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MINING AND CORPORATE SOCIAL RESPONSIBILITY

***MEHMET YILMAZ, 22 MAY 2013
DIRECTOR – TUPRAG A.Ş.***



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MINING IS A PIONEERING SECTOR

Mining activities tend to accelerate the social, cultural and economic development of their immediate areas.





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HOW CSR PLAYS A MAJOR ROLE...

Corporate social responsibility projects play an increasingly major role in enabling companies to express themselves and explaining their positions in the face of harsh and unfounded criticisms.





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COMMUNICATION WITH LOCAL PEOPLE

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



PUBLIC RELATIONS

➤ FOR THE LOCAL COMMUNITY

- Meetings in village coffehouses
 - *Providing information about the Mining Sector*
 - *Regular information meetings and presentations about the project*
 - *Discussing high profile events (good news and bad news)*
- Visiting other mines with villagers
- Relations with NGO'S
 - *Regularly information meetings and presentations about the project*

➤ FOR THE LOCAL PRESS

- Regularly information meetings and visiting project area



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INFORMATION MEETINGS





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VISITS TO SIMILAR PROJECTS WITH THE VILLAGERS



Inmet Mining, Copper and Zinc Mine – Çayeli, Rize



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CORPORATE SOCIAL RESPONSIBILITY PROJECTS

1. RESIDENTIAL AREAS AROUND THE PROJECT AREA

- Support for infrastructure services (potable water, sewage, road etc.)
- Environmental Projects
- Support to on going agricultural activities
- Support to health services
- Support to educational institutions
- Support to disadvantaged groups

2. AROUND THE COUNTRY

- Support to the national information campaigns across the country

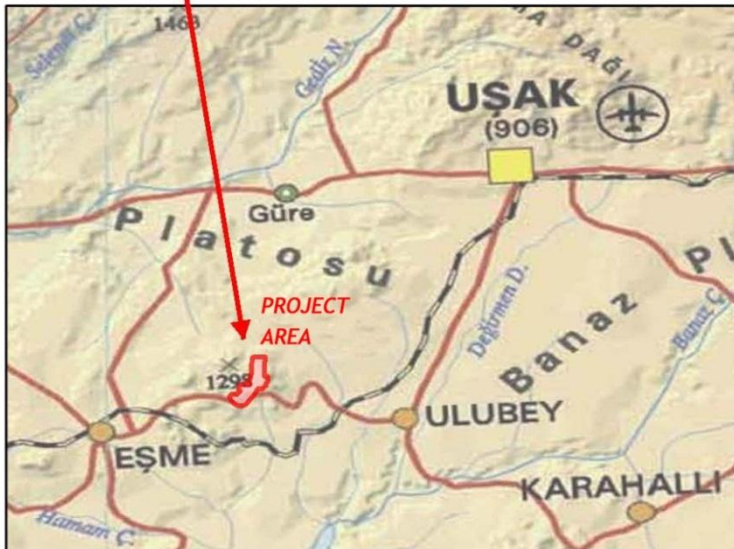
PRIORITIES IN THE CSR PROJECTS

- The expectations of the local community, in the areas of public health and safety, are always included in the project criteria
- Local environmental priorities are taken into consideration
- Participation of the local economy in the project is a must



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CSR IN/AROUND KISLADAG GOLD MINE - USAK



FACT SHEET –KİSLADAĞ

- RECEIVED ENVIRONMENTAL POSITIVE CERTIFICATE IN Q2 2003
- POURED FIRST GOLD IN Q2 2006
- PROVEN + PROBABLE RESERVES : 327 TONNES AT 0,71 g/t
- PRODUCED GOLD : ~50 TONNES (since first gold poured till today)
- ANNUAL PRODUCTION : 12.5 MILLION TONNES
- ROYALTY PAYED TO TREASURY FOR 2012 IS 4,000,000 USD
- ROYALTY PAYED TO USAK FOR 2012 IS 4,000,000 USD
- RENTAL FEE PAYED TO FORESTRY FOR 2012 IS 1,150,000 USD
- NUMBER OF EMPLOYEES : ~ 1000

**** CORPORATE TAX PAYED ABOUT 62 MILLION USD IN 2012**



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SUPPLY OF POTABLE WATER TO VILLAGES



COST : 430,000 USD



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CONSTRUCTION OF SEWAGE SYSTEM FOR VILLAGES



COST : 700,000 USD



Scale : 1/40.000



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MOBILE HEALTH SCREENING CLINIC - USAK



COST : 189,000 USD



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HEMODIALYSIS CENTER – ESME COUNTY



Eşme – Project Area : 25 km

COST : 55,000 USD



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TAR & GRAVEL TO THE VILLAGE ROADS



COST : 500,000 USD



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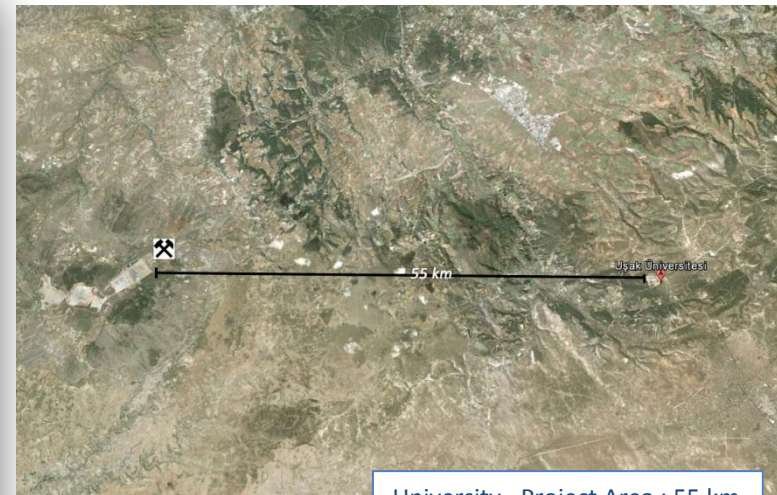


TÜPRAG



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BUILDING A CLASSROOM FACILITY FOR USAK UNIVERSTIY



University– Project Area : 55 km

COST : 4,500,000 USD



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IMPROVEMENT IN OVERALL LEVELS OF EDUCATION 2011/2008 %

Education level for 15+ years of age	2008/2011	
	Male	Female
Eşme, Ulubey and Uşak Cities		
Illiterate	-37.9%	-42.3 %
Literate but no school completed	-16.2%	+45.5%
Higher education (not including PhD or Masters)	+51.2%	+82.3%
12 Communities in 7 km radius of Kışladağ Mine		
Illiterate	-83.0%	-61.0%
Literate but no school completed	17.0%	99.0%
Higher education (incl. PhD and Masters)	59.0%	+338.0%

Improved literacy levels attributable to Prime Minister Recep Tayyip Erdoğan's wife, Emine Erdogan, sponsored program to improve literacy of rural women beginning in 2008.

Increased higher education levels in mine communities attributable at least partially to Kışladağ mine.



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PLAYGROUND FOR GUMUSKOL VILLAGE



COST : 5,000 USD



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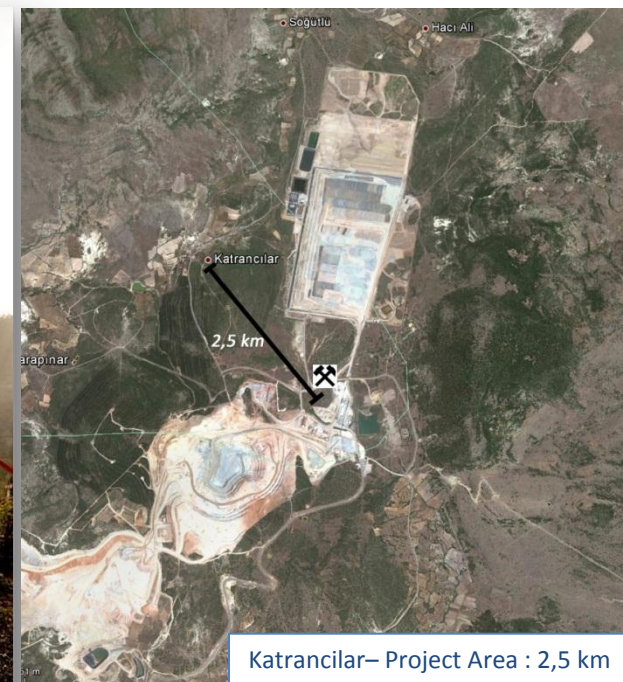


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VILLAGE WEDDING HALL – KATRANCILAR VILLAGE



COST : 45,000 USD



Katrancilar– Project Area : 2,5 km



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CONSTRUCTION OF WEDDING HALL– GUMUSKOL VILLAGE



COST : 160,000 USD





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MEMORIAL FOREST WITH 72,000 SAPLINGS



COST : 45,000 USD



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GREENHOUSES

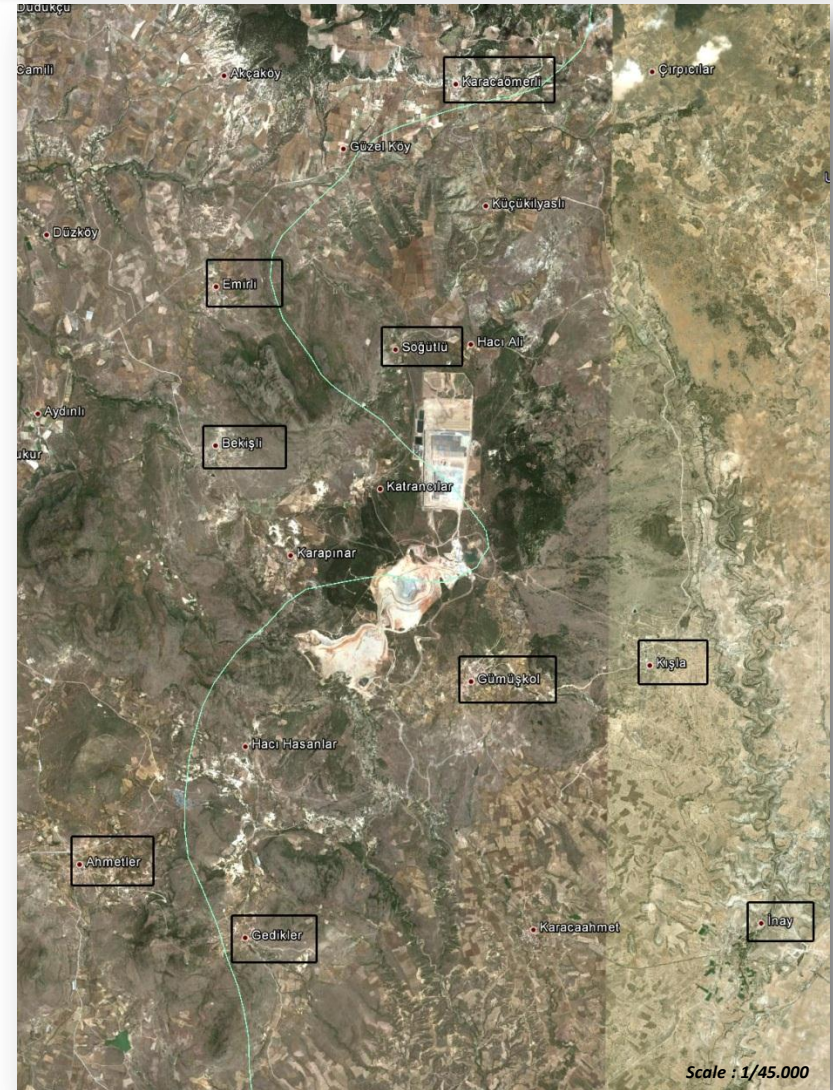




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CHANGES IN LIVESTOCK NUMBERS IN VILLAGES SURROUNDING KIŞLADAĞ MINE

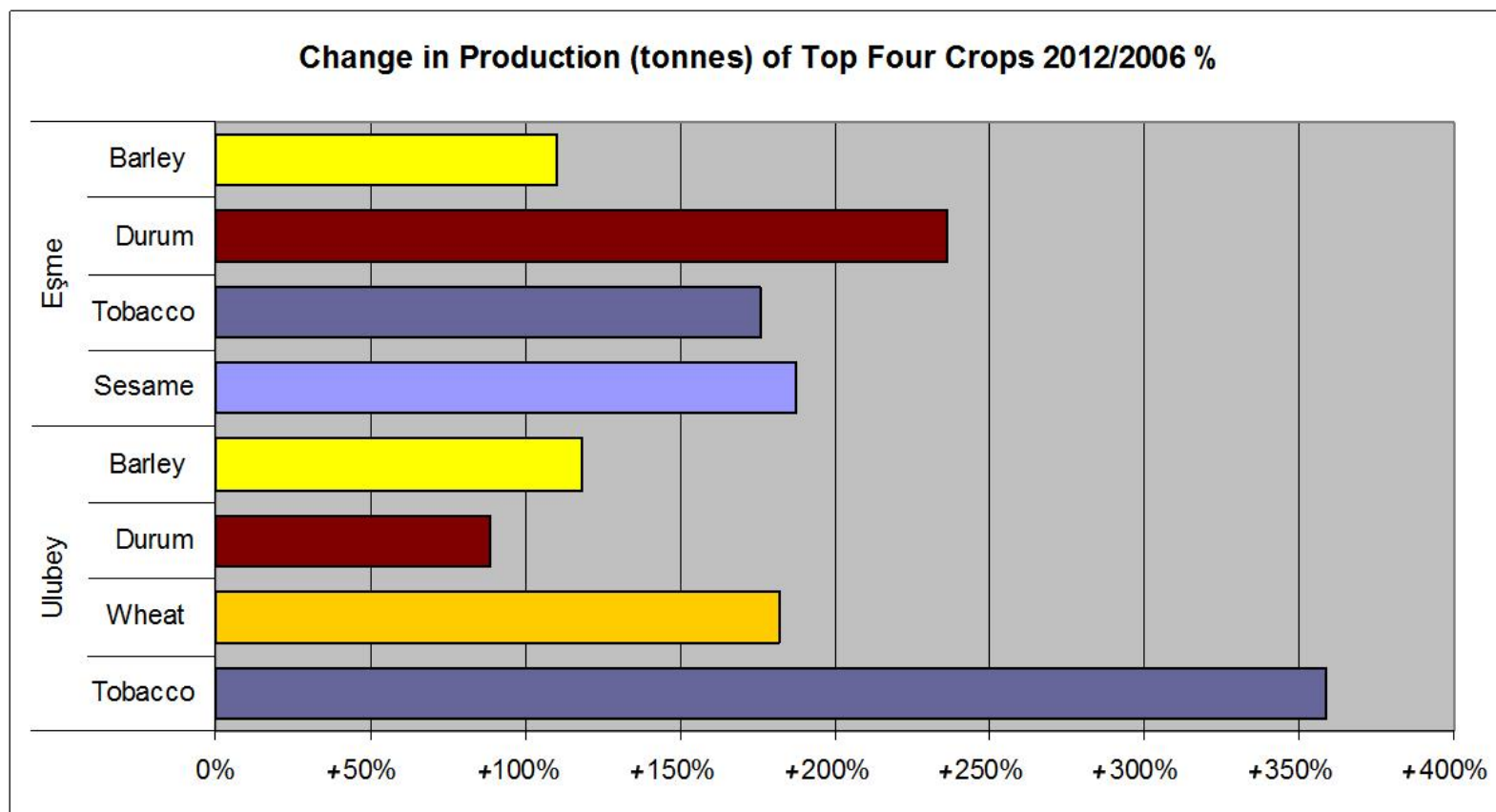
Eşme County	Km	Ulubey County	Km
AHMETLER	7	KIŞLA	4
EMİRLİ	6	GÜMÜŞKOL	2
KOCABEY	12	İNAY	8
KARACAÖMERLİ	9	GEDİKLER	6
BEKİŞLİ	4	SÖĞÜTLÜ	4





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CHANGE IN CROP PRODUCTION OF TOP FOUR CROPS IN EŞME AND ULUBEY COUNTIES 2012/2006 %

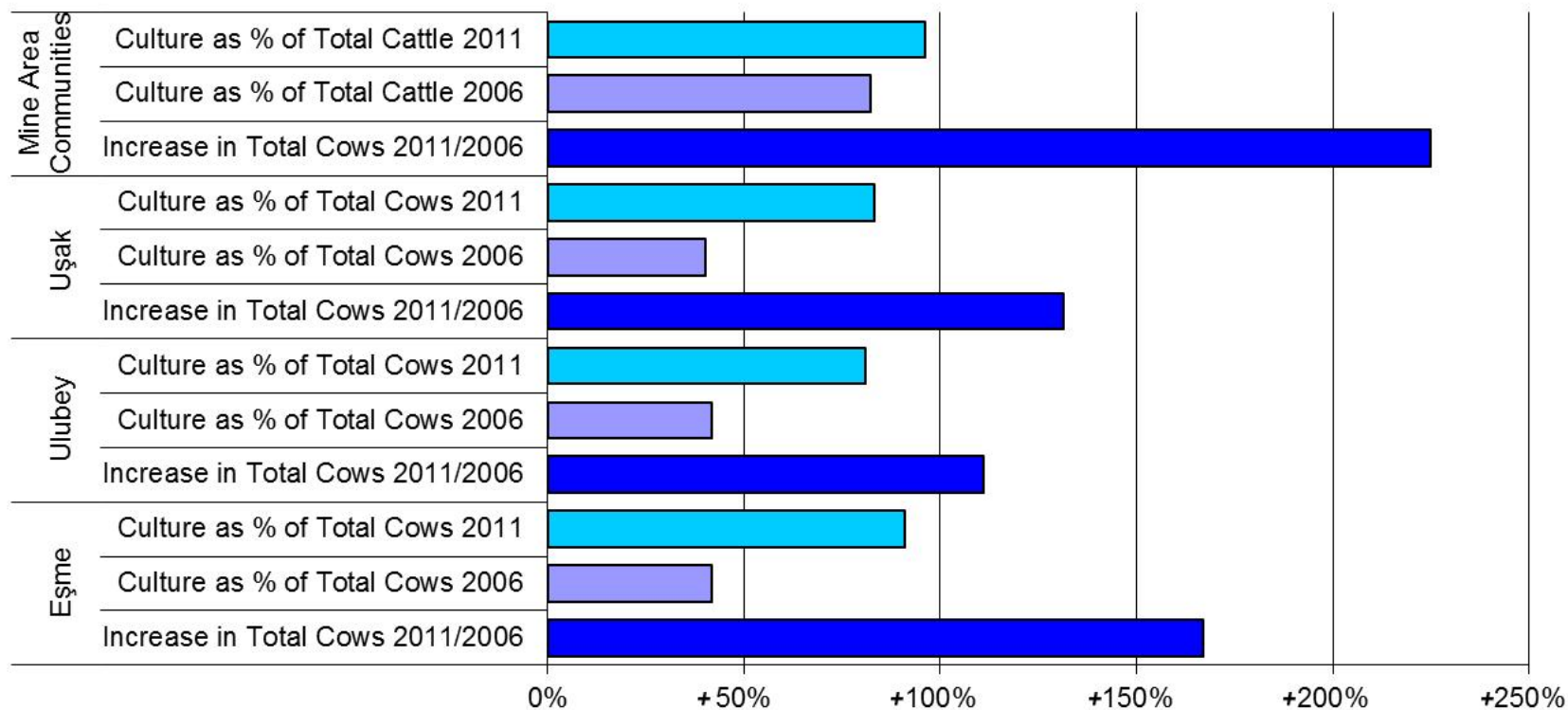




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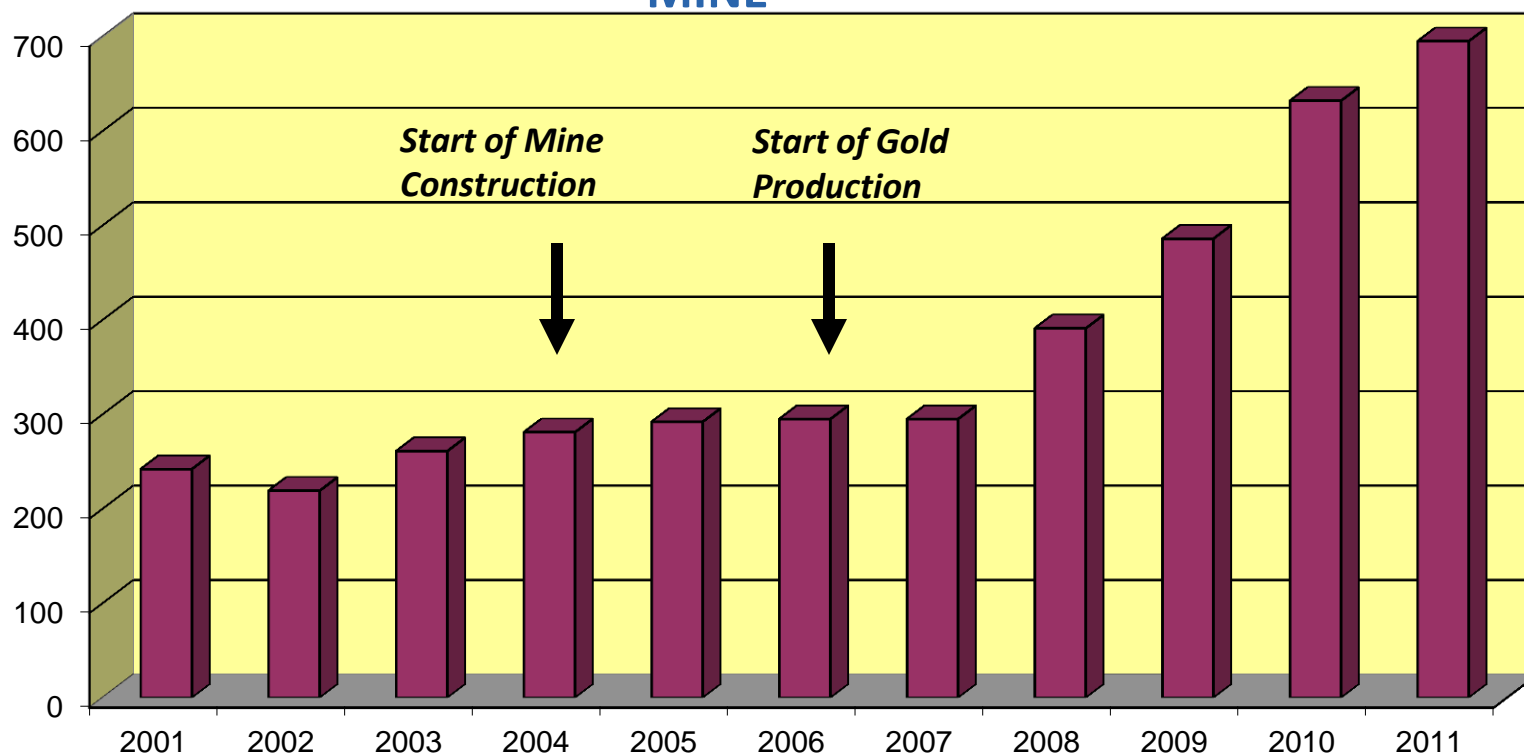
CHANGES IN COW NUMBERS AND GENETICS IN UŞAK

Changes in Cattle Numbers and Genetics 2006-2011





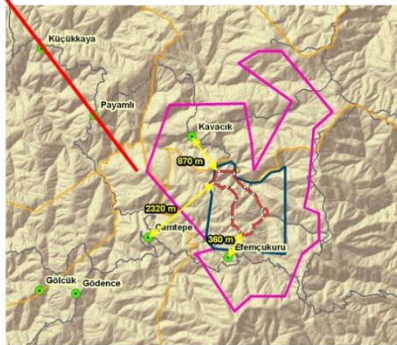
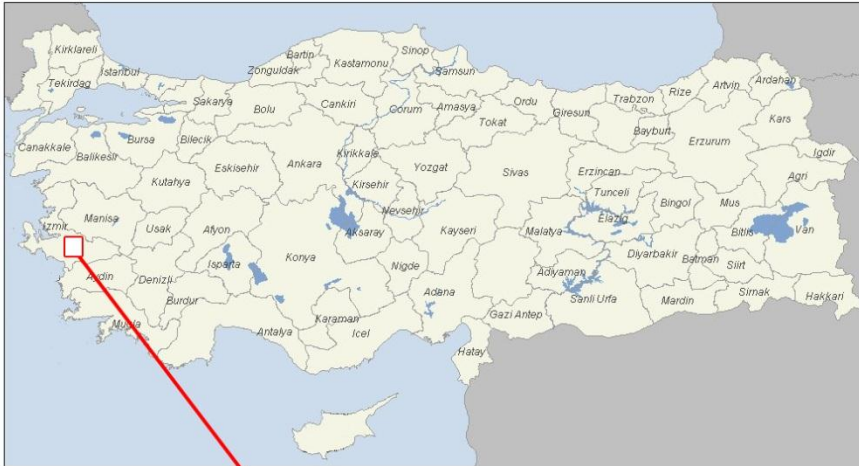
TOTAL BEE HIVES IN VILLAGES SURROUNDING KIŞLADAĞ MINE





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CSR IN/AROUND EFEMÇUKURU GOLD MINE - IZMIR



FACT SHEET – EFEMÇUKURU

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

**** CORPORATE TAX PAYED ABOUT 62 MILLION USD IN 2012**



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SUPPORT TO THE GIRLS EDUCATION – EFEMCUKURU VILLAGE



COST : 150,000 USD



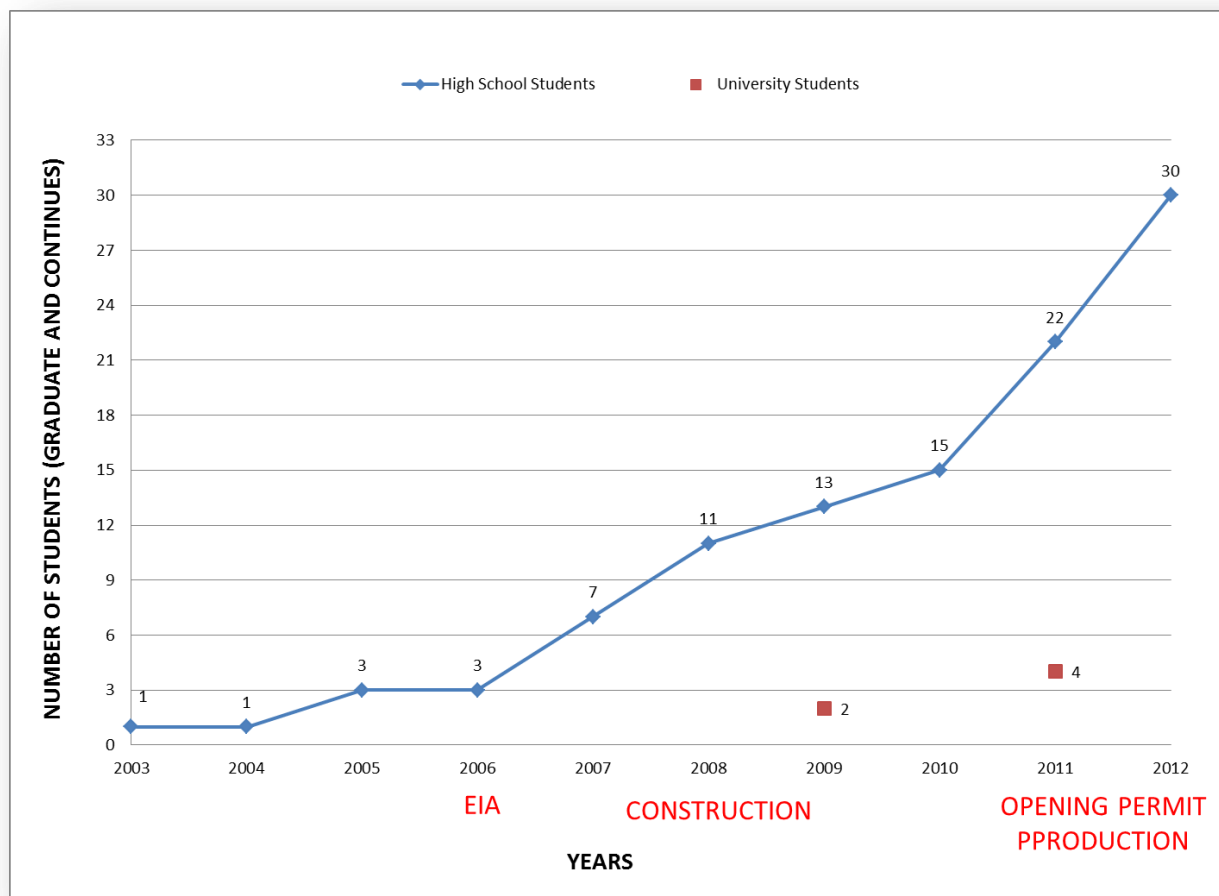
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GRAPH OF EDUCATION RATIO BY THE PROJECT DURATION





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SUPPORT TO THE NURSERY CLASSES– EFEMCUKURU VILLAGE



COST : 20,000 USD



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FINANCIAL SUPPORT TO THE CAMPAIGN FOR REDUCING VIOLENCE AT SCHOOLS



COST : 326,000 USD



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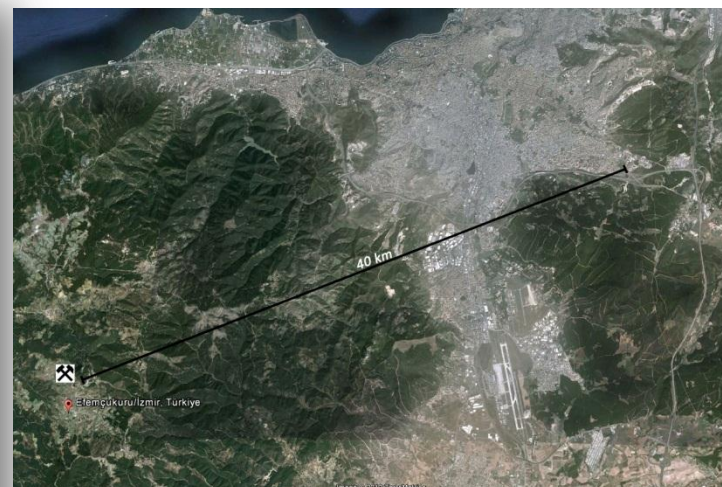


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FURNITURE & COMPUTER SUPPORT FOR COMPUTER ROOM IN MINING ENGINEERING AND GEOLOGY DEPARTMENT - UNIVERSITY OF DOKUZ EYLÜL



COST : 90,000 USD



University– Project Area : 40 km



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MODERN VINEYARD NEAR THE PROJECT AREA



Vineyard Project

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



COST : 1,900,000 USD



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COMMUNITY HOUSE– EFEMCUKURU VILLAGE



COST : 30,000 USD



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DONATING FIRE PONDS



COST : 220,000 USD



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CSR PROJECT BUDGETS BY YEAR

DONATION COSTS- KISLADAG GOLD MINE

2005	20,000 USD
2006	550,000 USD
2007	125,000 USD
2008	1,100,000 USD
2009	415,000 USD
2010	1,000,000 USD
2011	1,000,000 USD
2012	400,000 USD
2013	7,500,000 USD *
TOTAL	12,110,000 USD

DONATION COSTS- EFEMCUKURU GOLD MINE

2006	48,000 USD
2007	115,000 USD
2008	325,000 USD
2009	210,000 USD
2010	370,000 USD
2011	160,000 USD
2012	260,000 USD
2013	1,200,000 USD *
TOTAL	2,688,000 USD

* Approximate value by the end of the year



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**....WE ARE WORKING
FOR
THE GOLDEN FUTURE OF TURKEY...**



THANK YOU...



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