

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

**UĞURAS KIYMETLİ MADENLER
SANAYİ VE DIŞ TİCARET ANONİM
ŞİRKETİ**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019.

MMB Bağımsız Denetim ve Danışmanlık A.Ş.
18 April 2022

This report includes 5 pages of independent auditor's report and 39
pages of financial statements and explanatory footnotes to the
financial statements.



Bağımsız Denetim ve Danışmanlık Anonim Şirketi

UĞURAS KIYMETLİ MADENLER SANAYİ VE DİŞ TİCARET ANONİM ŞİRKETİ

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INDEPENDENT AUDIT REPORT

*To the General Assembly of Uğuras
Kıymetli Madenler Sanayi ve Dış
Ticaret Anonim Şirketi*

A. Independent Audit of Financial Statements

1. Qualified Opinion

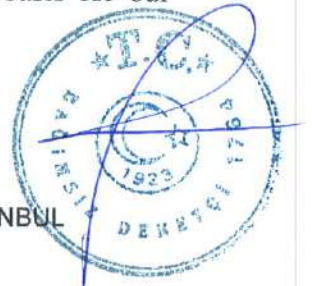
For the accounting period ending on the same date with the financial position statement of Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret Anonim Şirketi ("Company") dated 31 December 2019; We have audited the financial statements consisting of the footnotes of the financial statements, including the profit or loss and other comprehensive income statement, the statement of changes in equity and the statement of cash flows, and a summary of significant accounting policies.

In our opinion, excluding the possible effects of the matters stated in the Basis for Qualified Opinion section, the accompanying financial statements present the Company's financial position as of 31 December 2019 and its financial performance and cash flows for the accounting period ending on the same date, in accordance with Turkish Accounting Standards ("TMS") fairly, in all material respects.

2. Basis For Qualified Opinion

Since the independent audit agreement between the Company and MMB Independent Audit and Consultancy Inc. was signed on 28.10.2021, the company's cash and inventory census dated 31.12.2019 could not be participated.

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent 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.

Key Audit Matters	Procedures For Key Audit Matters
Inventories As the company consists of revenue transactions based on inventories as of 31 December 2019, accounting principles regarding inventories in the financial statements are explained in detail in Note 7.	Inventories consist of precious metals and foreign currency inventories. Whether the inventories are available, whether there is movement, whether the valuations are made correctly or not, has been checked with counting minutes and valuation studies. Inventory turnover rate is compared with the previous year. The outflow of sales from inventories and their reflection on costs were tested by sampling method.

4. Responsibilities of management and those charged with governance for the financial statements

The management of the company is responsible for the preparation of the financial statements in accordance with TFRS, their fair presentation and the internal control it deems necessary to prepare them in a way that does not contain material misstatement due to errors or fraud.

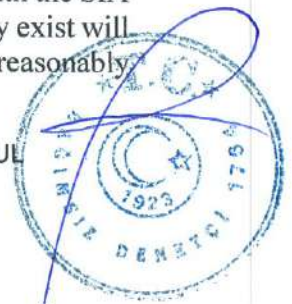
In preparing the financial statements, management is responsible for evaluating the Company's ability to maintain continuity, and it is also responsible for explaining the continuity issues when necessary and using the continuity principle of the business unless there is an intention or obligation to liquidate the Company or terminate the business activity.

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

5. Responsibilities of the Independent Auditor Regarding the Independent Audit of the Financial statements

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

Our aim is to obtain reasonable assurance whether the financial statements as a whole are free from errors or fraud, and to issue an independent auditor report that includes our opinion. Reasonable assurance as a result of an independent audit conducted in accordance with the SIA is a high level of assurance, but does not guarantee that any significant faults that may exist will always be detected. Inaccuracies can be caused by errors or fraud. If inaccuracies are reasonably



expected to affect the economic decisions of users of financial statements, individually or collectively, based on these statements, these inaccuracies are considered significant.

As a requirement of the independent audit conducted in accordance with the SIA, we use our professional judgment and maintain our professional skepticism throughout the independent audit. We also:

Risks related to errors or fraud in the financial statements are identified and evaluated; Audit procedures that respond to these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained to underpin our view. (Since cheating may include acts of fraud, fraud, deliberate negligence, false statement, or violation of internal control, the risk of not detecting a material fraud caused by error is higher than the risk of failing to detect a material misstatement.)

It is evaluated whether the financial statements, including explanations, reflect the overall presentation, structure and content, and the transactions and events underlying these statements in a way that will provide a fair presentation.

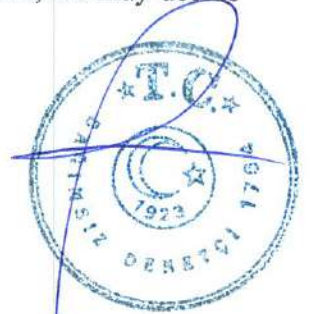
Among the matters reported to those charged with governance, we identify the most important matters, namely the key audit matters, in the independent audit of the current period's financial statements. In cases where the legislation does not allow the disclosure of the matter to the public, or in exceptional cases where the negative consequences of public disclosure are reasonably expected to exceed the public interest arising from the disclosure, we may decide not to disclose the relevant matter in our independent auditor's report.

In order to express an opinion on the financial statements, sufficient and appropriate audit evidence is obtained about the financial information regarding the businesses or operating segments within the Company. We are responsible for the direction, supervision and conduct of the company audit. We are also solely responsible for the audit opinion we give.

Among other things, we report the planned scope and timing of the independent audit and the key audit findings to those charged with governance, including significant internal control deficiencies we identified during the audit.

We have reported to those charged with governance that we comply with ethical requirements for independence. In addition, we have forwarded all relations and other matters that may be considered to have an impact on independence and, if applicable, relevant measures to those charged with governance.

Among the matters communicated to those charged with governance, we identify the most important matters, namely the key audit matters, in the independent audit of the current period's financial statements. In cases where the legislation does not allow the disclosure of the matter to the public, or in exceptional cases where the negative consequences of public disclosure are reasonably expected to exceed the public interest arising from the disclosure, we may decide not to disclose the relevant matter in our independent auditor's report.



6. Other Liabilities Arising from Legislation

1. In accordance with the fourth paragraph of article 402 of the TCC, no significant issue was found as to show that Company's bookkeeping order, financial statements and the Company's articles of association regarding financial reporting were not in compliance with the law and the financial reporting provisions of the Company during the period 31st December 2021.
2. Within the framework of Article 378 of the Turkish Commercial Code No. 6102 ("TCC"), there is no obligation to establish an Early Detection of Risk System and Committee, since the Company's shares are not traded on the stock exchange.
3. In accordance with the fourth paragraph of article 402 of the TCC, the Board of Directors made the required explanations and gave the requested documents within the scope of the audit.
4. According to Article 378 of the Turkish Commercial Code No. 6102, in companies whose shares are traded on the stock exchange, the board of directors establishes an expert committee in order to early detect the causes that endanger the existence, development and continuation of the company, to implement the necessary measures and remedies, and to manage the risk. is responsible for installing, operating and developing the system. According to paragraph 4 of article 398 of the same law, whether the auditor has established the system and authorized committee stipulated in article 378 in order to identify the risks that threaten or may threaten the company in a timely manner and to carry out risk management, if there is such a system, with its structure. The principles explaining the committee's practices are to be determined by the POA, and it is required to prepare a separate report and submit it to the board of directors together with the audit report.

Since the company's shares are not traded in the stock exchange, the board of directors has not established an early risk detection system and committee in accordance with Article 378 of the Turkish Commercial Code No. 6102. The Company does not have an internal audit unit. Company's; Our report, which includes our evaluations on the early detection of risk system and committee, was submitted to the company's board of directors together with the audit report.

Kerim Kuş is the responsible auditor in conducting this independent audit.

Kerim Kuş, SMMM
Responsible Auditor



18 April 2022
Istanbul, Turkey

MMB Bağımsız Denetim ve Danışmanlık Anonim Şirketi

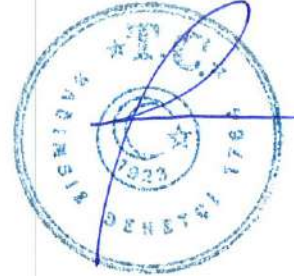
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UĞURAS KIYMETLİ MADENLER SAN. VE DİŐ TİC.AŐ.
INDEPENDENT AUDITED 31 DECEMBER 2019
FINANCIAL STATUS TABLE

(Amounts are shown in Turkish Lira unless otherwise stated.)

	Footnote Reference	Current Period December 31st, 2019	Past Period December 31st, 2018
ASSETS			
Current Assets		40.124.768	15.090.621
Cash and Cash Equivalents	[3]	19.043.407	12.906.070
Trade Receivables		3.186	0
- Trade Receivables from Unrelated Parties	[5]	3.186	0
Stocks	[7]	20.007.757	961.352
Prepaid Expenses	[8]	0	567
Other Current Assets	[14]	1.070.418	1.222.632
Assets		11.860.863	12.110.516
Other Receivables	[6]	58	51
- Other Receivables from Unrelated Parties		58	51
Financial Investments	[4]	14.938	14.938
Tangible Assets	[11]	11,838,174	12,088,987
Prepaid Expenses	[8]	938	2.214
Deferred Tax Asset	[16]	6.755	4.326
TOTAL ASSETS		51.985.631	27.201.137

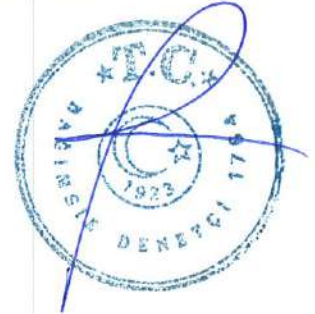


Attached footnotes form an integral part of the financial statements.

UĞURAS KIYMETLİ MADENLER SAN. VE DİŐ TİC.AŐ.
INDEPENDENT AUDITED 31 DECEMBER 2019
FINANCIAL STATUS TABLE

(Amounts are shown in Turkish Lira unless otherwise stated.)

	Footnote Reference	Current Period December 31st, 2019	Past Period December 31st, 2018
LIABILITIES			
Short Term Liabilities		356.383	1.384.805
Short-Term Borrowings	[4]	271.932	272.012
Other Financial Liabilities	[4]	0	5.167
Trade Payables		68.494	17.620
- Trade Payables to Unrelated Parties	[5]	68.494	17.620
Payables within the scope of Employee Benefits	[17]	2.418	11.191
Other Payables		0	1.065.885
- Other Liabilities to Related Parties	[32]	0	1.065.885
Profit Tax Liability for the Period	[13]	8.016	5.864
Other Short-Term Liabilities	[18]	5.523	7.066
Long-Term Liabilities		375.092	388.978
Long-Term Borrowings	[4]	123.367	347.489
Long-Term Provisions		28.024	14.146
- Provide to Employees. Fayd. Related Long-Term Provisions	[17]	28.024	14.146
Deferred Tax Liability	[16]	223.701	27.343
SHAREHOLDERS' EQUITY		51.254.156	25.427.355
Equity of the Parent Partnership		51.254.156	25.427.355
Paid-in Capital	[19]	50.000.000	25.000.000
Other Accumulated Comprehensive Income or Expenses to Be Reclassified in Profit or Loss	[19]	(18.901)	(2.631)
Restricted Reserves Separated from Profit	[19]	62.075	62.075
Prior Years' Profits /Losses	[19]	377.657	200.525
Net Profit/Loss for the Period	[19]	833.325	167.386
TOTAL LIABILITIES		51.985.631	27.201.138



Attached footnotes form an integral part of the financial statements.

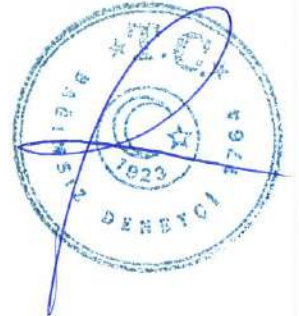
UĞURAS KIYMETLİ MADENLER SAN. VE DİŐ TİC.AŐ.
INDEPENDENT AUDITED 31 DECEMBER 2019

PROFIT/LOSS STATEMENT (INCOME STATEMENT)

(Amounts are shown in Turkish Lira unless otherwise stated.)

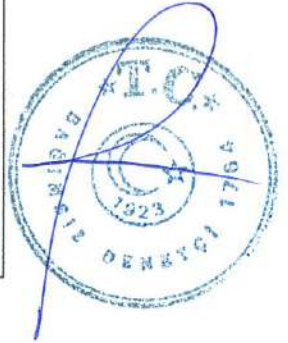
	Footnote Reference	Current Period December 31st, 2019	Past Period December 31st, 2018
PROFIT OR LOSS PART			
Revenue	[20]	4.392.256.312	2.334.157.268
Cost of Sales(-)	[20]	(4.396.918.203)	(2.331.210.749)
GROSS PROFIT / (LOSS)		(4.661.891)	2.946.519
General Administrative Expenses(-)	[21]	(531.764)	(382.969)
Marketing, Sales and Distribution Expenses(-)	[21]	(472.414)	(220.641)
Other Income from Core Operations	[23]	995.030	984.032
Other Expenses from Core Activities(-)	[23]	(5.043)	(51.287)
OPERATING PROFIT / (LOSS)		(4.676.082)	3.275.654
Income from Investment Activities	[24]	6.489	14.118
OPERATING PROFIT / (LOSS) BEFORE FINANCE EXPENSES		(4.669.593)	3.289.772
Financing Revenues	[25]	10.478.596	3.266.061
Financing Expenses(-)	[25]	(4.742.549)	(6.330.924)
PRE-TAX PROFIT / (LOSS)		1.066.454	224.909
- Period Tax Expense/Income	[26]	(41.122)	(32.187)
- Deferred Tax Expense/Income	[26]	(192.007)	(25.336)
SUSTAINED OPERATIONS PERIOD PROFIT / (LOSS)		833.325	167.386
DISCONTINUED OPERATIONS PERIOD PROFIT / (LOSS)		833.325	167.386
Earnings Per Share	[27]	0,0167	0,0067
PROFIT / (LOSS) FOR THE PERIOD	[33]	833.325	167.386
OTHER COMPREHENSIVE REVENUES			
They Will Not Be Reclassified in Profit or Loss			
- Deferred Tax Expense (-) / Income		(192.007)	(25.336)
OTHER COMPREHENSIVE REVENUES		(192.007)	(25.336)
TOTAL COMPREHENSIVE REVENUES		641.318	142.050

Attached footnotes form an integral part of the financial statements.



UĞURAS KIYMETLİ MADENLER SAN. VE DİŐ TİC.AŐ.
INDEPENDENT AUDITED 31 DECEMBER 2019
EQUITY CHANGE TABLE

	Paid-in Capital	Other Accumulated Comprehensive Income and Expenses to Be Reclassified in Profit or Loss		Restricted Reserves Separated from Profit	Accumulated Profits		Sum of Equity
		Tangible Asset	Actuarial Loss / Gains		Past Years Profit/Loss	Net Profit Loss for the Period	
Balances as of 01.01.2018 (Beginning of Period)	15.000.000	-	(31.723)	53.217	72.946	136.192	15.230.632
Adjustments to Changes in Accounting Policies	-	-	-	-	95.672	-	95.672
Transfers	-	-	29.092	8.658	127.334	(136.192)	29.092
Total Comprehensive Income / (Expense)	-	-	-	-	-	167.386	167.386
Capital Increase	10.000.000	-	-	-	-	-	10.000.000
Balances as of 31.12.2018 (End of Period)	25.000.000	-	(2.631)	62.075	200.525	167.386	25.427.355
Balances as of 01.01.2019 (Beginning of Period)	25.000.000	-	(2.631)	62.075	200.525	167.386	25.427.355
Transfers	-	-	(16.270)	-	177.132	(167.386)	(6.524)
Total Comprehensive Income / (Expense)	-	-	-	-	-	(299.938)	(299.938)
Capital Increase	25.000.000	-	-	-	-	-	25.000.000
Balances as of 31.12.2019 (End of Period)	50.000.000	-	(18.901)	62.075	377.657	833.325	51.254.156



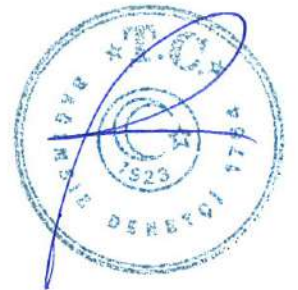
Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

**UĞURAS KIYMETLİ MADENLER SAN. VE DİŞ TİC.AŞ.
INDEPENDENT AUDITED 31 DECEMBER 2019
CASH FLOW TABLE***(Amounts are shown in Turkish Lira unless otherwise stated.)*

	Current Period	Past Period
	December 31st, 2019	December 31st, 2018
A. CASH FLOW RESULTING FROM OPERATING ACTIVITIES		
SUSTAINED OPERATIONS PERIOD PROFIT / (LOSS)	833.325	167.386
Increase / decrease in Commercial Receivables	3.186	-
Increase / decrease in Other Receivables	-	51
Increase / decrease in inventories	(19.046.405)	961.352
Increase / decrease in prepaid expenses	(567)	567
Increase/decrease in other rotating and non-current assets	5.974	10.557.631
Decrease / increase in other debts	-	17.620
Decrease / increase in corrections related to provisions	5.105	25.337
Other Adjustments to Non-Cash Items (+/-)	-	295.952
Adjustments to Losses (Earnings) resulting from Disposal of Financial Investments (+/-)	14.938	14.938
Adjustments to Other Items Resulting from Cash Flows From Investment or Financing Activities (+/-)	(265.210)	(7.117.667)
Other Adjustments to Net Profit (Loss) Reconciliation for the Period (+/-)	(147.685)	62.075
Cash Flows From Operations	18,597,339	4,985,242
Tax payments (Deferred Tax Asset / Liability), Net	(41.122)	(31.669)
Net Cash Flow From Operating Activities	(41.122)	(31.669)
Capital Increase	25.000.000	-
Cash Inflows / (Outflows) related to Financial Debt	(224.202)	619.501
Net Cash Flow From Operating Activities	24.775.798	619.501
Net Increase in Cash and Cash Equivalents	6.137.337	5.573.074
Cash and Cash Equivalents Per Period	12.906.070	7.332.996
Period-End Cash and Cash Equivalents	19.043.407	12.906.070



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

1. ORGANIZATION AND OPERATION OF THE COMPANY

Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret Anonim Şirketi ("Company"), (Former Title: Uğuras Kuyumculuk ve Değer Madenler Sanayi Dış Ticaret Limited Şirketi) was registered with the Istanbul Trade Registry on January 15, 2007 and numbered 495, dated January 19, 2007 in Turkey It was established by being announced in the Trade Registry Gazette.

Company T.C. Within the framework of the permission and authority given by the Undersecretariat of Treasury, the production, export, import of gold, silver and other precious metals and jewelery for the purpose of intermediation on behalf of itself and on behalf of others, within the framework of the principles determined in the relevant legislation, on precious metals whose standards and purity levels are determined by the Undersecretariat, It is engaged in marketing abroad, manufacturing all kinds of jewelery and wholesale and retail trading of precious metals, manufacturing, selling, importing, exporting, wholesale and retailing of pearls, silver, souvenirs and diamond goods.

The company is a member of the Istanbul Gold Exchange with the number 098, and it was granted permission to operate as a member on 18.05.2009.

The company operates in Turkey and its headquarters is located at Taya Hatun Mahallesi Acı Çeşme Sokak Zincirli Han No:18 K:3 Fatih / İSTANBUL.

As of 31 December 2020, the number of personnel employed in the company is 1 person. (31.12.2019: 3 persons)

As of 31 December 2020, the capital of the company is 50.000.000 TL (31.12.2019: 50.000.000 TL) and the shareholding structure is as follows;

Shareholder	31.12.2019		31.12.2018	
	Share Amount	Partnership Share	Share Amount	Partnership Share
Ugur UĞURAS	50.000.000	100%	25.000.000	100%
Total Capital	50.000.000	100%	25.000.000	100%
Outstanding Capital				
NET CAPITAL	50.000.000		25.000.000	

As announced on page 379 of TTSG dated July 25, 2018 and numbered 9628, the Company is subject to the registered capital system, 25,000,000 TL to 25,000,000 TL from TL 15,000,000 as announced on page 524 of TTSG dated July 29, 2019 and numbered 9,878 , the Company has increased its capital from TL 25,000,000 to TL 50,000,000.

All of the last capital raised was covered by the shareholders' receivables from the company and they do not have debts arising from the capital commitment.

As of December 31, 2019 , the Company has no Subsidiaries or Affiliates.



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. The Basis of Prensation

2.1.1. Applicable Accounting Standards

The Company keeps and prepares its statutory books and legal financial statements in accordance with the relevant provisions of the Turkish Commercial Code ("TCC") and accounting principles determined by the tax legislation.

The Company keeps its according records in accordance with the relevant provisions of the Turkish Commercial Code and tax legislation. The accompanying financial statements are prepared in accordance with the International Accounting Standards/International Financial Reporting Standards ("IAS/IFRS") and the related appendices and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The unconsolidated financial statements are based on the Company's statutory records and presented in Turkish Lira, and are prepared with adjustments and reclassifications for the purpose of fair presentation in the financial statements of financial position, results of operations and cash flows of the Company, including the notes to the financial statements in conformity with the International Accounting Standards issued by the International Financial Reporting Interpretations Committee.

Preparation of the financial statements in accordance and in conformity with IAS/IFRS requirements requires the use of certain assumptions and significant accounting estimates that will affect the explanatory notes on assets and liabilities, contingent assets and liabilities. Despite the fact that, these assumptions and estimates are based on management's best estimates within the framework of current events and actions, actual results could differ from those estimated. Complicated assumptions and estimates that require more advanced interpretation can have a significant impact on the financial statements.

There are no seasonal and cyclical fluctuations and factors that may significantly affect the Company's activities.

2.1.2. Comparative Information

The financial statements of the Company for the current period are prepared in a manner that is comparative with the statements of the previous period, with the purpose of providing an opportunity for determining the financial status and performance trends. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

2.1.3. Reporting Currency

The Company's financial statements are presented in the currency of the primary economic environment (functional currency) in which the Company operates. The financial position and operating results of the Company is stated in Turkish Lira ("TL"), which is the functional and presentation currency for the financial statements.

2.1.4. Going Concern Assumption

The Company's financial statements have been prepared on a going concern basis under the assumption that the company will use its existing assets and reap benefits within the forthcoming years and in the ordinary course of its activities and will continue to fulfill all of its obligations.

2.1.5. Netting/Offsetting

Assets and liabilities included in the financial statements have not been offset against each other except when required or mandatory cases or in cases where allowed within the scope of IAS/IFRS. On the other hand, items of income and expense are only offset when it is required or permitted by IAS/IFRS, or otherwise are not offset against each other.



2.1.6. Statement of Compliance with TFRS

The accompanying financial statements keep the accounting records in accordance with the Turkish Commercial Code and tax legislation. The accompanying financial statements have been prepared in accordance with the Turkish Accounting Standards / Turkish Financial Reporting Standards and their annexes and comments ("TMS/TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK").

The accounting policies used in the preparation of the financial statements for the accounting period ending as of 31 December 2018 have been applied consistently with those used in the previous year, except for the new and amended standards and interpretations valid as of 1 January 2018, which are summarized below.

a)As of 31 December 2018, the new standards in force and the amendments and interpretations to the existing previous standards:

- **TFRS 9 Financial Instruments Standard;** Effective for annual reporting periods beginning on or after 1 January 2018. This standard replaces TMS 39. It includes the requirements for the classification and measurement of financial assets and liabilities, as well as the expected credit risk model, which will replace the actual impairment loss model currently in use
- **TFRS 15 Revenue from Contracts with Customers Standard;** Effective for annual reporting periods beginning on or after 1 January 2018. The new standard aimed to ensure that the financial reporting of revenue and the total revenues of financial statements are comparable worldwide.
- **Changes in TFRS 15 Revenue from Contracts with Customers;** Effective for annual reporting periods beginning on or after 1 January 2018. These amendments include explanations regarding the implementation guidance determining performance obligations, accounting for intellectual property licenses, and evaluation of whether the business is principal or intermediary (net revenue presentation versus gross revenue presentation).
- These standards and amendments do not have a significant impact on the Company's financial statements.

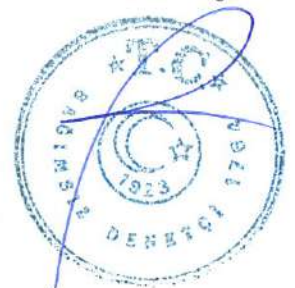
b) Standards and amendments published but not yet effective as of 31 December 2018

- **TFRS 16 Lease Transactions Standard;** Effective for annual reporting periods beginning on or after 1 January 2019. Early application is permitted with TFRS 15 Revenue from customer contracts standard. This new standard replaces existing TAS 17 guidance and makes a far-reaching change in accounting for specialty lessors.
- **TAS 28 (Amendments) Long-Term Interests in Associates and Joint Ventures;** This amendment clarifies that an entity applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment of the associate or joint venture but for which the equity method is not applied.
- **TFRS Interpretation 23 Uncertainties Regarding Income Tax Applications;** This Interpretation clarifies how the recognition and measurement requirements in TAS 12 apply when there is uncertainty regarding income taxation.

The possible effects of the said standards, amendments and improvements on the financial position and performance of the Company are being evaluated.

2.2. Changes in Accounting Policies

The Company has not made any change in its accounting policies that may affect the presentation of financial statements in a manner providing more relevant and reliable information about the effects of transactions, other events or conditions on the Company's financial position, financial performance, or cash flows. No change is predicted in the accounting policies applied in the foreseeable future.



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2.3. Changes in Accounting Estimates and Errors

The preparation of the financial statements requires the use of estimates and assumptions which might affect the amounts of assets and liabilities and disclosure of commitments and contingent liabilities which were reported as at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. In cases where changes in accounting estimates are related to only one period, they are recognized and reflected in the financial statements of the period when these changes are applied, however if changes in accounting estimates are related to future periods, they are recognized and reflected in the financial statements of both the period where the change is applied and in future periods prospectively in a manner to take into account in determination of the net profit or loss for the period.

Any amount corrected is taken into consideration retrospectively. Errors prior years are corrected with a retrospective restatement by restating the comparative amounts for the prior period(s) presented in which the errors occurred or if the error occurred before the next reporting period then by restating the accumulated profits relating to that period. However, in cases where restatement of information leads to an excessive cost, then comparative information relating to prior periods are not restated, and the carrying amount of the assets and liabilities is adjusted for the cumulative effect of the error. The beginning balance of retained earnings is adjusted and restated with the cumulative effect of the error.

2.4. Summary of Significant Accounting Policies

Accounting policies within the scope of IAS/IFRS are certain principles, basis, procedures, rules and applications used by entities in the preparation and presentation of their financial statements.

Recognition of Revenue

The Company recognizes revenue in the financial statements when it satisfies its performance obligation by transferring promised goods or services to its customer at a point of time (or over-time). Promised goods and services are deemed to have been transferred to the said customer when control passes to him at a point of time (or over-time).

The Company recognizes revenue in the financial statements in accordance and in compliance with the fundamental principles set out below:

- Identify the contract(s) with the customer(s);
- Identify the performance obligations in the contract;
- Determine the transaction price in the Contract(s);
- Allocate the transaction price to the performance obligations in the Contract(s);
- Recognize revenue when (or as) the entity satisfies each performance obligation.

The Company recognizes a contract with a customer as revenue if all of the following conditions are met:

The Contract has been approved by the parties to the contract (either in writing or oral or in accordance with other customs of trade) and each party commits to perform their respective obligations in a proper manner;

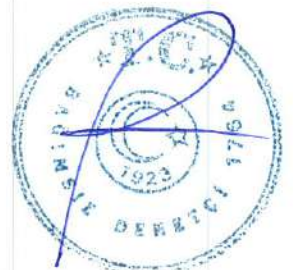
The Company can identify each party's rights in relation to the goods or services to be transferred;

The Company can identify the payment terms for the goods or services to be transferred;

the contract has commercial substance

It is probable for the Company that the consideration to which the Company is entitled to in exchange for the goods or services will be collected

In assessing whether the collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.



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Revenue from Sales of Goods

When the Company is involved in providing goods or services to a customer, it determines whether the Company has promised to provide the specified goods or service itself (in other words, the Company is a principal) or to arrange for the specified goods or service to be provided to the customer by the other party (in other words, the Company is an agent). The Company is acting as a principal, if the Company controls the specified goods or service before that good or service is transferred to the customer. In such a case, the Company recognizes revenue in the financial statements when it satisfies its performance obligation by transferring promised goods or services to its customer at a point of time (or over-time). On the other hand, in cases where the Company acts as an agent and arranges for the specified goods or service to be provided to the customer by the other party it does not reflect revenue for the fulfilment of the performance obligation in the financial statements.

In cases where the Company is entitled to collect a consideration directly corresponding to the value of its completed operation from the customer (i.e. the delivery of products/services), the Company accounts for the amount of revenue in the financial statements as far as it has the right to billing (issue an invoice). The Company determines and does not make any adjustments as no significant financing component will have an effect on the promised price, as it expects that the period between the transfer date of the goods or services it has committed to the customer and the date, the customer has paid the price of that goods or services will be one year or less at contract inception.

Pursuant to IFRS 15, the Company elected to apply practical expedient that allows entities to ignore a significant financing component due to the fact that the Company, at contract inception, expects that the period between the customer's payment and the Company's transfer of the goods or services to be one year or less. For this reason, the Company has not made any adjustment to the revenue for the effect of the significant finance component.

The Company does not have any contract assets arising from its contracts with its customers and contract costs to be capitalized with regard to the aforementioned contracts.

Financial Financial assets are initially recognized at their acquisition cost, including the transaction costs which is accepted to reflect the fair value of those instruments. The aforementioned purchases and sales are the one which require the delivery of the financial assets within the time interval identified with the established practices and regulations in the market. Classification and Valuation of Financial Assets;

i) Financial Assets Measured at Amortized Cost

Financial assets are measured at amortized cost when they meet both of the following conditions:

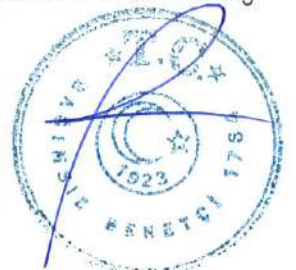
Financial Assets must be held within a business model whose objective is to hold assets in order to collect contractual cash flows;

The contractual terms relating to financial assets must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using the effective interest rate method. The differences between the gross carrying value of a financial assets and its amortized cost are reflected to profit or loss.

ii) Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are measured at fair value though other comprehensive income when they meet both of the following conditions:



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Financial Assets must be held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

iii) Financial Assets measured at fair value through profit or loss

Any financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Cash and Cash Equivalents

Cash and cash equivalent items consist of cash on hand, deposits at bank including demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash, maturing in 3 months or less and which are subject to an insignificant risk of changes in value.

Financial Liabilities

The Company's s financial liabilities and equity instruments are classified according to the definition of a contractual arrangement, a financial liability and a tool based on equity. The contract, which represents the rights of remaining assets after deducting all debts of the Group, is a financial instrument based on equity. The detailed information about the accounting policies applied based upon certain financial liabilities and equity instruments is presented below.

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

Financial Liabilities at Fair Value through profit or loss

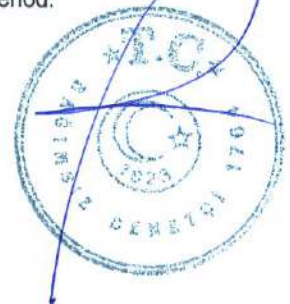
Financial liabilities at fair value through profit or loss are accounted for at fair value, and they are revalued at the balance sheet at fair value in each reporting period. The change in fair value is recognized in the income statement. Net gains or losses recognized in the income statement also includes the interest paid for such liability.

Other Financial Liabilities

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

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

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



Recognition and derecognition of financial assets and liabilities

All purchases and sales of financial assets and liabilities are recognized on the transaction date, in other words, the date the Company commits to purchase or sell the asset. The aforementioned purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognized where;

the rights to receive cash flows from the asset have expired

the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

(the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the consolidated financial statements.

On the other hand, financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expire

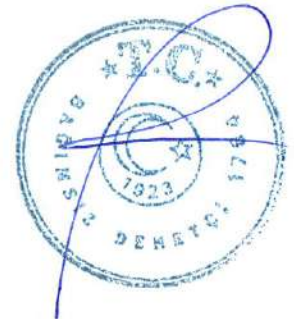
Inventories

Inventories are assets held for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Advances to suppliers are classified as current assets until the relevant inventory item is recognized.

Inventories are measured at the lower of cost or net realizable value. Costs of inventories consist of all purchasing costs, conversion costs and other costs that have been borne to bring the inventories to their present condition and situation. Conversion costs consist of costs similar to labour costs, which directly related with production; those costs also include systematically allocation of fixed and variable production costs that support to process materials to finished products. The cost of inventories is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs to make the sale.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories may not be carried on the accounting records and in financial statements at a value greater than their realizable value which is expected to be obtained from their use or sale. In cases where the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The amount to be reversed is limited to the amount of the original write-down.

The company uses the weighted average cost method to calculate the cost of inventory.



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Investment Property

Investment properties are properties held to earn rentals and/or capital appreciation and they are stated at cost less accumulated depreciation and impairment losses, if any. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. In which the relevant property is retired from use or disposed. Gains/losses arising from sales or disposal or being retired or withdrawn from use are recognized in the income statement in the period in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property that is measured at fair value to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property subsequently becomes an investment property that is measured at fair value, the Company accounts for such property in accordance with the policy stated under the "Property, Plant and Equipment" up to the date of change in use.

The Company does not have any investment property.

Property, Plant and Equipment [PP&E] (Tangible Fixed Assets)

Physical assets which are held and estimated to be used more than one period by the Company for the purpose of producing goods and/or provision of services, or for rental purposes (for assets other than immovable property) for administrative purpose are stated at their historical value within the scope the cost model.

The acquisition cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs and expenses associated with their repair and maintenance are reflected in the statement of profit or loss during the reporting period in which they are incurred. The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company

Leasehold improvements consist of expenses made to the rented property. Leasehold improvements are depreciated over the shorter period of estimated useful life in cases where its useful life is longer than the lease term or over its lease term

Depreciation of a tangible asset starts from the time when the asset is available for use. Depreciation shall continue to be applied even in the periods when the asset is idle.

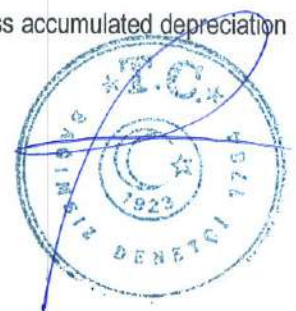
The estimated useful lives, residual values and depreciation method are reviewed on each reporting period on a regular basis, and accordingly it is looked at whether the depreciation method and deprecation period are in line with the economic benefits to be obtained or derived from the relevant asset, and in case of necessity the relevant depreciation method and/or deprecation period is adjusted accordingly and then restated in the accounting records and financial statements.

Revaluation Method:

The Company values a part of its tangible assets using the revaluating method.

Cost Method

Tangible fixed assets (property, plant and equipment) are recorded at their historical cost less accumulated depreciation and accumulated impairment losses.



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Tangible fixed assets under development or construction for administrative purposes or for other purposes not determined yet are carried at cost, less any impairment cost, if any. Legal fees, charges and expenses are also added to costs. Such assets are depreciated, on the same basis used for other fixed assets, when they are ready to use.

Tangible fixed assets (property, plant equipment), other than construction in progress, are depreciated over their expected useful lives by using the straight-line method. The estimated useful life, residual value, and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis

Any gain or loss arising on the disposal or retirement of a tangible fixed asset (property, plant or equipment) is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of income.

Tangible Asset	Useful Life	Useful Life
	December 31st, 2019	December 31st, 2018
Buildings	2-50 years	2-50 years
Machinery and equipment	4-25 years	4-25 years
Vehicles	5 years	5 years
Assets	3-5 years	3-5 years

Intangible Assets

Intangible assets purchased

Intangible assets purchased are indicated by the amount accumulated from the cost values and the amount after deducting the accumulated impairments. These assets are amortized using the linear depreciation method based on their expected useful lifespan. The expected method of useful life and depreciation is reviewed annually to determine the possible impact of changes in estimates, and changes in estimates are accounted for going forward.

Computer software

Purchased computer software is activated at the cost of purchase and in the time it takes to be ready for use.

De-balance sheet of intangible assets

When an intangible asset is disposed of or used or sold, the financial statement (balance sheet) is excluded if economic benefits are not expected in the future. Profit or loss resulting from the depreciation of an intangible asset from the financial statement is calculated as the difference between net collections and book values, if any, from the disposal of assets. This difference is accounted for in profit or loss when the relevant asset is taken out of the financial statement.

Intangible Asset	Useful Life	Useful Life
	December 31st, 2019	December 31st, 2018
Rights	3-10 years	3-10 years
Other intangible assets	3-15 years	3-15 years

- Impairment of Assets

- Intangible assets such as goodwill which has indefinite useful life are not subject to amortization. An impairment test is applied for these assets on an annual basis. Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the relevant asset's book value (carrying amount) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels (cash generating units) for which there are separately cash flows. Non-financial



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assets except goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

- Borrowing Costs and Loans Received

- Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale (qualifying assets) are added to the cost of the said asset until such asset is ready for its intended use or sale. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

- Effects of Changes in Foreign Currency Exchange Rates

- The Company's financial statements are presented in the currency of the primary economic environment (functional currency) in which the Company operates. The financial position and operating results of the Company is stated in Turkish Lira ("TL"), which is the functional and presentation currency for financial statements.

- In preparing the Company's financial statements, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated into Turkish Lira using the foreign exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into Turkish Lira at the rates prevailing at the date when the fair value was determined. On the other hand, non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

- Exchange differences arising from translations to TL from original foreign currencies are recognized in the statement of profit or loss in the relevant period, except for the following:

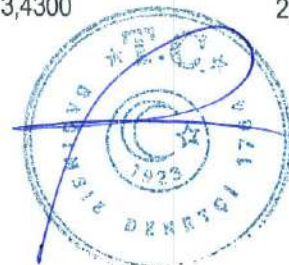
- Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.

- Exchange differences on transaction entered into in order to hedge certain risks arising from foreign currency risks (hedge accounting policies to provide protection against foreign exchange rate fluctuations are explained in the following sections;

- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items

Foreign currency parity for the periods ended December 31st is as follows:

Currency Position		
	31.12.2019	31.12.2018
USD(USD)/TL	5,9402	5,2609
Euro (EUR)/TL	6,6506	6,0280
Swiss franc (CHF)/TL	6,0932	5,3352
Danish Krone (DKK)/TL	0,8890	0,8060
British Pound (GBP)/TL	7,7765	6,6528
Japanese Yen (JPY)/TL	5,4291	4,7547
Gold (XAU)/TL	290,3455	216,7935
Silver (XGU)/TL	3,4300	2,6008



Earnings per Share- Earnings per Share from Continuing Operations/Activities

Earnings per share are calculated by dividing the net profit/loss generated from the continuing operations for the current year by the weighted average number of the Company's ordinary shares outstanding in the relevant period. Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from its retained earnings and free reserves. For the purpose of earnings per share computations, such Bonus Share issuance are regarded as issued shares. Accordingly, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares, i.e. bonus shares to existing shareholders from its retained earnings and free reserves. For the purpose of earnings per share calculations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued

For the purposes of the calculation of earnings per share, there is no preferred stock or a potential share with dilution effect.

Subsequent Events (Events after the Reporting Period)

Events after the balance sheet date or reporting period refer to the events that occur, happen or arise in favor of or against the Company between the balance sheet date and date on which the Board of Directors approved the financial sheets for issuance. Two types of events are defined depending on whether an adjustment is required to be made:

adjusting events that provide further evidence of conditions that existed at the reporting date and result in adjustments to the financial statements, and

Non-adjusting events that are indicative of a condition that arose after the ending of the reporting period (and those events that do not result in adjustment to the financial statements. They should be disclosed if of such importance that non-disclosure would affect the ability of the users to make proper evaluations and decision.

In the accompanying financial statements of the Company, adjusting events that require adjustment to the financial statements are recorded whereas non-adjusting events are disclosed in the notes.

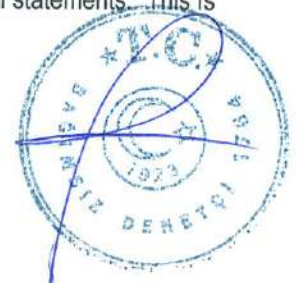
Provisions Provisions, Contingent Assets and Contingent Liabilities

Provisions

The Company is required to recognize a provision in respect of an event when it is a present obligation, whether legal or implied, which arises from a past obligating event, and the outflow of economic benefits to satisfy the obligation must be probable and the amount of economic benefits required to satisfy the obligation must be reliably estimated. If the criteria referred to above is not satisfied then the Company discloses these matters in the relevant notes. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values.

Contingent Liabilities

The liabilities that fall within this category are possible obligations arising from past events whose existence will only be confirmed on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the entity and, accordingly considered as contingent liabilities and are not included in the financial statements. This is



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because it is not probable that an outflow of resources embodying economic resources will be required to settle the obligation or the amount of the liability cannot be measured reliably. The Company discloses its contingent liabilities in the notes to the financial statements unless possibility of outflow of resources embodying economic benefits is remote.

Contingent Assets

The Company considers the assets arising from past events whose existence will only be confirmed on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Company as contingent assets. In cases where inflow of resources embodying economic benefits into the Company is not certain, then contingent assets are disclosed in the notes to the financial statements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Related Parties

The Company's related parties include entities that can directly or indirectly control or significantly affect the counterparty through shareholding, ownership of shares, contractual right, family relationship or similar means. In the accompanying financial statements, the shareholders of the Company and the companies owned by such shareholders, their key management personnel and other companies known to be related are defined as related parties.

In case of presence of any of the following criteria, the party is considered related to the Company:

Directly, or indirectly through one or more intermediaries, if such party:

Controls or is controlled by the Company or

Is under common control with the Company (including parent, subsidiaries and fellow subsidiaries);

Has an interest in the Company that gives it significant influence over the Company or has joint control over the Company;

Such party is an affiliate or associate of the Company;

Such party is a joint venture in which the Company is a venturer;

Such party is a member of the key management personnel of the Company or its parent;

Such party is a close member of any individual referred to in (i) or (iv);

Such party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (iv) above or

Such party is a post-employment benefit plan for the benefit of employees of the Company or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

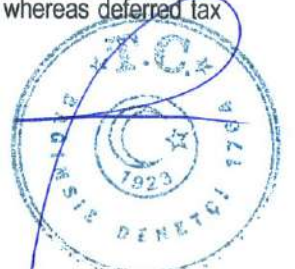
Tax calculated on the basis of the Company's Earnings

Income tax expense. consists of the total sum of the tax payable for the period and deferred tax expense.

The current tax liability is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted or substantively enacted as of the reporting date.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding statutory tax bases which are used in the computation of taxable profit using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences whereas deferred tax



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assets are recognized for all deductible temporary differences to the extent that it is most probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable commercial profit/loss nor the accounting profit/loss.

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

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

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

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

Current and deferred tax basis for the period

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

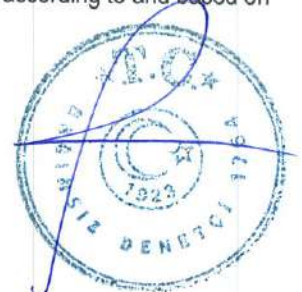
Employee Benefits and Severance (Termination) Pays

In Turkey, pursuant to the provisions of the relevant applicable law and collective labor agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as defined retirement benefit plans in accordance with the TAS 19 "Employee Benefits Standards" ("TAS 19).

The retirement benefit obligation recognized in the balance sheet represents the net present value of the total defined benefit obligation due to retirement of all employees. All actuarial gains and losses calculated are recognized in the statement of other comprehensive income.

Reporting of Cash Flow

The Company prepares cash flow statements to provide users of financial statements with the changes in its net assets, financial structure and its professional ability to manage the amounts and timing of its cash flows according to the changing conditions. In the cash flow statement, cash flows for the period are reported by classifying them according to and based on operating, investing and financing activities.



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

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Cash flows from operating activities represent cash flows generated from main business operations of the Company. Cash flows from investing activities represent cash flows used by the Company in its investing activities (investments in property, plant and equipment and financial investments) and cash flows generated by the Company in its investing activities. On the other hand, cash flows from financing activities represent the resources used by the Company in its financing activities and their repayment. Cash and cash equivalents include cash on hand, bank deposits and other short-term investments with due date of three months or shorter, which can easily be turned into cash, has high liquidity and the risk of change of value is insignificant.

Capital and Dividends

Ordinary shares are classified as shareholders' equity. Dividends are reflected in the financial statements as liability in the period in which they are declared as an element of profit distribution.

Critical Accounting Judgments and Key Sources of Estimates of Uncertainty

The preparation of the financial statements requires the Company management to make estimates and assumptions which might affect the amounts of assets and liabilities and disclosure of commitments and contingent liabilities which were reported as at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Although these estimates and assumptions are based on the best estimates and knowledge of the Company's management on the existing events and operations the actual results may differ from those estimate and assumptions. The estimates and assumptions are reviewed on a regular and consistent basis and all necessary adjustments are made and restated in the relevant profit and loss statement.

Preparation of the financial statements in accordance and in conformity with IAS/IFRS requirements requires the use of certain assumptions and significant accounting estimates that will affect the explanatory notes on assets and liabilities, contingent assets and liabilities. Despite the fact that, these assumptions and estimates are based on management's best estimates within the framework of current events and actions, actual results could differ from those estimated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Notes used in these estimates are as follows:

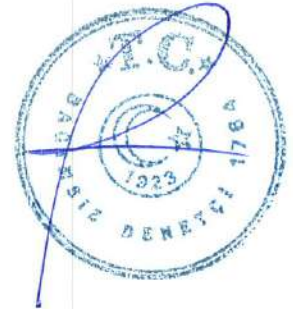
Note 5– Trade receivables, trade payables

Note 11– Tangible assets

Note 12– Intangible assets

Note 17 – Provisions for employee benefits

Note 26 – Tax assets and liabilities



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

3. CASH AND CASH EQUIVALENTS

As of 31 December 2019 and 31 December 2018, the details of the cash and cash equivalents are as follows:

Cash and Cash Equivalents	31.12.2019	31.12.2018
Cash	241.877	177.899
- Turkish Lira (TL)	87.095	25.566
- USD(USD)/TL	71.708	77.638
- Euro (EUR)/TL	83.074	74.695
Banks	18.801.530	12.728.171
Term Deposit - TL	53.456	184.320
Term Deposit - Foreign Currency	18.748.074	12.543.851
- Term Deposit - USD	18.561.648	12.531.808
- Term Deposit - EUR	186.426	12.043
Sum	19.043.407	12.906.070

As of December 31, 2019, the Company does not have a blocked account (December 31, 2018: None).

The currency position of cash ve Cash Equivalents is as follows:

Currency Position	31.12.2019		31.12.2018	
	Original Money	TL Provision	Original Money	TL Provision
Turkish Lira (TL)	140.551	140.551	209.886	209.886
USD(USD)/TL	3.136.823	18.633.356	2.396.823	12.609.446
Euro (EUR)/TL	40.523	269.500	14.389	86.738
Sum		19.043.407		12.906.070



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

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Currency: Turkish Lira ("TL")

4. FINANCIAL INVESTMENTS

Long-Term Financial Investments	31.12.2019	31.12.2018
Other Financial Assets	14.938	14.938
Sum	14.938	14.938

Investments in finance consist of Istanbul Gold Exchange Stock, which he acquired as a member in exchange for registering on the Istanbul Gold Exchange.

Short-Term Borrowings	31.12.2019	31.12.2018
Current instalments & interests of long term loans	271.932	272.012
Sum	271.932	272.012

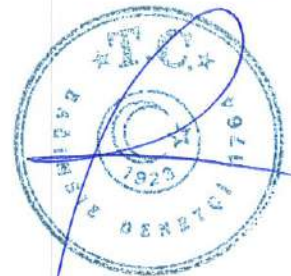
Long-Term Borrowings	31.12.2019	31.12.2018
Bank Loans	123.367	347.489
Sum	123.367	347.489

Bank loans consist of TL loans with a 72-month term used in 2015 for real estate acquisition.

a) The maturities of bank loans are as follows.

Loans	31.12.2019	31.12.2018
0-3 months	71.307	71.315
4-12 months	200.626	200.697
1-5 years	123.367	347.489
SUM	395.299	619.501

Other Short and Long Term Financial Liabilities	31.12.2019	31.12.2018
Other Financial Liabilities (Short Term)	--	5.167
Sum	--	5.167



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

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Currency: Turkish Lira ("TL")

5. TRADE RECEIVABLES AND TRADE DEBTSAs of December 31, 2019, the average maturity of **commercial receivables** is 30 days.**Short-Term Trade Receivables**

	31.12.2019	31.12.2018
Buyers	3.186	-
Sum	3.186	-

The Company does not have receivables that do not have the opportunity to collect.

Currency Position	31.12.2019		31.12.2018	
	Original Money	TL Provision	Original Money	TL Provision
Turkish Lira (TL)	3.186	3.186	0	0
Sum		3.186		0

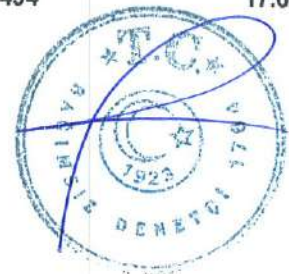
Liquidity Position	31.12.2019	31.12.2018
0 - 3 months	3.186	-
Sum	3.186	-

As of December 31, 2019, the average maturity of **commercial liabilities** is 30 days.**Short-Term Trade Payables**

	31.12.2019	31.12.2018
Buy	767	570
Other Trade Payables	67.727	17.050
Sum	68.494	17.620

Currency Position	31.12.2019		31.12.2018	
	Original Money	TL Provision	Original Money	TL Provision
Turkish Lira (TL)	67.727	67.727	17.620	17.620
Sum		67.727		17.620

Trade Payables Liquidity Position	31.12.2019	31.12.2018
0 - 3 months	68.494	17.620
Sum	68.494	17.620



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

6. OTHER RECEIVABLES AND OTHER LIABILITIES

Other Long-Term Receivables	31.12.2019	31.12.2018
Long-Term Deposits and Guarantees	58	51
Sum	58	51

Currency Position	31.12.2019		31.12.2018	
	Original Money	TL Provision	Original Money	TL Provision
USD(USD)/TL	10	58	10	51
Sum		58		51

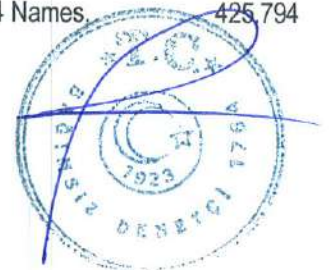
Liquidity Position	31.12.2019	31.12.2018
Sight	58	51
Sum	58	51

Other Short-Term Liabilities	31.12.2019	31.12.2018
Debts to Partners	-	1.065.885
Sum	-	1.065.885

7. STOCKS

Stocks	31.12.2019	31.12.2018
Commercial goods	20.007.757	961.352
Sum	20.007.757	961.352

Effective and Precious Metal Stocks	31.12.2019		31.12.2018	
	Quantity	TL Provision	Quantity	TL Provision
HAS GOLD	62.522.67 Gr.	18.593.845	1,468,26 Gr.	318.309
SILVER	1,680,37 Gr.	5.513	1,680,37 Gr.	4.370
ATA GOLD	232 Ad.	446.136	148 Ad.	212.879
FULL GOLD	23 Name.	43.605	-	-
HALF GOLD	63 Name.	59.117	-	-
QUARTER GOLD	1,832 Ad.	859.541	1,694 Names	425.794



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

Effective and Precious Metal Stocks	31.12.2019		31.12.2018	
	Quantity	TL Provision	Quantity	TL Provision
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ATA GOLD	232 Ad.	446.136	148 Ad.	212.879
FULL GOLD	23 Name.	43.605	-	-
HALF GOLD	63 Name.	59.117	-	-
QUARTER GOLD	1,832 Ad.	859.541	1,694 Names.	425.794
Sum		20.007.757		961.352

Inventory counts were not taken in the audit studies. Stocks are valued by the average cost method. The company's audit day closing count has been made and verified by reverse tracking method. The net realized value is calculated by deducting the completion and marketing expenses required for the sale from the estimated sales value. The first item material, has gold and jewellery products and processed gold in commercial goods are valued at the closing price of the Istanbul Gold Exchange. The amounts of gold in the products and commercial goods were determined by the milyem account and the first item was collected and valued with the specific quantities contained in the material. Gemstones and jewellery found in commercial goods were tracked with cost fees due to the fact that the related assets do not have an organized exchange.

8. PAID EXPENSES AND DEFERRED INCOME

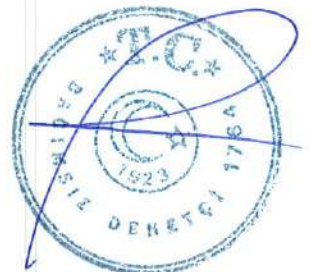
Short Term - Prepaid Expenses	31.12.2019	31.12.2018
Order Advances Issued	-	567
Sum	-	567
Long Term - Prepaid Expenses	31.12.2019	31.12.2018
Expenses for Future Years	938	2.214
Sum	938	2.214

Short Term - No Deferred Income. (31.12.2018 : None.)

Long Term - No Deferred Income. (31.12.2018 : None.)

9. INVESTMENTS VALUED BY EQUITY METHOD

None (31 December 2018: None).



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş
December 31st, 20th19 Year Ended on
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10. INVESTMENT PROPERTIES

None (31 December 2018: None).

11. TANGIBLE ASSETS

Tangible Assets	31.12.2019	31.12.2018
Buildings	12.336.896	12.336.896
Vehicles	200.548	200.548
Assets	135.463	129.490
Accumulated Depreciations (-)	(834,733)	(577,947)
Sum	11,838,174	12,088,987

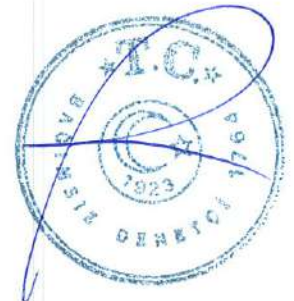
Tangible Assets	31.12.2017	Entrance	Exit	31.12.2018	Entrance	Exit	31.12.2019
Buildings	1.225.785	11.111.111	0	12.336.896	(0)	0	12.336.896
Vehicles	754.028	0	553.480	200.548	0	0	200.548
Assets	129.490	0	0	129.490	5.973	0	135.463
Sum	2.109.302	11.111.112	553.480	12.666.934	5.973	0	12.672.907

Depreciation of Tangible Assets	31.12.2017	Entrance	Exit	31.12.2018	Entrance	Exit	31.12.2019
Buildings	61.289	194,022	0	255.311	246.738	0	502.049
Vehicles	223.150	23,532	46.134	200,548	0	0	200,548
Assets	96.474	15,614	0	112,088	10,048	0	122.136
Sum	380.913	243.168	46.134	577.947	256.786	0	834.733

Total Tangible Assets (Net)	1.728.389			12,088,987			11,838,174
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12. INTANGIBLE ASSETS

None (31 December 2018: None).



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

Footnotes for Financial Statements

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13. ASSETS RELATED TO CURRENT PERIOD TAX / PERIOD PROFIT TAX LIABILITY

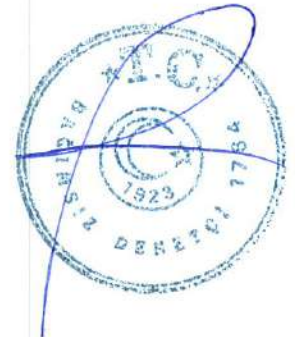
Profit Tax Liability for the Period	31.12.2019	31.12.2018
Corporate tax payable - current	41.122	32.187
Sum	8.016	5.864
Profit Tax Liability for the Period	31.12.2019	31.12.2018
Commercial profit / loss	181.873	109.744
Financial Profit	186.916	146.306
<i>Profit to be taxed (22%) (Previous Period 22%)</i>	<i>186.916</i>	<i>146.306</i>
Tax Liability	31.12.2019	31.12.2018
<i>Calculated tax liability (22%)</i>	<i>41.121</i>	<i>32.187</i>
<i>Prepaid Tax</i>	<i>(33.106)</i>	<i>(26.323)</i>

14. OTHER REVOLVING ASSETS / OTHER SHORT-TERM LIABILITIES

Other Current Assets	31.12.2019	31.12.2018
Transferable Value Added Tax	1.070.418	1.222.632
Sum	1.070.418	1.222.632
Other Short-Term Liabilities	31.12.2019	31.12.2018
Taxes and Funds to Be Paid	5.523	7.066
Sum	5.523	7.066

15. GOVERNMENT INCENTIVES AND BENEFITS

None (31 December 2018: None).



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.ŞDecember 31st, 20th19 Year Ended on

Footnotes for Financial Statements

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16. PROVISIONS / CONDITIONAL ASSETS AND LIABILITIES

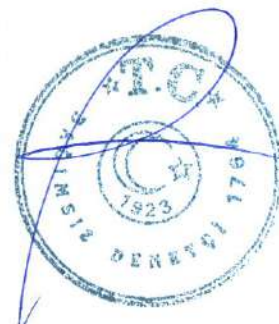
Conditional Entities	31.12.2019	31.12.2018
Guarantees Received	-	-
Sum	-	-

Conditional Obligations	31.12.2019	31.12.2018
İst.GOLD EXCHANGE-DENIZBANK (350.000 USD.)	2.079.070	1.841.315
İst.GOLD EXCHANGE-DENIZBANK (300.000 USD.)	1.782.060	1.578.270
İst.GOLD EXCHANGE-DENIZBANK (350.000 USD.)	2.079.070	1.841.315
İST.ANADOLU 2.İCRA MÜD. - DENIZBANK (TL)	143.000	-
Sum	6.083.200	5.260.900

Issued by the Company

GPMs (Guarantee - Pledge-Mortgages)	31.12.2020	31.12.2019
A GPMs given on behalf of its own legal entity	6.083.200	5.260.900
B GPM's given in favor of partnerships included in full consolidation	-	-
C GPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	-	-
D Other given GPMs	-	-
- GPM's given in favor of the main partner	-	-
- GPM's given in favor of other group companies that are not in the scope of B and C.	-	-
- GPM's given in favor of 3rd parties that are not in the scope of article C	-	-
Sum	7.483.500	6.083.200

	31.12.2020	31.12.2019
Ratio of other GPMs to equity	8,66%	11,87%



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17. BENEFITS FOR EMPLOYEES

Payables within the scope of Employee Benefits	31.12.2019	31.12.2018
Debts to Staff	-	7.750
Sauce to Pay. Interruptions	2.418	3.441
Sum	2.418	11.191

Long-Term Provisions for Employee Benefits	31.12.2019	31.12.2018
Retirement pay provision	28.024	14.146
Sum	28.024	14.146

Retirement pay provision

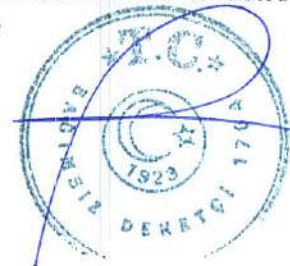
Under the existing laws in Turkey, the Company must pay severance payments to its personnel who have completed a one-year service period and have been terminated without any valid reason, called to serve in the military, who have died, who have completed a 20-year service period for men and who have reached retirement age (58 years for women and 60 years for men).

The severance obligation is not legally subject to any funding. The provision for severance is calculated by estimating the present value of the Company's potential future liability amount arising from the retirement of employees. TMS 19 ("Benefits to Employees") envisages the development of the company's obligations using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used to calculate total liabilities are as follows:

Assumptions	31.12.2019	31.12.2018
Projected uptime	Retirement	Retirement
Severance ceiling	6.379,86	5.434,42
Projected rate hike	9,08%	22,85%
Discount rate	0,57%	2,55%
Compensation rate (average)	69,51%	73,41%

	31.12.2019	31.12.2018
DB Liability	14.146	16.775
Payments	(6.980)	(9.609)
CH Cost	2.743	2.589
Interest Cost	1.018	1.018
Actuarial K/ Z	17.097	3.373
DS Liability	28.024	14.146

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied refers to the expected real rate after the correction of future inflation effects. Therefore, as of 31 December 2019 and 31 December 2018, the provisions in the attached financial statements are calculated by estimating the present value of the possible liability for the retirement of future employees.



18. OTHER ASSETS AND LIABILITIES

There are no other Assets and Liabilities. (31 December 2018 : None.)

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

i) Shares Without Control

The Company does not have shares without control as of the end of the period.

ii) Capital / Mutual Affiliate Capital Adjustment

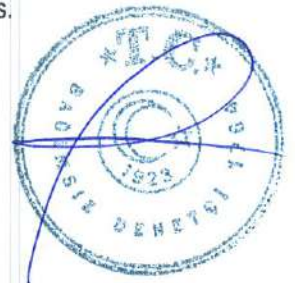
Capital	31.12.2019	31.12.2018
Capital	50.000.000	25.000.000
Sum	50.000.000	25.000.000

As of 31 December 2019 , shareholders and their share ratios are as follows:

Shareholder	31.12.2019		31.12.2018	
	Share Amount	Partnership Share	Share Amount	Partnership Share
Ugur UĞURAS	50.000.000	100%	25.000.000	100%
Total Capital	50.000.000	100%	25.000.000	100%
Outstanding Capital				
NET CAPITAL	50.000.000		25.000.000	

Share and share groups and concessions:

As of December 31, 2018, the Company's capital consisted of 50,000 shares issued and each with a nominal value of TL 1,000. (December 31st, 2016 8: 1,000 TL 25,000 Share) There are no concessions on the shares.



Uğuras Kıymetli Madenler Sanayi ve Dış Tic.A.Ş

December 31st, 20th19 Year Ended on

Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

Capital increase during the year:

The capital of the company has been increased from TL 5,000,000 to TL 15,000,000 as announced in the Turkish Commercial Register Dated 18.08.2016 and numbered 9140. The registered capital system has been adopted and 25.000.000 TL registered capital has been registered.

The capital of the company is 25.000.000 TL from 15.000.000 TL to 25.000.000 TL as announced in the Turkish Commercial Register Dated 25.07.2018 and numbered 9628 . 29.07.2019 date and numbered 9878 turkish trade record newspaper announced 25.000.000 TL to 50.000.000 TL.

The company's capital movements as of the end of the period are as follows.

	31.12.2019	31.12.2018
Beginning of Period	25.000.000	15.000.000
Cash Committed	--	--
Transmitted from Internal Sources	25.000.000	10.000.000
Sum	50.000.000	25.000.000

Significant changes in the partnership structure:

None (31 December 2018: None).

Mutual Affiliate Capital Adjustment:

There is no capital/mutual subsidiary capital correction as of the end of the period due to the fact that the company does not have subsidiaries to be subject to mutual capital correction.

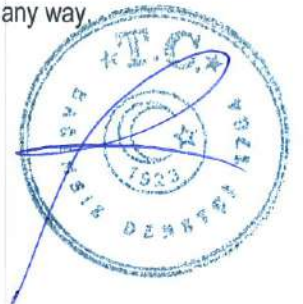
iii) Capital Reserves

As of December 31, 2019, the Company's Capital Reserves are described in the following equity statement.

iv) Snow-Restricted Reserves

Restricted reserves separated from profit consist of legal reserves.

According to the Turkish Commercial Code, legal reserves are divided into the first and second order legal reserves. According to the Turkish Commercial Code, the first order of legal reserves is allocated as 5% of the statutory net profit until it reaches 20% of the paid-in capital of the company. The second scheme is legal reserves of 10% of the distributed profit exceeding 5% of the paid capital. According to the Turkish Commercial Code, legal reserves can only be used to clarify losses unless they exceed 50% of the paid capital, other than that they cannot be used in any way.



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Footnotes for Financial Statements

Currency: Turkish Lira ("TL")

Other Accumulated Comprehensive Income or Expenses to Be Reclassified in Profit or Loss	31.12.2019	31.12.2018
Actuarial Gain / Loss	(18.901)	(2.631)
Sum	(18.901)	(2.631)

Restricted Reserves Separated from Profit	31.12.2019	31.12.2018
Legal Reserves	62.075	62.075
Sum	62.075	62.075

v) Past Year Profits / Losses

Accumulated profits other than net period profit are shown in this item. Extraordinary reserves, which are in essence accumulated profits and therefore not restricted, are also considered accumulated profits and are shown in this item.

As of 31 December 2019 and 31 December 2018, the details of profits and losses for the past year are as follows.

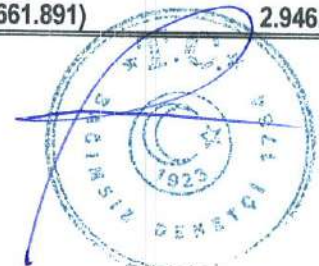
Past Years Profits/Losses	31.12.2019	31.12.2018
Past Years Profits	474.257	297.125
Past Years Losses (-)	(96.600)	(96.600)
Sum	377.657	200.525

20. COST OF SALES AND REVENUE (-)

The proceeds	31.12.2019	31.12.2018
Domestic Sales	4.391.534.007	2.334.154.781
Other Revenues	722.305	2.487
Sum	4.392.256.312	2.334.157.268

Cost of Sales(-)	31.12.2019	31.12.2018
Cost of Goods Sold(-)	(4.396.918.203)	(2.331.210.749)
Sum	(4.396.918.203)	(2.331.210.749)

GROSS PROFIT / (LOSS)	(4.661.891)	2.946.519
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21. GENERAL MANAGEMENT EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (-)

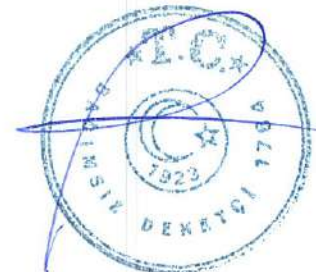
The company's operating expenses detail consists of the following expense items.

General Administrative Expenses(-)	31.12.2019	31.12.2018
Marketing, Sales and Distribution Expenses(-)	(472.414)	(220.641)
General Administrative Expenses (-)	(531.764)	(382.969)
Sum	(1.004.178)	(603.610)

22. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

General Administrative Expenses(-)	31.12.2019	31.12.2018
-Workers' Wages and Expenses	126.438	139.341
-Communication Expenses	7.557	6.690
-Electricity and Energy Expenses	3.110	2.012
-Other Self-Employment Expenses	29.476	24.970
-Audit and Danışanlık Expenses	9	1.000
-Maintenance and Repair Service Expenses	16.939	12.740
-Workplace Rental Expenses	52.695	42.261
-Small Fixture and Accessory Expenses	674	5.443
-Kirtasiye and Printed Document Expenses	1.518	652
-Notary Expenses	287	1.186
-Connected Room and Dues Expenses	19.700	9.540
-Other Miscellaneous Expenses	12.389	1.811
-Stamp Duty	1.667	2.007
-Depreciation and Depletion Expenses	259.304	133.316
Sum	531.764	382.969

Marketing, Sales and Distribution Expenses(-)	31.12.2019	31.12.2018
-Stock Exchange Commission Expenses	462.197	193.893
-Cargo and Transportation Expenses	174	180
-Maintenance Repair Expenses	212	-
-Travel and Travel Expenses	34	191
-Fuel Expenses	6.646	7.673
-Stone Maintenance Repair Expenses	237	1.281
-Taitlar Insurance Expense	2.689	2.901
-Depreciation and Depletion Expenses	225	14.522
Sum	472.414	220.641



23. OTHER REVENUES AND EXPENSES FROM THE MAIN ACTIVITIES (-)

Other Income from Core Operations	31.12.2019	31.12.2018
Other Ordinary Income And Profits	994.074	583.707
Other.Unusual Income And Profits	956	400.325
Sum	995.030	984.032

Other Expenses from Core Activities(-)	31.12.2019	31.12.2018
Commission Expenses (-)	-	(14.725)
Other (-)	(5.043)	(36.562)
Sum	(5.043)	(51.287)

24. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (-)

It is not available. (31 December 2018: None).

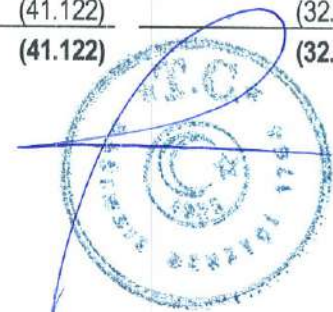
25. FINANCE REVENUES / EXPENSES (-)

Financial Revenues	31.12.2019	31.12.2018
Foreign Exchange Profits	10.478.596	3.266.061
Sum	10.478.596	3.266.061

Financial Expenses(-)	31.12.2019	31.12.2018
Foreign Exchange Losses (-)	(4.627.776)	(6.174.548)
Short-Term Borrowing Gid. (-)	(114.773)	(156.376)
Sum	(4.742.549)	(6.330.924)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate Tax Provision	31.12.2019	31.12.2018
Prepaid tax and other legal payables (-)	(41.122)	(32.187)
Sum	(41.122)	(32.187)



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As of December 31, 2019, the corporate tax rate applied to the Company operating in Turkey is 22% (31 December 2018: 22%). The corporate tax rate applies to the tax base, which will be found as a result of the reduction of the exceptions in the tax laws by adding expenses that are not accepted as discounts in accordance with the tax laws to the commercial earnings of institutions.

The corporate tax rate for 2018, 2019 and 2020 has been increased from 20% to 22% under the "Law on Amendments to Some Tax Laws and Some Other Laws" no. 7061, which was published in the Official Gazette dated December 5, 2017. Under this law, deferred tax assets and liabilities are calculated in the financial statements dated December 31, 2017 with a tax rate of 22% for the portion of the provisional differences that will have a tax effect in 2018, 2019 and 2020, and 25% for the portion of the temporary differences that will have a tax effect in 2021 and later.

According to the Corporate Tax Law, 75% of the gains arising from the sale of the founding bonds, intifa securities and recourse rights, which have the same period as the affiliate shares owned by the Institutions for at least two years, and 50% of the gains arising from the sale of the property after December 5, 2018 are subject to tax exemption if they are registered in their equity accounts within five years from the date of sale. The remaining 50% is subject to corporate tax.

In addition, there is a withholding obligation on dividend distributions and this withholding obligation is accrued at the time of the dividend payment. Withholding of 15% is applied on dividend payments other than those made to narrow taxpayer institutions and institutions based in Turkey that generate income through a workplace or permanent representative in Turkey. Withholding rates for profit distributions to narrow taxpayer institutions and real persons are also taken into account in the implementation of withholding rates included in the relevant Double Taxation Prevention Agreements.

According to Turkish tax legislation, financial losses can be carried for five years to be offset from future corporate earnings, but financial losses cannot be carried retroactively.

There is no practice of reconciling with the tax authorities on taxes to be paid in Turkey. Corporate tax returns are filed within four months of the closing month of the accounting period. The authorities authorized for the tax review can review their tax returns and the accounting records that are the basis for them for five years starting at the beginning of the year following the filing of the declaration and re-date as a result of their findings.

Financial losses may be moved to future taxable years from the year of the loss to be offset from future corporate earnings. If financial losses are reported to the tax authorities for four consecutive tax periods, the tax authorities gain unplanned audit rights.

Deferred Assets and Liabilities

Deferred tax assets and liabilities are calculated taking into account the effects of temporary differences between the values and legal records resulting from the reorganization of balance sheet items in accordance with Turkish Accounting Standards (TMS). These temporary differences are usually due to the accounting of income and expenses during different reporting periods. The rate to be applied for deferred tax receivables and liabilities calculated according to the liability method on the temporary differences to be realized is 22%. (31.12.2018: 22%).

Deferred Tax Asset	31.12.2019	31.12.2018
Deferred Tax Asset	6.755	4.326
Deferred Tax Liability (-)	(223.701)	(27.343)
Sum	(216.946)	(23.017)



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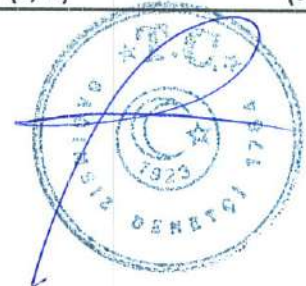
Deferred Tax Assets / Liabilities	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	Cumulative Timing Differences		Deferred Tax	
Tangible Assets Amorisman Differences	(35.138)	124.288	(7.730)	(27.343)
Intangible Asset Depreciation Differences	(95.427)	0	(20.994)	0
Adjustments to Stocks	(892.535)	0	(196.358)	0
Severance Provision Expenses	28.024	14.146	6.165	3.112
Credit Effective Interest Adjustments	8.957	5.517	1.970	1.214
Net Deferred Tax Assets / (Liabilities)	(986.119)	143.951	(216.946)	(23.017)

27. EARNINGS PER SHARE

Earnings Per Share	31.12.2019	31.12.2018
Weighted average of issued shares	50.000.000	25.000.000
Net profit / loss for the period (-) (TL)	833.325	167.386
Profit per Share / (Loss) from Continuing Operations	0,0167	0,0067

Profit/Loss for the Period	31.12.2019	31.12.2018
Profit/Loss for the Period	833.325	167.386
Tax Liability for Profit/Loss for the Period	-33.106	-26.323
Net Profit/Loss for the Period	800.219	141.063

a) Capital Risk Management	31.12.2019	31.12.2018
Total Payables	731.475	1.773.783
Minus: Ready values	(19.043.407)	(12.906.070)
Net Debt	(18.311.932)	(11.132.287)
Equity	51.254.156	25.427.355
Total Capital	50.000.000	25.000.000
Debt / Total Capital	(0,36)	(0,44)



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28. EVENTS AFTER THE REPORTING PERIOD

It is not available. (31 December 2018: None).

29. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Company may be subject to the following risks due to the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This footnote describes the Company's exposure to each of the aforementioned risks and the Company's purposes, policies and methods for measuring and managing these risks. More detailed quantitative explanations are available in the financial statements.

Financial risk management is implemented by each subsidiary within the framework of policies approved by its Own Board of Directors within the general principles determined by the Company.

Risk management system

The Company's risk management policies are designed to monitor compliance with limits related to identifying and analyzing the risks, appropriate risk limits and controls faced by the Company. Risk management policies and systems are regularly reviewed to reflect changes in the market and company activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations through the training and management standards and procedures it implements.

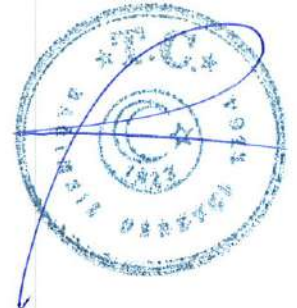
Credit risk

Holding financial instruments also carries the risk of not being able to meet the requirements of the agreement. Company management meets these risks by limiting the average risk to the other party in each agreement. The company's collection risk may arise mainly from its commercial receivables. The Company manages by limiting the credit periods set for this risk that may arise from its customers. The use of credit limits is continuously monitored by the Company and the customer's credit quality is constantly evaluated taking into account the customer's financial position and other factors.

Since the company's transactions during the day are mutual offsets within Borsa İstanbul, there is no liquidity and default problem in the company's balance sheet items .

The Company does not have derivative financial instruments (31 December 2018: None).

As of December 31, 2019 and December 31, 2018, the credit risk to financial instrument types is as follows.



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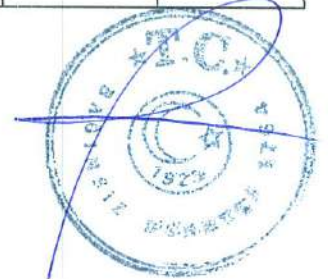
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Credit risks incurs in terms of types of financial instruments

Current Period 31.12.2019	Receivables				Deposits in Banks	Other
	Commercial Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk as of reporting date	0	3.186	0	58	18.801.530	21.319.994
- The part of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that have not been overdue or undervalued	0	3.186	0	58	18.801.530	21.319.994
B. The book value of financial assets that are reneged on, otherwise deemed overdue or undervalued	-	-	-	-	-	-
A. Net book value of assets that are overdue but have not been undervalued	-	-	-	-	-	-
- Part secured by collateral, etc.	-	-	-	-	-	-
D. Net book value of assets that have suffered depreciation	-	-	-	-	-	-
E. Factors involving off-balance sheet credit risk	-	-	-	-	-	-

Previous Period 31.12.2018	Receivables				Deposits in Banks	Other
	Commercial Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk as of reporting date	0	51	0	0	12.728.171	2.362.399
- The part of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that have not been overdue or undervalued	0	51	0	0	12.728.171	2.362.399
B. The book value of financial assets that are reneged on, otherwise deemed overdue or undervalued	-	-	-	-	-	-
A. Net book value of assets that are overdue but have not been undervalued	-	-	-	-	-	-
- Part secured by collateral, etc.	-	-	-	-	-	-
D. Net book value of assets that have suffered depreciation	-	-	-	-	-	-
E. Factors involving off-balance sheet credit risk	-	-	-	-	-	-



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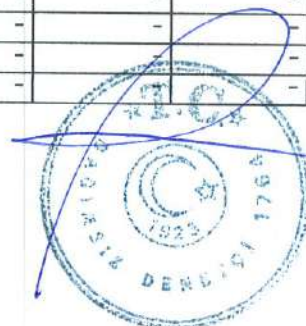
Liquidity Risk

The main responsibility for liquidity risk management belongs to the Board of Directors. The Board of Directors has established appropriate liquidity risk management for the short, medium and long term funding and liquidity requirements of the Company's management. The Company manages liquidity risk by regularly monitoring forecasting and actual cash flows and ensuring the continuation of sufficient funds and borrowing reserves through matching the maturities of financial assets and liabilities.

The kind of transactions that take place in the Company's Kymetli Madenler Market are foreign currency and gold. The risk situation is very low as it is taken into account that the Company's Assets (including Stocks) are cash and the like. The following table shows the maturity distributions of the Company's non-derivative and existing financial liabilities. Non-derivative financial liabilities are prepared without discount and based on the earliest dates to be paid. Interest payable on such liabilities is included in the table below.

31.12.2019						
Maturities under contract	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	395.299	395.299	71.307	200.626	123.367	-
Financial Liabilities	395.299	395.299	71.307	200.626	123.367	-
Expected Maturities						
Expected Maturities	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	111.600	111.600	83.576	-	28.024	-
Trade Payables	68.494	68.494	68.494	-	-	-
Debts under Employee Benefits	28.024	28.024	-	-	28.024	-
Other Payables	-	-	-	-	-	-
Deferred Income	-	-	-	-	-	-
Profit Tax Liability for the Period	8.016	8.016	8.016	-	-	-
Other Short-Term Liabilities	7.066	7.066	7.066	-	-	-
Long-Term Provisions	-	-	-	-	-	-

31.12.2018						
Maturities under contract	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	619.501	619.501	71.315	200.697	347.489	-
Financial Liabilities	619.501	619.501	71.315	200.697	347.489	-
Expected Maturities						
Expected Maturities	Book Value	Total cash outflows under the contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities	1.110.581	44.696	30.550	-	14.146	-
Trade Payables	17.620	17.620	17.620	-	-	-
Debts under Employee Benefits	14.146	14.146	-	-	14.146	-
Other Payables	1.065.885	-	-	-	-	-
Deferred Income	-	-	-	-	-	-
Profit Tax Liability for the Period	5.864	5.864	5.864	-	-	-
Other Short-Term Liabilities	7.066	7.066	7.066	-	-	-
Long-Term Provisions	-	-	-	-	-	-



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30. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS WITHIN THE FRAMEWORK OF FINANCIAL RISK PROTECTION ACCOUNTING)

There is no transaction carried out by the company within the framework of hedging accounting. (31 December 2018: None).

31. OTHER CONSIDERATIONS THAT SIGNIFICANTLY AFFECT FINANCIAL STATEMENTS OR REQUIRE FINANCIAL STATEMENTS TO BE OPEN, INTERPRETABLE AND UNDERSTANDABLE

It is not available. (31 December 2018: None).

32. RELATED PARTY DISCLOSURES

It is not available. (31 December 2018: None).

