, the Group has obtained a rental income of 21.570 Thousand TL between 1 January – 31 December 2023 (1 January – 31 December 2022: 12.582 Thousand TL).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

13. Right of use assets

The right of use assets of the Group as of December 31, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Contract change impact	December 31, 2023
Cost				
Buildings	7.162	-	(1.740)	5.422
Vehicles	169.172	-	(2.845)	166.327
Total	176.334	-	(4.585)	171.749
Accumulated amortization				
Buildings	1.145	805	-	1.950
Vehicles	113.821	45.500	-	159.321
Total	114.966	46.305	-	161.271
Net book value	61.368			10.478

	January 1, 2022	Additions	Contract change impact	December 31, 2022
Cost				
Buildings	-	7.162	-	7.162
Vehicles	191.218	312	(22.358)	169.172
Total	191.218	7.474	(22.358)	176.334
Accumulated amortization				
Buildings	-	1.145	-	1.145
Vehicles	66.543	47.278	-	113.821
Total	66.543	48.423	-	114.966
Net book value	124.675			61.368

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

14. Property, plant and equipment

The property, plant and equipment of the Group as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Mining assets	1.556.106	1.518.900
Other tangible assets	5.177.633	4.670.912
Total	6.733.739	6.189.812

a) Mining assets

As of December 31, 2023 and December 31, 2022, mining assets consists of mining rights, mine site development costs, deferred stripping costs, mining sites, and closing and rehabilitation of mines, and the net book values of these mining assets are as follows.

	December 31, 2023	December 31, 2022
Mining sites	99.240	121.588
Mine site development cost	1.008.794	1.005.254
Deferred stripping costs	99.028	68.743
Rehabilitation of mining facility	75.111	79.136
Mining rights	273.933	244.179
Total	1.556.106	1.518.900

The movements of mining assets are as follows;

	January 1, 2023	Additions	Disposals	Inflation effect (*)	December 31, 2023
Cost					
Mining sites	509.605	148	-	-	509.753
Mine site development costs	4.727.473	96.468	(5.200)	-	4.818.741
Deferred stripping costs	1.701.609	77.408	-	-	1.779.017
Rehabilitation of mining facility	619.818	62.665	-	(243.653)	438.830
Mining rights	443.905	29.911	(61.597)	-	412.219
Total	8.002.410	266.600	(66.797)	(243.653)	7.958.560

Accumulated depreciation

Mining sites	388.017	22.496	-	-	410.513
Mine site development costs	3.722.219	92.928	(5.200)	-	3.809.947
Deferred stripping costs	1.632.866	47.123	-	-	1.679.989
Rehabilitation of mining facility	540.682	35.581	-	(212.544)	363.719
Mining rights	199.726	157	(61.597)	-	138.286
Total	6.483.510	198.285	(66.797)	(212.544)	6.402.454
Net book value	1.518.900				1.556.106

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

14. Property, plant and equipment (continued)

a) Mining assets (continued)

	January 1, 2022	Additions	Disposals	Inflation effect (*)	December 31, 2022
Cost					
Mining sites	562.212	57.982	(110.589)	-	509.605
Mine site development costs	4.546.141	181.332	-	-	4.727.473
Deferred stripping costs	1.593.706	107.903	-	-	1.701.609
Rehabilitation of mining facility	896.071	74.330	-	(350.583)	619.818
Mining rights	442.977	1.098	(170)	-	443.905
Total	8.041.107	422.645	(110.759)	(350.583)	8.002.410
Accumulated depreciation					
Mining sites	365.943	22.074	-	-	388.017
Mine site development costs	3.563.697	158.522	-	-	3.722.219
Deferred stripping costs	1.540.830	92.036	-	-	1.632.866
Rehabilitation of mining facility	715.359	105.203	-	(279.880)	540.682
Mining rights	199.627	99	-	-	199.726
Total	6.385.456	377.934	-	(279.880)	6.483.510
Net book value	1.655.651				1.518.900

(*) The reclamation, rehabilitation and closure costs of the mine sites resulting from open pit mining site development activities and open pit production, according to their current conditions, are not indexed and are evaluated in US Dollar values.

All depreciation expenses are included in the cost of goods produced. There isn't any mortgage on mining assets as of December 31, 2023 (December 31, 2022: None).

The cost of the mine sites, mining rights and mine site development cost of the Group, which have been fully depreciated as of December 31, 2023, but are in use, are amounting to thousands TL 2,402.967 (December 31, 2022: thousands TL 2,402,967).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

14. Property, plant and equipment (continued)

b) Other tangible assets

Movements of other tangible assets during the year as of December 31, 2023 and 2022 are as follows;

	January 1, 2023	Additions	Disposals	Transfer	December 31, 2023
Cost					
Land, buildings and land improvements	3.304.998	33.785	(170.723)	182.640	3.350.700
Machinery and equipment	7.226.348	221.925	(526.905)	10.712	6.932.080
Motor vehicles	2.588.203	355.196	(24.368)	-	2.919.031
Furnitures and fixtures	629.820	24.581	(113.444)	7.175	548.132
Construction in progress	118.522	427.680	(1.614)	(110.950)	433.638
Total	13.867.891	1.063.167	(837.054)	89.577	14.183.581
Accumulated depreciation					
Buildings and land improvements	1.877.825	73.897	(115.683)	13.535	1.849.574
Machinery and equipment	6.014.339	230.470	(517.132)	-	5.727.677
Motor vehicles	802.788	212.623	(23.304)	-	992.107
Furnitures and fixtures	502.027	44.666	(110.103)	-	436.590
Total	9.196.979	561.656	(766.222)	13.535	9.005.948
Net book value	4.670.912				5.177.633

There isn't any mortgage on other tangible assets as of December 31, 2023 (December 31, 2022: None). As of December 31, 2023, the insurance amount on the tangible assets and inventories of the Company is 2,371 thousand TL (December 31, 2022: 909 thousand TL).

The cost of other tangible assets of the Group, which have been fully depreciated as of December 31, 2023, but are in use, is amounting to thousand TL 4.124.377. (December 31, 2022: thousand TL 4.134.580 thousand TL).

All depreciation expenses are included in the cost of goods produced. There are no financing expenses capitalized on property, plant and equipment.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

14. Property, plant and equipment (continued)

b) Other tangible assets (continued)

	January 1, 2022	Additions	Disposals	Transfer	December 31, 2022
Cost					
Land, buildings and land improvements	3.384.180	59.700	(168.826)	29.944	3.304.998
Machinery and equipment	6.910.586	266.686	(57.470)	106.546	7.226.348
Motor vehicles	2.460.575	147.565	(19.937)	-	2.588.203
Furnitures and fixtures	605.209	33.126	(9.816)	1.301	629.820
Construction in progress	141.191	150.934	(102)	(173.501)	118.522
Total	13.501.741	658.011	(256.151)	(35.710)	13.867.891
Accumulated depreciation					
Buildings and land improvements	1.873.139	99.666	(59.760)	(35.220)	1.877.825
Machinery and equipment	5.769.090	290.340	(45.091)	-	6.014.339
Motor vehicles	625.442	196.916	(19.570)	-	802.788
Furnitures and fixtures	459.237	51.285	(8.495)	-	502.027
Total	8.726.908	638.207	(132.916)	(35.220)	9.196.979
Net book value	4.774.833				4.670.912

15. Intangible assets

a) Goodwill

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

	December 31, 2023	December 31, 2022
Goodwill related to Newmont Altın purchase	95.253	95.253
Total	95.253	95.253

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

15. Intangible assets (continued)

a) Goodwill (continued)

Purchase of Newmont Altın:

The Group purchased 99.84% of Newmont Altın's shares in order to gain competitive advantage and create synergy by benefiting from the mining fields owned by Newmont Altın on June 28, 2010, in accordance with the "Share Purchase Agreement" with Newmont Overseas and Canmont. As of the same date, control of Newmont Altın was transferred to Koza Altın. Koza Altın has paid 538 thousands USD and 2.462 thousands USD, which constitute part of the total purchase price of 8.500 thousands US dollars, for 99.84% Newmont Altın shares, on June 28, 2010 and July 2, 2010, respectively. The remaining 5.500 thousands USD of the purchase price, 3.000 thousands USD will be paid after the start of the Diyadin project, which is planned for at least one year after the balance sheet date, and the remaining 2.500 thousands USD will be paid one year after the second payment.

As of December 31, 2023, it is highly probable that a sufficient amount of visible and probable reserves will be found in the mentioned mine sites in the coming years according to the estimates of the gold price made by the management, geological and geochemical studies and expert reports. As a result of these evaluations, no impairment is expected in the goodwill arising from the acquisition of Newmont Altın as of December 31, 2023.

b) Other intangible assets

The details of the Group's other intangible assets as of December 31, 2023 and 2022 are as follows:

	January 1, 2023	Additions	Disposals	Transfers	December 31, 2023
Costs					
Rights	134.488	13.831	(30.306)	4.614	122.627
Total	134.488	13.831	(30.306)	4.614	122.627
Accumulated depreciation					
Rights	126.271	13.890	(30.306)	-	109.855
Total	126.271	13.890	(30.306)	-	109.855
Net book value	8.217				12.772

	January 1, 2022	Additions	Disposals	Transfers	December 31, 2022
Costs					
Rights	128.586	5.902	-	-	134.488
Total	128.586	5.902	-	-	134.488
Accumulated depreciation					
Rights	114.244	12.027	-	-	126.271
Total	114.244	12.027	-	-	126.271
Net book value	14.342				8.217

All depreciation expenses are included in the cost of goods produced.

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

16. Lease liabilities

	December 31, 2023	December 31, 2022
Short-term lease liabilities	3.009	26.913
Long-term lease liabilities	2.107	9.987
Total	5.116	36.900

Movement of lease liabilities for the year ended on December 31, 2023 and 2022 is as follows:

	2023	2022
January 1	36.900	108.640
Additions	-	7.474
Paid during the period	(19.573)	(44.662)
Interest accrued	639	7.953
Monetary gain	(12.850)	(42.505)
December 31	5.116	36.900

17. Payables related to employee benefits

	December 31, 2023	December 31, 2022
Social Security Institution premiums to be paid	53.226	39.515
Due to personnel	23.292	3.096
Other	56.973	20.520
Total	133.491	63.131

18. Bank Credits

	December 31, 2023			
	Currency	Nominal Interest Rate	Maturity Date	Net Book Value
Bank Credits	TL	11,5%	January, 2024	383.335

As of December 31, 2023 and December 31, 2022, the details of the Company's bank credits are as follows:

Bank Credits	December 31, 2023	December 31, 2022
January 1	-	-
Credit Usage	349.157	-
Interest Accrual	34.225	-
Interest Payment (-)	-	-
Monetary gain	(47)	-
December 31	383.335	-

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities

As of December 31, 2023 and 2022, the details of the Group's provisions, contingent assets and liabilities are as follows:

a) Short-term provisions

	December 31, 2023	December 31, 2022
State right expense provision	548.969	738.425
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	125.397	138.471
Provisions for lawsuit	230.155	153.605
Other provisions (*)	16.346	125.966
Total	920.867	1.156.467

(*) A large part of the balance for 2022 is regarding to provision amount allocated for school construction within the scope of the social responsibility project carried out between the Ministry of National Education and the Ministry of National Education.

The movement table of state right expense provision is as follows;

	2023	2022
January 1	738.425	866.177
Paid during the period	(548.282)	(591.467)
Effect of changes in estimates and assumptions	(131.880)	1.105
Additions	780.984	880.407
Monetary gain	(290.278)	(417.797)
December 31	548.969	738.425

The movement table provision for lawsuit is as follows;

	2023	2022
January 1	153.605	151.965
Additions	165.116	65.411
Monetary gain	(88.566)	(63.771)
December 31	230.155	153.605

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

b) Long-term provisions

	December 31, 2023	December 31, 2022
Environmental rehabilitation, rehabilitation of mining sites and mine closure provision	327.680	465.278
Total	327.680	465.278

The movement table of environmental rehabilitation, improvement of mining sites and provision for mine closure is as follows;

	2023	2022
January 1	603.749	887.308
Paid during the period	(47.737)	(191.198)
Discount effect	10.121	396
Effect of changes in estimates and assumptions	112.553	231.396
Monetary gain	(225.609)	(324.153)
December 31 (*)	453.077	603.749

(*) The amount of provisions reflected to the financial statements for environmental rehabilitation, reclamation and closure of mine sites is based on the plans of the Company management and the requirements of the relevant legal regulations, changes in the plan and legal regulations, current market data and prices, discount rates used, mineral resources and regulations. Changes in estimates based on reserves may affect provisions. As with reserve and resource amounts, rehabilitation provision amounts are evaluated by SRK Consulting and provision figures are determined in US Dollars.

c) Provisions for employee benefits

i- Short-term provisions for employee benefits

	December 31, 2023	December 31, 2022
Personnel bonus provision	-	68.279
Provision for unused vacation	28.807	55.374
Total	28.807	123.653

The movement of provision for unused vacation is as follows;

	2023	2022
January 1	55.374	43.400
Additions / (cancellations), net	(4.799)	28.954
Monetary gain	(21.768)	(16.980)
December 31	28.807	55.374

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

c) Provisions for employee benefits (continued)

ii- Long-term provisions for employee benefits

	December 31, 2023	December 31, 2022
Provision for employee termination benefits	148.079	194.813
Total	148.079	194.813

Under the Turkish Labour Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Also, employees who are entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated March 6, 1981 and No: 4447 dated August 25, 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transition provisions related to the pre-retirement service term were excluded from the law since the related law was changed as of May 23, 2002.

The provision for severance pay is not subject to any funding and there is no funding requirement.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the real rate net of expected effects of inflation. The severance pay ceiling is revised in every six months, and the ceiling amount of full TL 23.489,93 (2022: TL 15.371,40) was taken into consideration in the calculation of the provision for severance pay. TFRS requires actuarial valuation methods to be developed to estimate the provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	December 31, 2023	December 31, 2022
Net discount rate	%2,00	%2,00
Probability of qualifying for seniority	%94,41	%94,41

The movements of the provision for severance pay within the accounting periods of December 31, 2023 and 2022 are as follows:

	2023	2022
January 1	194.813	132.498
Interest cost	31.912	19.160
Service cost	22.290	15.299
Past year service cost (*)	3.262	-
Actuarial loss / (gain)	49.525	139.519
Severance paid	(82.875)	(34.070)
Monetary gain	(70.848)	(77.593)
December 31	148.079	194.813

- (*) The regulation removing the retirement age requirement for employees who started employment before September 8, 1999 was published in the Official Gazette on March 3, 2023. Accordingly, those employees who have completed the number of premium days and insurance period are entitled to retire. The amount is the past service cost of the employees who are at retirement age due to the regulation considered as a plan change.

Severance pay liability is not legally subject to any funding. Provision for severance pay is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") stipulates the development of Group's liabilities within the scope of defined benefit plans by using actuarial valuation methods.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

c) Provisions for employee benefits (continued)

The sensitivity analysis of the important assumptions used in the calculation of the provision for employee termination benefits as of December 31, 2023 is as follows:

	Discount rate		Rate of retirement	
	%0,50 increase	%0,50 decrease	%0,50 increase	%0,50 decrease
2023	(19.074)	23.453	5.529	(5.036)
	Discount rate		Rate of retirement	
	%0,50 increase	%0,50 decrease	%0,50 increase	%0,50 decrease
2022	(22.904)	28.170	6.410	(5.986)

d) Important ongoing cases

i- Lawsuits related to Kaymaz mine

About the Kaymaz Gold and Silver Mine Third Capacity Increase and Additional Mine Waste Storage Facility (Art.-3) project planned to be built by Koza Gold Enterprises within the boundaries of the field with operating license numbers S: 82567 and S: 43539, located in Eskişehir province, Sivrihisar district, Kaymaz District. Requesting the cancellation of the "Environmental Impact Assessment Positive" decision made by the Ministry of Environment, Urbanization and Climate Change, Eskişehir Metropolitan Municipality; A lawsuit was filed against the Ministry of Environment, Urbanization and Climate Change with file number 2023/858 E. of the Eskişehir 1st Administrative Court, and the relevant case was also notified to Koza Altın İşletmeleri A.Ş. Koza Gold Management Inc. requested intervention in the case and it was decided to accept our request to intervene in the case alongside the defendant. An expert report dated February 15, 2024 was submitted to the file. The company objected to the relevant expert report and requested an additional report. A number of documents have been requested from the Ministry of Environment, Urbanization and Climate Change. The court stated that the request for stay of execution will be evaluated after the documents are sent. The documents were sent by the defendant administration, but the request for stay of execution has not been evaluated yet. The trial of the file is continuing and no decision has been made by the first instance court yet.

ii- Lawsuits related to other mines

These lawsuits are related to the expansion of the activities in some licensed fields and / or the permits and licenses of the new areas to be operated.

Lawsuits related to Çukuralan mine:

A lawsuit numbered 2017/1656 E. was filed against the Ministry of Environment and Urbanization in İzmir 6th Administrative Court for the cancellation of the EIA affirmative report issued for the 3rd capacity increase Project of Çukuralan mining facility, and the Company intervened in the case. The court decided to cancel the act, which is the subject of the lawsuit, and as a result of the appeal examination by the Council of State, the decision of the local court was not correct and reversed the decision in favor of the company. While the trial was continuing at the İzmir 6th Administrative Court on the basis of the 2019/574 basis, the court decided to cancel act with the decision dated 23.02.2021. The decision has been appealed. A lawsuit has been filed in İzmir 6th Administrative Court with file 2019/1120 E. for the stay of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision given by the Ministry of Environment and Urbanization regarding the 3rd capacity increase 2009/7 project of Çukuralan Gold Mine Enterprise. Company has been involved in the relevant case alongside the defendant Ministry.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

ii- Lawsuits related to other mines (continued)

Lawsuits related to Çukuralan mine (continued)

The previous case number and court of the relevant file is İzmir 3rd Administrative Court 2019/171 E. and due to its connection with the Çukuralan 3rd Capacity Increase file, the file's main record was closed by the decision of the 4th Administrative Case Division of the İzmir Regional Administrative Court and İzmir 3rd Administrative Court decided to send the file to İzmir 6th Administrative Court. While the related case was continuing with İzmir 6th Administrative Court no. 2019/1120 E., according to the decision of the court, the EIA positive decision, which was the subject of the case, was annulled and an appeal was made. At this point, according to the decision of the Council of State, it has been decided that it is not possible to apply two different EIA Positive decisions related to the same project together, since a second EIA Positive decision was made for the 2019/574 E. file regarding the project in question. It was decided by the Defendant Ministry that the EIA Positive decision, which is the subject of the case, should be accepted as implicitly withdrawn.

Since it was concluded that the subject of the pending case was no longer relevant, the İzmir 6th Administrative Court decided that there was definitely no room for reversing the decision numbered 2019/574 E. In terms of the 2019/1120 E. file, it has been decided that there is no legal inaccuracy in the decision of the İzmir 6th Administrative Court regarding the cancellation of the action, which is the subject of the lawsuit, and that the appeal requests of our intervening company as well as the respondent Ministry and the respondent Ministry are rejected.

For the annulment of the decision given by the defendant administration that the EIA is not required, a lawsuit was filed at the İzmir 6th Administrative Court with the number 2020/1479 E for the Çukuralan Gold Mine Crushing and Screening Plant Project planned to be built by Koza Gold Operations Inc. in Çukuralan Site. The trial is ongoing.

Regarding the 3rd capacity increase project of Çukuralan Gold Mine Plant planned to be carried out by Company, some plaintiffs have filed a lawsuit against the Ministry of Environment and Urbanization by some plaintiffs for the stay of execution and cancellation of the Environmental Impact Assessment (EIA) positive Decision given by the Ministry of Environment and Urbanization. A lawsuit was filed with the Administrative Court with the file numbered 2021/1407 E. and 2021/1013 E. The company intervened in the relevant case alongside the defendant ministry in both files, and in both files, the court decided to reject the case on the grounds that the EIA positive decision was in accordance with the law. The decision given in the file numbered 2021/1407 E. of the İzmir 4th Administrative Court and the file numbered 2021/1013 E. of the İzmir 4th Administrative Court was appealed by the plaintiffs. As a result of the appeal proceedings, the plaintiffs' appeal request was accepted and a more detailed procedural review was carried out. Since it was necessary to do so, the decision of the first instance court was reversed by majority vote against us and the file was sent to the first instance court for a more detailed examination. The file numbered 2021/1407 E. of the İzmir 4th Administrative Court is numbered 2023/1278 E. of the İzmir 4th Administrative Court, the file numbered 2021/1013 E. of the İzmir 4th Administrative Court is numbered 2023/1013 E. of the İzmir 4th Administrative Court. It has the number 1294 E.

In both files, the court decided to cancel the procedure subject to the case. The decision made in the file numbered 2023/1294 E. of the İzmir 4th Authority Court is appealed by the defendant Administration and Company and the appeal trial continues. The decision was notified to the parties in the file numbered 2023/1278 E. of the 4th Authority Court of İzmir and the remedy was applied by Koza Gold. However, the Council of State has not yet made a decision.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

Lawsuit related to Çanakkale Project:

In the lawsuit filed for the annulment and suspension of the EIA positive decision regarding the S: 201001197 Gold and Silver Mine Project, which is planned to be made in the vicinity of Serçiler and Terziler villages in the central district of Çanakkale, the company intervenes with the Ministry of Environment and Urbanization within the case number 2020/763 E. At the current stage, Çanakkale 1st Administrative Court decided to cancel the act subject to the lawsuit, an appeal was filed against the decision. It has been decided to reject the appeal requests of the intervening company.

iii- Lawsuits regarding the Company's subsidiary abroad

Legal actions has been initiated against the amendment in the main contract and establishment of privileged share as well as the board change with respect to London-based Koza Ltd., in which the Company owns 100% shares, and the legal process is ongoing before London courts. On the date of January 23, 2019, it has been decided by the 10th Commercial Court of First Instance of Ankara (case file number 2017/349 E) with an open appeal within two weeks from the notification date that 60.000.000 British Pounds shall be taken from the defendants to Koza Altın İşletmeleri A.Ş. as of September 1, 2015, together with the interest to be accrued according to the article 4 / a of the law numbered 3095. Following an appeal filed by the defendants against this court decision, the 21st Civil Chamber of Ankara Regional Court of Justice, which is the court of appeal, ordered to deem the defendants' request of appeal has not been filed for procedural reasons, with the decision numbered 2019/699 E. and 2019/1189 K. An appeal was filed by the defendants against this decision. The Court of Cassation decided to overturn the file for procedural reasons. With the additional decision of the Ankara 10th Commercial Court of First Instance, it has been decided that the appeal application of the defendants was not filed. The defendants appealed the decision. The appeal process continues.

iv- Liability lawsuits filed against former managers

As a result of the evaluations made by the CMB after the decision to appoint a trustee, the Company was instructed to file a liability lawsuit against previous board members for various reasons, and various liability lawsuits were filed against former managers on behalf of Ankara Commercial Courts, and the lawsuits are still pending. Lawsuits that may affect the activities of the Company are announced on the public disclosure platform in legal periods.

v- Other legal processes

Pursuant to the decision of the 5th Criminal Court of Peace in Ankara, the management of the Company was transferred to the Board of Trustees and then to the Savings Deposit Insurance Fund ("SDIF") on September 22, 2016. The indictment issued by the Ankara Chief Public Prosecutor's Office regarding the events that led to the appointment of a trustee was accepted by the Ankara 24th High Criminal Court and their trial was initiated with the file number 2017/44 E. And the case was resolved by the court of first instance. It has been decided by the court of first instance to confiscate the Company shares that belonged to the previous board members who were judged. Until the decision is finalized, it has been decided that the above-described measure of appointing a trustee will be continued. The decision is not finalized yet. In the case file of the Ankara 24th High Criminal Court numbered 2017/44 E., it has been further ordered by the court that the actions be severed with respect to the former members of the board of directors who could not have been tried due to their nonappearance in court and that the judgement to be continued through this new file and the aforementioned measure of the appointment of trustees to be sustained until the end of the trial. The new file severed is registered in the number of 2020/20 E under the Ankara 24th High Criminal Court's jurisdiction. The trial is ongoing. The trial process continues in the case where Cafer Tekin İpek and Özlem Özdemir are accused in the case file of the Ankara 24th High Criminal Court numbered 2020/157 E. The trial process continues with the file number 2022/193 E. of the Ankara 24th High Criminal Court. The relevant file was decided on January 10, 2024, and the case was rejected based on the opinion of the prosecutor's office. An appeal has been filed against the decision by the company and the Revenue Administration, and the appeal process continues.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

v- Other legal processes (continued)

The file numbered 2022/133 E, which was heard by the Ankara 24th High Criminal Court, was filed against the defendants Ali Serdar Hasırcıkıoğlu, Orhan Selçuk Hasırcıkıoğlu, Şaban Aksöyek and Cafer Tekin İpek in terms of the crime of opposition to the Tax Procedure Law. It is the file that is separated from the main file number E. In the relevant file, a decision was made to punish all the defendants, including the defendant Cafer Tekin İpek, and the relevant decision was made by the Ankara 25th High Criminal Court dated 05.02.2024 and 2024/26 D.İ.Ş as a result of the objections made by the defendants and the participating Revenue Administration. It was abolished by decision no. Following the removal decision in question, the file was sent again to Ankara 24th High Criminal Court and received the number 2024/115 E, and the trial continues on the relevant file.

vi – Lawsuit regarding the ATP İnşaat ve Ticaret A.Ş.:

The subject of the file numbered 2017/976 E. of the Istanbul 10th Commercial Court of First Instance is that the Share Sale and Transfer Agreement dated 12.05.2008 was made by eliminating the will of Ahmet Burak Mızrak and that with the said agreement, Kanaltürk's licensee and operator Yaşam Television Yayın Hizmetleri A.Ş., Rektur Reklam Paz. and Tic. Ltd. Ltd. and Gökcan Production Tic. It constitutes a claim for financial compensation on the grounds that it had to be transferred to ATP İnşaat ve Ticaret A.Ş. for a price below one-third of the value of its shares in A.Ş. In the relevant case, the material damage suffered by the plaintiff Ahmet Burak Mızrak; Defendants Hamdi Akın İpek and ATP İnşaat ve Ticaret A.Ş. together with the annual 6% and increasing USD interest paid by the state banks to the 1-year maturity deposit account opened in USD, which will be processed as of 100,000.00 USD as an indefinite receivable as of May 12, 2008. It was requested that it be collected and paid to Ahmet Burak Mızrak. In addition, as an additional case filed by Ahmet Mızrak to the file numbered 2022/441 E. of the Istanbul 4th Commercial Court of First Instance and the file numbered 2017/976 E. of the Istanbul 10th Commercial Court of First Instance, the plaintiff was exposed to the same allegations by repeating the same allegations and based on the same allegations. material damage; from the defendants Hamdi Akın İpek and ATP İnşaat ve Ticaret A.Ş., together with the annual 6% and increasing USD interest paid by the state banks to the 1-year maturity deposit account opened in USD, which will be processed as of May 12, 2008 as an indefinite receivable of 200,000.00 USD. It was requested that it be collected and paid to Ahmet Burak Mızrak. The file numbered 2022/441 E. of the Istanbul 4th Commercial Court of First Instance has been merged into the file numbered 2017/976 E. of the Istanbul 10th Commercial Court of First Instance. At the hearing held on July 05, 2023, it was decided to reject the plaintiff's case and the combined case due to the limitation period, with the possibility of appeal. The file was appealed by the plaintiff. The file has not yet been finalized and the trial continues at the appeal stage.

vii- Employee lawsuits and cases of contract receivables

As of December 31, 2023, the provision amount accounted for ongoing employee and other lawsuits against the Company is amounting to TL 230.155 Thousand (December 31, 2022: TL 153.605 Thousand)

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

19. Provisions, contingent assets and liabilities (continued)

e) Commitments and contingent liabilities

i- Letter of guarantees given

The details of the letter of guarantees given by the Group as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
A. CPM's given on behalf of own legal personality	193.920	113.168
- Guarantee	193.920	113.168
- Pledges	-	-
B. CPM's given given in favor of partnerships which are fully consolidated	-	-
C. CPM's given for assurance of third parties debts in order to conduct usual business activities	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given in favor of the parent company	-	-
ii. Total amount of CPM's given in favor of the group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	193.920	113.168

ii- Letter of guarantees received

The details of the Group's letter of guarantees received as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Guarantee cheques	2.027.846	2.161.837
Guarantee letters	2.571.891	30.214
Security bonds	114.659	809.871
Total	4.714.396	3.001.922

iii- Government grants

6% of the income tax calculated on the Employer's Insurance Premium Share for the employees of the Group's mining processing facility in Mastra-Gümüşhane is covered by the Treasury within the scope of the "Regional Insurance Premium Incentive" numbered 56486. The company also benefits from the 5% employer's insurance premium incentive within the scope of the "Social Insurance and General Health Insurance Law" No. 5510 in all workplaces.

The Group benefits from investment incentives in İzmir Çukuralan, Kayseri-Himmetdede, Eskişehir-Kaymaz, Ağrı-Mollakara enterprises and Ankara Central Solar Power Plant (Electricity Generation, Transmission and Distribution). Within the scope of the investment incentive certificates in question, the Company's contribution to investment rate is 40% in İzmir Çukuralan, Kayseri-Himmetdede, Eskişehir-Kaymaz enterprises and 80% as corporate tax reduction rate, 50% as contribution to investment rate in Ağrı-Mollakara and 50% as corporate tax reduction rate. 90%, Ankara Central Solar Power Plant (Electricity Generation, Transmission and Distribution investment incentive Contribution to Investment rate is 30% and corporate tax reduction rate is 70%. Within the scope of the incentive used in the İzmir Çukuralan region, on 27 March 2018, within the scope of the incentive used for the Himmetdede region, on 21 December 2017, within the scope of the incentive used in the Ağrı-Mollakara region, on 06 October 2022, within the scope of the incentive used in the Kaymaz region, on 08 May 2023, within the scope of the incentive used in the Ankara Central Solar Power Plant. Within the scope of the incentive, investment started on March 17, 2023.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

20. Income taxes

Current income tax

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, dividend income from domestic companies, other exempt income and investment incentives utilized.

The effective tax rate applied in 2023 is 25% (2022: 23%).

20% tax rate that is specified in the first paragraph of Article 32 of the Corporate Tax Law No. 5520 and the Law No. 7061 "Amending Some Tax Laws and Some Other Laws" adopted on November 28, 2018 will be applied as 22% for corporate earnings for the 2018, 2019 and 2020 taxation periods has been added with a provisional article. Also with the same regulation and stated in 5520 numbered Law No, 5, 75% of exemption from corporate tax rate the profits arising from the sale of real estates (immovables) which is in assets for at least two full years has been changed to 50%. In Turkey, temporary taxes are calculated and accrued on a quarterly basis. Corporate income tax rate applied in 2022 is 25%. Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between April 24, 2003 and July 22, 2006 is 10% and commencing from July 22, 2006, this rate has been changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Tax Advantages Obtained Under the Investment Incentive System:

Tax Advantages Obtained Under the Investment Incentive System: The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to 784.383 thousand TL (31 December 2022: 536.682 thousand TL) that the Group will benefit from in the foreseeable future as of 31 December 2023 is reflected in the consolidated financial statements as a deferred tax asset. As a result of the recognition of the said tax advantage as of 31 December 2023, deferred tax income amounting to 37.011 thousand TL has been realized in the consolidated profit or loss statement for the period from 1 January to 31 December 2023.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on longterm plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations. It is foreseen that the deferred tax assets in question will be recovered within 5 years from the balance sheet date.

In the sensitivity analysis carried out as of 31 December 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets regarding investment incentives, which is foreseen as 5 years, has not changed.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

20. Income taxes (continued)

Corporate tax liabilities recognized in the balance sheet as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Current tax expense	820.325	1.432.416
Prepaid taxes (-)	(614.101)	(1.368.231)
Current income tax liability	206.224	64.185

Tax expense details recognized in the income statement as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Current income tax expense	(1.134.909)	(1.655.182)
Deferred tax income / (expense)	2.002.940	(256.768)
Total tax expense	868.031	(1.911.950)

Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary differences arising from differences between its tax base legal financial statements and its consolidated financial statements prepared in accordance with TMS / TFRS. The aforementioned differences are generally due to the fact that some income and expense items are included in different periods in the financial statements subject to tax and the consolidated financial statements prepared in accordance with TMS / TFRS, and these differences are stated below. In the calculation of deferred tax assets and liabilities, the tax rates expected to be applied in the periods when assets are converted into income or debts are paid are taken into account.

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd Duplicate); Inflation adjustments were made in the non-monetary items of the balance sheet dated December 31, 2023, prepared in accordance with the Tax Procedure Law, which is the subject of corporate tax calculation. Accordingly, as of December 31, 2023, inflation-adjusted values in line with the Tax Procedure Law were taken as the tax basis in deferred tax calculations. However, in accordance with the legislation in question, the tax base for the 2023 accounting period was calculated based on the profits determined according to the financial statements before adjustment.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

20. Income taxes (continued)

Deferred taxes (continued)

	December 31, 2023		December 31, 2022	
	Deductible (taxable) cumulative temporary differences	Deferred tax asset / (liability)	Deductible (taxable) cumulative temporary differences	Deferred tax asset / (liability)
Investment properties and tangible/intangible assets	3.549.013	887.677	(2.406.436)	(481.492)
Mining assets	1.306.580	326.645	(923.755)	(184.751)
State right provision	548.969	137.242	738.425	147.685
Financial investments	505.850	126.462	-	-
Lawsuit provision	225.646	56.412	145.446	29.089
Employee termination benefit	148.079	37.020	194.813	38.963
Provisions for doubtful receivables	50.202	12.551	56.835	11.367
Provision for unused vacation	28.807	7.202	55.374	11.075
Advances	3.019	755	-	-
Financial borrowing	(525)	(131)	-	-
Leasing transactions	(7.045)	(1.761)	(13.120)	(2.624)
Inventories	(26.252)	(6.563)	(130.542)	(26.108)
Provision for personnel bonus	-	-	68.279	13.656
Total deferred tax assets		1.606.145		-
Total deferred tax liabilities		(22.634)		(443.140)
Deferred tax assets liabilities		(66.803)		(55.474)
Deferred tax assets, net		1.516.708		(498.614)

Movement of deferred tax is as follows:

	2023	2022
January 1	(498.613)	(269.749)
Deferred tax expense recognized in profit or loss	2.002.940	(256.768)
Deferred tax expense recognized in equity	12.381	27.904
December 31	1.516.708	(498.613)

The reconciliation of the tax is as follows:

	2023	2022
Loss before tax	(287.850)	(1.783.463)
Effective tax rate	25%	23%
Tax calculated using effective tax rate	71.963	410.196
Non-taxable inflation adjustments	(2.272.444)	(2.667.643)
Effect of non-deductible expenses	(271.787)	(166.976)
Additional tax within the scope of Law No. 7440	(129.488)	-
Effect of differences not subject to deferred tax	(114.223)	17.184
Non-taxable financial losses	25.562	479.783
Effect of investment incentive allowance	37.011	123.437
Tax rate change impact	334.914	(199.312)
Exemptions and discounts (*)	865.306	90.736
Effect of indexing legal accounts	2.315.340	-
Other	5.877	645
Current tax expense	868.031	(1.911.950)

(*) 535.167 thousand TL of the exceptions and discounts are related to the income from the funds, 167.453 thousand TL is related to donations and aids, 16.616 TL is foreign currency protected deposits, and the rest is other exemptions. and the rest is from other exemptions.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

21. Equity

a) Share capital

As of December 31, 2023, the Company's paid-in capital is amounting to thousands TL 259.786 (December 31, 2022: thousands TL 259.786) and consists of 25.978.556.100 shares (December 31, 2022: 25.978.556.100 shares) with a nominal share value of 1 Kuruş, fully paid. The registered capital ceiling of the Company is thousands TL 400.000 (December 31, 2022: thousands TL 400.000).

In accordance with the Capital Markets Board's document regarding the Registration of the shares to be issued by the Joint Stock Companies for the Capital Increase dated February 2, 2012 and numbered 5/10, the Group was registered at the Ankara Trade Registry Office on February 2, 2012 and registered a registered capital ceiling of Thousands TL 400.000 has increased its issued capital from Thousands TL 129.893 to Thousands TL 259.786.

In accordance with the "reservation of the rights of bona fide shareholders and third parties" stipulated in the decision of the 3rd Criminal Chamber of the Supreme Court of Appeals dated April 14, 2023, numbered 2022/18087 Principles, Decision no. 2023/2215, the Company and other Koza İpek Group companies are In a way that protects the rights of bona fide shareholders and third parties, the parent company-subsidiary structure in group companies continues as it is, and the rights of investors in companies traded on BIST are protected, and the registration and announcement of the shares of real persons other than these on behalf of the Treasury are carried out by the Trade Registry Office. It was held in July 2023.

The breakdown of shareholders holding capital is as follows:

Capital	December 31, 2023		December 31, 2022	
	Share rate	Share amount	Share rate	Share amount
Koza İpek Holding A.Ş.	62,12%	161.383	62,12%	161.383
Publicly traded	37,72%	98.003	37,72%	98.003
Other	0,16%	400	0,16%	400
Paid-in capital		259.786		259.786
Capital adjustment differences		2.536.786		2.536.786
Total		2.796.572		2.796.572

The privileges given to shares representing the capital are as follows:

Group	Registered / Bearer	Par value	Concession type (*)
A	Registered	22.052	3-4
B	Bearer	51.455	3
C	Bearer	186.279	--

(*) Concession type:

1. Dividend privilege
2. Voting privilege
3. Privilege in the election of the board of directors
4. Privilege in the selection of the supervisory board
5. Limitations on privileges about buy new shares, transfer etc.
6. Other privileges

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

21. Equity (continued)

a) Share capital (continued)

There are no privileges for (A) and (B) type shares with registered and bearer type shares other than the privileges stated above, and a trustee was appointed to the Group pursuant to the decision of Ankara Criminal Court of Peace on October 26, 2015. Subsequently, the Group was transferred to the SDIF on September 22, 2016. For this reason, the privileges of (A) and (B) share groups cannot be used. Share premiums represent the cash inflows generated by selling the shares at market prices. These premiums are accounted under equity and cannot be distributed. However, it can be used for future capital increases.

According to the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is 10% of the distributed profit in excess of 5% of the paid-in share capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset the losses, it is not possible to use them in any other way. Public companies make their dividend distributions according to the CMB's "Dividend Communiqué" numbered II19.1, which entered into force as of February 1, 2014.

Companies distribute their profits within the framework of profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Within the scope of the said communique, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies. In addition, dividends can be paid in installments of equal or different amounts and dividend advances can be distributed over the profit in the financial statements.

Unless the reserves that should be set aside according to the TCC and the dividend determined for the shareholders in the articles of association or in the profit distribution policy are reserved; it cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to dividend owners, members of the board of directors, company employees and persons other than shareholders, and no dividends can be distributed to these persons unless the dividend determined for shareholders is paid in cash.

50,000,000 Koza Gold shares were repurchased as part of the share repurchase process initiated with the decision of the Koza Altın İşletmeleri A.Ş. Board of Directors. Within the scope of share purchase and sale transactions, 7,778,677 Koza Anadolu Metal shares were purchased, 5,529,108 İpek Doğal Enerji shares were purchased and 63,307,785 shares in total were purchased for 2,094,313 thousand TL.

b) Restricted reserves

The Group's restricted reserves are as follows:

	December 31, 2023	December 31, 2022
Restricted reserves	679.808	588.328
Reserves for withdrawn shares	487.783	-
Total	1.167.591	588.328

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

21. Equity (continued)

Restricted reserves (continued)

According to the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is 10% of the distributed profit in excess of 5% of the paid-in share capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset the losses, it is not possible to use them in any other way.

According to the Turkish Commercial Code, the Company allocates reserves for its own shares acquired in an amount that meets the acquisition value. These reserves can be dissolved in an amount that meets their acquisition value if the aforementioned shares are transferred or destroyed. In accordance with the legislation related to the revaluation fund, other funds in the liabilities can be dissolved if they are converted into capital and the reassessed assets are amortized or transferred.

It was published in the Official Gazette dated 30 December 2023 and numbered 32415 (Second Extraordinary) pursuant to the Tax Procedure Law. According to the relevant Communiqué, the balance sheet dated 31 December 2023, prepared in accordance with the Tax Procedure Law, has been corrected by using the Producer Prices General Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting application. The attached financial statements have been subjected to inflation adjustment using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and ultimately the amounts for the current and previous reporting period are expressed in terms of purchasing power as of December 31, 2023. Due to the use of distinct indices in the Tax Procedural Law and TAS 29 inflation accounting differences have emerged between The amounts included in the balance sheet prepared in accordance with the Tax Procedure Law regarding the items "Inflation Adjustment on Capital" and " Restricted reserves appropriated from profits" the amounts included in the financial statements prepared in accordance with TAS / TFRS. These differences are accounted in the "Retained Earnings or Losses" item in the TAS/TFRS financial statements, and these differences are given in detail below:

31 December 2023			
	Adjustment to capital	Share premium	Restricted reserve
To TAS/TFRS Financial Reports	2.536.786	64.590	679.808
TO Tax Procedure Law	4.238.617	5.370	670.053
Differences	(1.701.831)	59.220	9.755

As of 1 January 2022, the amount of "Retained Earnings and Losses" without inflation adjustment is TL 1.834.165, and after inflation adjustment within the scope of TMS 29 and brought to the purchasing power of 31 December 2023 it is 3.161.140 thousand TL.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

22. Revenue and cost of sales

The details of the Group's revenue and cost of sales as of January 1 – December 31, 2023 and 2022 are as follows:

a) Revenue

	January 1 – December 31, 2023	January 1 – December 31, 2022
Domestic sales	8.564.085	11.409.418
Exports	42.745	196.599
Other sales	2.107	4.482
Total sales	8.608.937	11.610.499
Sales returns	(2.805)	(1.426)
Net sales	8.606.132	11.609.073
Cost of sales	(5.283.893)	(5.223.218)
Gross profit	3.322.239	6.385.855

The distribution of the Group's revenues by product type as of January 1 – December 31, 2023 and 2022 is as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Sales of gold bullion	8.055.417	11.159.578
Sales of silver bullion	51.770	47.211
Other (*)	501.750	403.710
Total	8.608.937	11.610.499

(*) 425.799 thousand TL of other revenues comes from ATP Koza Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş., 46.737 TL from Özdemir Antimuan Madenleri A.Ş., and the remaining portion comes from other subsidiaries.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

22. Revenue and cost of sales (continued)

b- Cost of sales

	January 1 – December 31, 2023	January 1 – December 31, 2022
Personnel expenses	1.276.569	1.006.515
Direct materials used	1.124.781	901.341
State right expenses	780.984	880.407
Depreciation and amortisation expense	773.831	1.028.168
Electricity and fuel expenses	468.090	665.958
Repair and maintenance expenses	413.599	430.374
Stripping and crusher feeding expenses	201.494	71.569
Transportation costs	124.826	119.945
Rehabilitation expenses	63.238	162.673
Rent expenses	56.644	51.644
Other	179.321	144.170
Change in work-in-progress and finished good inventory	(281.293)	(359.840)
Total	5.182.084	5.102.924
Cost of services rendered	101.809	120.294
Total	5.283.893	5.223.218

23. Expenses by nature

Research and development, marketing, sales and distribution and general administrative expenses

	January 1 – December 31, 2023	January 1 – December 31, 2022
Research expenses	604.385	503.726
Personnel expenses	469.226	394.124
Advertising and marketing expenses	147.466	105.080
Legal expenses	85.528	78.866
Depreciation and amortisation expense	82.697	97.689
Outsourced security expenses	38.339	27.195
Electricity and fuel expenses	37.546	57.769
Rent expenses	23.695	23.408
Taxes, duties and charges expenses	21.342	42.779
Dues, donations and aids	12.246	25.874
Insurance expenses	11.152	8.702
Audit and consultancy expenses	8.530	7.421
Gold sales and refinery expenses	8.137	10.887
Communication expenses	4.136	4.572
Travel expenses	3.278	4.913
Marketing, sales, distribution expenses	1.499	10.897
Other	143.820	118.425
Total	1.703.022	1.522.327

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

24. Other operating income and expenses

The details of the Group's other operating income as of January 1 – December 31, 2023 and 2022 are as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Charge out income	66.996	38.556
Scrap sales income	17.119	14.055
Exchange difference income related to commercial transactions	-	246.339
Other	50.634	98.836
Total	134.749	397.786

The details of the Group's other operating expenses as of January 1 – December 31, 2023 and 2022 are as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Lawsuit provision expenses	165.116	65.411
Doubtful receivable expenses	23.000	29.832
Exchange difference expenses related to commercial transactions	98.109	-
Other (*)	1.225.082	941.174
Total	1.511.307	1.036.417

(*) As of December 31, 2023, TL 615,953 thousand of the balance consists of earthquake donations, TL 203,.271 thousand is the cost incurred for school donations.

25. Income from investing activities

a- Income from investing activities

	January 1 – December 31, 2023	January 1 – December 31, 2022
Investment fund and stock fair value increases	4.571.949	1.875.088
Income from investment property sales	746.710	-
Interest income	705.846	1.763.349
Currency-protected deposit fair value increases	1.025.016	734.977
Income from fixed asset sales	196.184	39.140
Other	19.424	16.936
Total	7.265.129	4.429.490

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

26. Earnings per share

Earnings per share is calculated by dividing the current year net profit of the parent company by the weighted average number of shares traded throughout the year.

Companies in Turkey have right to increase its capital through the distribution of bonus shares to be met from the re-valuation fund or accumulated profits. During the calculation of earnings per share, these increases are accepted as shares distributed as dividends. Dividend distributions added to the capital are also evaluated in the same way. Therefore, while calculating the average number of shares, it is assumed that such shares are in circulation throughout the year. For this reason, the weighted average of the number of shares used in calculating the earnings per share is determined by considering the retroactive effects.

The earnings per share of the Group as of December 31, 2023 and 2022 are as follows in full TL:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Net profit attributable to the owners of the Group	179.387	(943.003)
Weighted average number of shares certificates (*)	25.974.666.171	25.978.556.100
Earnings per 100 share	0,691	(3,630)
Total comprehensive income attributable to the owners of the Group	200.013	(974.321)
Earnings per 100 shares from total comprehensive income	0,770	(3,750)

(*) If the number of ordinary or potential ordinary shares outstanding increases as a result of capitalization, bonus issue or share split, or decreases as a result of a share merger, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the calculations per share in the financial statements of the current period and prior periods presented are based on the number of new shares outstanding. It is disclosed to the public that the calculations per share reflect the changes in the number of shares. In addition, for all periods presented, basic and diluted earnings per share figures are adjusted for the effects of retrospectively corrected errors and changes in accounting policies.

The average number of shares in the current period was determined by calculating on a daily basis according to the repurchased shares.

27. Related party disclosures

The other trade payables and other receivables of the Group consist of the payables and receivables given and received in order to meet the financing needs of the Group and its related parties during the year. Other payables and other receivables do not have a certain maturity, and the Group accrues interest on the related payables and receivables at the end of the period, using the current interest rate determined monthly, taking into account the evaluations made by the Group management and the developments in the markets. In this context, the current interest for December 2023 was applied as %52,07 per year (December 31, 2022: 15,29%).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

27. Related party disclosures (continued)

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note:

- (1) Main shareholders
- (2) Subsidiaries of other company of the main shareholders
- (3) Other

The details of the transactions between the Group and other related parties are explained as below.

a) Related party balances

Other receivables of the Group from related parties as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Koza İpek Holding A.Ş. (1) (*)	775.866	-
Other (3)	1.764	-
Total	777.630	-

- (*) A large part of the amount is related to the sale of 48 real estates, 43 of which are domestic and 5 of which are abroad, within the decision of the Company to Koza-İpek Holding A.Ş.

Other payables of the Group to related parties as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Koza İpek Holding A.Ş. (1)	39.334	8.033
Other (3)	3.007	1.497
Total	42.341	9.530

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

27. Related party disclosures (continued)

b) Transactions with related parties

The purchases of the Group from related parties between January 1 – December 31, 2023 and 2022 are as follows;

	January 1 – December 31, 2023		January 1 – December 31, 2023	
	Interest expense	Other	Interest expense	Other
Koza İpek Holding A.Ş. (1)	27.036	101.261	1.239	11.659
Total	27.036	101.261	1.239	11.659

Sales of the Group to related parties between January 1 – December 31, 2023 and 2022 are as follows;

	January 1 – December 31, 2023		January 1 – December 31, 2023	
	Interest income	Other	Interest income	Other
Koza İpek Holding A.Ş. (1)	114.231	1.218.015	32.063	1.424
Other	-	989	-	524
Total	114.231	1.219.004	32.063	1.948

(*) A large part of the amount is related to the sale of 48 real estates, 43 of which are domestic and 5 of which are abroad, within the decision of the Company to Koza-İpek Holding A.Ş.

The Group's other transactions with related parties between January 1 - December 31, 2023 and 2022 are as follows;

	January 1 – December 31, 2023	January 1 – December 31, 2022
	Dividends Paid	Dividends Paid
Koza İpek Holding A.Ş. (1)	402.276	754.028
Total	402.276	754.028

c) Compensations provided to key management; The group's key management consist of the general manager and assistant general managers. Compensation provided to senior management include short-term benefits such as wages and bonuses. Total amount of wages and similar benefits paid to key management between January 1 – December 31, 2023 is amounting to Thousands TL 34.458 (January 1 – December 31, 2022: Thousands TL 29.430).

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

28. Nature and level of risks arising from financial instruments

The Group's main financial instruments consist of cash, short-term deposits, currency protected deposits and funds. The main purpose of financial instruments is to finance the activities of the Group. Apart from these, the Group has financial instruments such as trade receivables and payables that arise as a result of its activities.

The Group is exposed to market risk, which consists of currency, cash flow and interest rate risks, capital risk, credit risk and liquidity risk, due to operations. Risk management policy is to focus on unexpected changes in the financial markets.

The management policy of financial risks should be made by the Group's senior management and commercial and financial affairs department in line with the policies and strategies approved by the Board of Directors. The Board of Directors should prepare general principles and policies for the management of currency, interest and capital risks, and closely monitor financial and operational risks (especially arising from fluctuations in gold prices). The Group does not have an Early Risk Detection Committee.

The purpose that the Group should set to manage financial risks can be summarized as follows:

- Ensuring the continuity of the cash flow obtained from the activities and main assets of the Group, taking into account the exchange rate and interest risks,
- Keeping a sufficient amount of credit resources available to be used effectively and efficiently under the most appropriate conditions in terms of type and maturity,
- Keeping the risks arising from the counterparty at a minimum level and following them effectively.

The main risks arising from the financial instruments of the Group are interest rate risk, foreign currency risk, credit risk and liquidity risk. The policies of the management regarding to manage these risks are summarized below.

a) Credit risk:

The risk of financial loss of the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligation is defined as credit risk. Financial instruments of the Group that may cause a significant concentration of credit risk mainly consist of cash and cash equivalents and trade receivables. The maximum credit risk that the Group may be exposed to is up to the amounts reflected in the consolidated financial statements.

The Group has cash and cash equivalents in various financial institutions.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

28. Nature and level of risks arising from financial instruments (continued)

The Group sales consist gold dore bars with a right of first refusal to domestic banks on consignment to be sold to the Central Bank of the Republic of Turkey and silver to a domestic refinery on consignment. Due to the fact that the sales are made on demand and the customer is corporate, the Group considers that there is no significant risk of receivables. The analysis of the Group's credit risk as of December 31, 2023 and December 31, 2022 is as follows:

	Trade receivables		Other receivables		Cash and cash equivalents
					Deposits in banks
December 31, 2023	Related party	Third party	Related party	Third party	
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*	-	83.890	777.630	157.810	1.069.882
<i>Portion of the maximum risk that is guaranteed with a collateral, etc</i>	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	83.890	777.630	157.810	1.069.882
B. The book value of financial assets whose conditions have been renegotiated or that would be deemed overdue or impaired	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	110.234	-	-	-
Impairment (-)	-	(110.234)	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, have not been taken into account.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

28. Nature and level of risks arising from financial instruments (continued)

a) Credit risk (continued)

	Trade receivables		Other receivables		Cash and cash equivalents
December 31, 2022	Related party	Third party	Related party	Third party	Deposits in banks
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)*	-	72.811	-	155.009	863.427
Portion of the maximum risk that is guaranteed with a collateral, etc	-	-	-	-	-
A. Net book value of financial assets that are not overdue or not impaired	-	72.811	-	155.009	863.427
B. The book value of financial assets whose conditions have been renegotiated or that would be deemed overdue or impaired	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	174.457	-	-	-
Impairment (-)	-	(174.457)	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, have not been taken into account.

b) Market risk

Due to its operations, the Group is exposed to financial risks related to changes in exchange rates and interest rates. Market risks encountered at the Group level are measured on the basis of sensitivity analysis. In the current year, there isn't any change in the market risk that the Group is exposed to, or the method of handling the encountered risks or the method used to measure these risks, compared to the previous year.

Transactions in foreign currency cause exchange risk. The Group controls this risk through a natural precaution that occurs by netting foreign currency assets and liabilities.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

28. Nature and level of risks arising from financial instruments (continued)

b) Market risk (continued)

The distribution of the monetary assets and monetary liabilities of the Group in foreign currency as of the date of financial position is as follows:

December 31, 2023	Foreign exchange position table TL equivalent (functional currency)	US Dollar	Euro	Gbp
Cash and cash equivalents	9.842	122	185	6
Trade receivables	118	4	-	-
Other receivables	3.287	33	9	54
Current assets	13.247	159	194	60
Total assets	13.247	159	194	60
Trade payables	241.011	2.204	3.276	1.854
Other payables	161.645	5.491	-	-
Current liabilities	402.656	7.695	3.276	1.854
Total liabilities	402.656	7.695	3.276	1.854
Net foreign currency position	(389.409)	(7.536)	(3.082)	(1.794)

As of 31 December 2023, the Group has foreign currency protected deposits amounting to thousand TL 1.409.863.

December 31, 2022	Foreign exchange position table TL equivalent (functional currency)	Foreign exchange position table TL equivalent (functional currency) (historical values)	US Dollar	Euro	Gbp
Cash and cash equivalents	4.595	2.781	220	14	9
Trade receivables	3.821	2.314	76	20	89
Current assets	8.416	5.095	296	34	98
Total assets	8.416	5.095	296	34	98
Trade payables	135.410	82.179	498	5.599	644
Other payables	169.182	102.672	9.048	-	-
Current liabilities	304.592	184.851	9.546	5.599	644
Total liabilities	304.592	184.851	9.546	5.599	644
Net foreign currency position	(296.176)	(179.756)	(9.250)	(5.565)	(546)

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

28. Nature and level of risks arising from financial instruments (continued)

c) Market risk (continued)

Sensitivity analysis:

The Group is exposed to currency risk mainly in US Dollars and Euro.

The table below shows the sensitivity of the Group to 10% increase and decrease in US Dollar and Euro exchange rates. The sensitivity analysis includes only monetary items in open foreign currency at the end of the year and shows the effects of the 10% exchange rate change at the end of the year. Positive value indicates an increase in profit / loss and other equity items.

December 31, 2023	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(22.185)	22.185	(22.185)	22.185
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(22.185)	22.185	(22.185)	22.185
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(10.039)	10.039	(10.039)	10.039
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(10.039)	10.039	(10.039)	10.039
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(6.717)	6.717	(6.717)	6.717
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	(6.717)	6.717	(6.717)	6.717
TOTAL (3+6+9)	(38.941)	38.941	(38.941)	38.941

December 31, 2022	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation of USD against TL				
1- USD net asset/liability	(17.297)	17.297	(17.297)	17.297
2- Portion protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(17.297)	17.297	(17.297)	17.297
In case of 10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(11.097)	11.097	(11.097)	11.097
5- Portion protected from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(11.097)	11.097	(11.097)	11.097
In case of 10% appreciation / depreciation of GBP against TL				
7-GBP net asset/liability	(1.228)	1.228	(1.228)	1.228
8- Portion protected from GBP risk (-)	-	-	-	-
9- GBP Net effect (7+8)	(1.228)	1.228	(1.228)	1.228
TOTAL (3+6+9)	(29.622)	29.622	(29.622)	29.622

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

28. Nature and level of risks arising from financial instruments (continued)

Price risk

The most important operational risk of the Group is the gold price risk.

The operational profitability of the Group and the cash flows it provides from its operations are affected by the changes in gold and silver prices in the markets. If the gold prices decrease comparing under the cash-based operational production costs of the Group and continue in this way for a certain period, the operational profitability of the Group may decrease.

The Group does not expect any significant change in gold prices in the near future. Accordingly, the Group has not used any derivative instruments to hedge the risk of falling gold prices and has not made a similar agreement.

The Group reviews the market prices regularly in terms of active financial and operational risk management. The Group does not have an Early Risk Detection Committee.

c) Capital risk management:

While managing the capital, the goals of the Group are to ensure the continuation of the Group's activities with the most appropriate capital structure in order to provide return and benefit to its partners and to reduce the cost of capital.

In order to return capital to shareholders, the Group could maintain or reorganize its capital structure, issue new shares, and sell assets to reduce borrowing.

The Group monitors capital by using the ratio of net debt / total equity, parallel to other companies in the industry. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (including loans and other debts to related parties as shown in the balance sheet).

The Group management follows the net debt / total capital ratio regularly and updates it when necessary. The Group does not have an Early Detection of Risk Committee.

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

29. Financial instruments (fair value disclosures and disclosures within the framework of hedge accounting)

Fair value of the financial instruments

The Group classifies the fair value measurements of the financial instruments measured at their fair values in the consolidated financial statements according to the source of the inputs of each financial instrument class, using a three-level hierarchy as follows.

- First level: Quotation prices (unadjusted prices) in active markets for identical assets and liabilities that the entity can reach at the measurement date.
- Second level: These are directly or indirectly observable inputs for the asset or liability and other than quoted prices within Level 1.
- Third level: These are unobservable inputs to the asset or liability.

Level classifications of financial assets measured at their fair values:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Measured at fair value through profit or loss	7.466.338	1.409.863	-	8.876.201
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Measured at fair value through profit or loss	14.126.770	1.955.858	-	16.082.628

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

30. Interests in other entities

The financial information of the subsidiary Koza Altın İşletmeleri A.Ş. is summarized below. The summarized statements are the balances before the consolidation eliminations.

The financial statements of the Company as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Current assets	11.445.624	18.155.175
Non-current assets	11.642.974	7.919.562
Current liabilities	1.834.552	1.758.919
Non-current liabilities	634.483	1.042.451
Equity	20.619.563	23.273.367
Non-controlling interests (%)	76,71%	76,71%
Non-controlling interests	15.817.267	17.853.000

The income statements of the Company as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Revenue	8.107.187	11.206.789
Cost of sales (-)	(4.673.859)	(4.738.035)
Gross profit / (loss)	3.433.328	6.468.754
Research and development expenses (-)	(594.058)	(522.141)
Marketing, sales and distribution expenses (-)	(111.336)	(115.967)
General administrative expenses (-)	(944.180)	(840.918)
Other operating income	130.619	447.461
Other operating expenses (-)	(1.323.379)	(968.490)
Operating profit / (loss)	590.994	4.468.699
Income from investing activities	6.892.212	4.364.300
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9	53	8.576
Operating profit before financial income	7.483.259	8.841.575
Financial expenses (-)	(46.966)	-
Monetary loss (-)	(7.303.196)	(10.356.541)
Profit / (loss) before tax from continued operations	133.097	(1.514.966)
- Current tax expense (-)	(938.401)	(1.616.710)
- Deferred tax income / (expense) (-)	1.211.394	(173.204)
Net profit for the period	406.090	(3.304.880)

The cash flows of the Company as of December 31, 2023 and 2022 are as follows;

	December 31, 2023	December 31, 2022
Cash flows from operating activities	(1.129.592)	3.877.829
Cash flows from investing activities	4.077.955	(16.831.843)
Net cash from financing activities	(2.713.015)	(5.022.793)
Cash and cash equivalents at the beginning of the year	232.390	23.945.909
Monetary loss on cash and cash equivalents	(209.029)	(5.736.712)
Cash and cash equivalents at the end of the year	258.709	232.390

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

31. Subsequent events after balance sheet date

Since the share price traded in Borsa Istanbul (BIST) does not reflect the real performance of the group's activities, in order to protect the shareholders, to ensure that the share price is stable and consistent with its real value, and to preserve the confidence of investors in the company, the Capital Markets Board's Communiqué on Withdrawn Shares numbered II-22.1 and within the scope of the share buyback program initiated within the framework of the principle decision numbered 9/177 dated February 14, 2023;

The fund of 1,050,000,000 TL allocated for trading in Koza Altın İşletmeleri shares traded on Borsa Istanbul, of which the Group is an indirect subsidiary, will be increased by 600,000,000 TL to 1,650,000,000 Turkish Liras, The fund of 300,000,000 TL allocated for trading in Koza Anadolu Metal Madencilik İşletmeleri A.Ş. shares traded on Borsa Istanbul, of which the Group is an indirect subsidiary, will be increased by 300,000,000 TL to 600,000,000 Turkish Liras, The fund of 150,000,000 TL allocated for trading in İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş. shares traded on Borsa Istanbul, of which the Group is an indirect subsidiary, will be increased by 200,000,000 TL to 350,000,000 Turkish Liras, regarding the share repurchase transactions, it was unanimously decided to make the necessary special situation disclosures on the Public Disclosure Platform (KAP) and to submit them to the information of the SDIF Fund Board, which has the authority of the General Assembly.

Due to the fact that the ore processed at the "Koza Altın İşletmeleri A.Ş. Mastra Branch" located in the Mastra district of Demirkaynak Village of Gümüşhane Province has been exhausted and new ore cannot be discovered, it has been decided to stop the relevant operating activities as of 30.04.2024.

In the Gümüşhane Mastra Project, gold production of 8,329 Ounces (3.39% of total production) in 2021, 6,836 Ounces (3.52% of total production) in 2022 and 10,455 Ounces (7.38% of total production) in 2023 Since production is not targeted in the 2024 budget, no expenditure will be made other than expenses for existing fixed assets.

32. Fees for services received from independent auditor/independent audit firm

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles of which are based on the KGK letter dated August 19, 2021 are as follows:

	January 1– December 31, 2023	January 1– December 31, 2022
Independent audit fee for the reporting period	4.219	2.014
	4.219	2.014

İpek Doğal Enerji Kaynakları Araştırma ve Üretim A.Ş.

**Notes to the consolidated financial statements
for the year ended December 31, 2023**

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

33. Other matters that significantly affect the consolidated financial statements or are required to be disclosed for the consolidated financial statements to be clear, interpretable and understandable

The Group's independently audited consolidated financial statements for the years ended December 31, 2016, 2017, 2018, 2019, 2020, 2021 ve 2022 the possible cumulative reflections of the business and transactions of the previous financial periods, the judgment process of which are ongoing, on the statements of the Turkish Commercial Code No.6102 ("TCC").") Excluding the provisions of article 401/4, it has been approved and published by the Board of Directors with the resolutions dated April 24, 2018, April 30, 2018, 28 February 28, 2019, February 27, 2020, March 1, 2021, March 1, 2022 and March 1, 2023 respectively. Independently audited consolidated financial statements for the year ended December 31, 2015, on the other hand, were not approved by the Board of Directors in accordance with the provisions of Article 401/4 of the TCC. Ordinary general assembly meetings of the Group for the years 2015, 2016, 2017, 2018, 2019, 2020, 2021 ve 2022 as explained in detail in footnote number 10, in accordance with the decision of the Ankara 5th Criminal Court of Peace, dated October 26, 2015, the management of the Group, the Board of Trustees, followed by the Board of Trustees on September 22, 2016. was transferred to the Savings Deposits Insurance Fund ("SDIF"). As of the date of the report, due to the fact that various examinations and studies are ongoing by the Prosecutor's Office, the Police Department of Financial Crimes and the CMB, the consolidated financial statements of the relevant periods were not submitted to the approval of the General Assembly.