

Corrective Action Completion Report

**Demir Export A.Ş, Türkiye
Bakirtepe Mine**

<p align="center">CORRECTIVE ACTION COMPLETION REPORT ICMC Audit – Bakirtepe Mine</p>	<p>Control No.: <u>DE-ICMC-CAR-01</u></p> <p>Date issued: 8 August 2024</p>
<p>ICMC Standard of Practice Section Reference: 4.3(2), 4.3(5)</p>	
<p>Introduction: This Corrective Action Report presents the evidence to support the successful implementation of the DE-ICMC-CAR-01 to correct the deficiency identified in the ICMC Certification Audit of the Bakirtepe Mine, operated by Demir Export A.Ş, Türkiye. The audit was conducted on 10 December through 15 December 2023.</p>	
<p>Description of Deficiency: The operational water balance is managed through the <i>TES.PR.1201.012 - Process Solution and Water Cycle Management Procedure</i> which is used to track the volumes of solution in the process ponds and water in the storm pond, as well as to regulate the application of barren solution to the heap leach facility, to ensure sufficient capacity remains in the ponds to accommodate precipitation and heap leach facility drawdown in the event of a design storm and so prevent discharge to the environment. The procedure tracks precipitation but does not specifically address the influence of potential freezing and thawing conditions, or losses to evaporation. The probabilistic design storm is also based on historic precipitation data from Kangal meteorological station recorded over a period of 22 years (1988 to 2010). The design storm has not been updated to incorporate the last 13 years of available data and due to the relatively short period of available data used to derive the design storm, together with a potential influence of climate change, it may no longer be representative.</p>	
<p>Corrective Action Request (describe/attach supplemental information as necessary):</p> <ul style="list-style-type: none"> • Provide evidence that evaporation has been considered in the water balance and update <i>TES.PR.1201.012</i> to include its influence on the water balance or the rationale for excluding its consideration. • Provide evidence that freezing and thawing has been considered in the water balance and update <i>TES.PR.1201.012</i> to include its influence on the water balance or the rationale for excluding its consideration. • Re-evaluate the design storm by incorporating the last 13 years of available data and update <i>TES.PR.1201.012</i> as applicable. 	
<p>Evidence Required for Verification of Corrective Action Completion: Copy of updated <i>TES.PR.1201.012 - Process Solution and Water Cycle Management Procedure</i>, that incorporates each of the above bullet items, and documentation showing the updated evaluation of the probabilistic design storm.</p>	
<p>Evidence Provided to Verify Completion of Corrective Action: Demir Export provided the required evidence described above. Specifically, the evidence includes:</p>	

- Meteorological data provided by the Ministry of Environment, Urbanization and Climate Change General Directorate of Meteorology comprising, temperature, precipitation and snowmelt information from Kangal and Sivas Meteorological Stations, covering the period 2015 to 2025.
- Calculations of 500-year 24-hour storm volume using Gumbel distribution using flow rate data that considers maximum precipitation, snowmelt, soil retention coefficient and evaporation, and
- Revised *TES.PR.1201.012 - Process Solution and Water Cycle Management Procedure*, dated 1 August 2025, that incorporates revised maximum flow volume from a 500-year 24-hour storm event, and measures to maintain available capacity in the ponds to prevent overtopping. Also included are requirements for review and update of the procedure in event of change in process or plant, and the 500-year 24-hour design storm event every three years.

Corrective Action Completion Date: 4 August 2025

Closure Verified:



Lead Auditor: John T Lambert

Date: 4 August 2025

<p align="center">CORRECTIVE ACTION COMPLETION REPORT ICMC Audit – Bakirtepe Mine</p>	<p>Control No.: <u>DE-ICMC-CAR-02</u></p> <p>Date issued: <u>8 August 2024</u></p>
<p>ICMC Standard of Practice Section Reference: 5.2(4)</p>	
<p>Introduction: This Corrective Action Report presents the evidence to support the successful implementation of the DE-ICMC-CAR-02 to correct the deficiency identified in the ICMC Certification Audit of the Bakirtepe Mine, operated by Demir Export A.Ş, Türkiye. The audit was conducted on 10 December through 15 December 2023.</p>	
<p>Description of Deficiencies:</p> <p>As there is no established jurisdictional financial assurance mechanism in Türkiye to cover estimated costs of cyanide related decommissioning activities, Demir Export has been pursuing financial institutions to provide insurance to cover these costs. However, due to a recent large heap leach failure incident in the country and the unfamiliarity in such assurance mechanisms by financial institutions in Türkiye, Demir Export have to date been unable to establish a financial guarantee to cover the costs of cyanide related decommissioning activities.</p>	
<p>Corrective Action Request (describe/attach supplemental information as necessary):</p> <ul style="list-style-type: none"> • Obtain a letter or credit, form of cash, bond, or insurance certificate from a financial institution that covers the estimated cyanide related financial evaluation costs, or • Establish self-insurance or self-guarantee as a financial assurance mechanism 	
<p>Evidence Required for Verification of Corrective Action Completion:</p> <ul style="list-style-type: none"> • Copy of a letter or credit, form of cash, bond, or insurance certificate from a financial institution that covers the estimated cyanide related financial evaluation costs, or • Statement (most recent or no more than one year old) from a qualified financial auditor that Demir Export has sufficient financial strength to fulfill this obligation. The evaluation must be based on an accepted financial evaluation methodology as set out in Standard of Practice 5.2.5 of the <i>International Cyanide Management Institute Guidance for the Use of the Mining Operations Verification Protocol</i>. 	
<p>Evidence Provided to Verify Completion of Corrective Action:</p> <p>The Bakirtepe Mine has established a financial assurance mechanism to cover the estimated costs of cyanide related decommissioning activities through a combination of insurance coverage provided an insurance company in Türkiye and self-assurance declaration provided by Demir Export A.Ş. This combination is considered an acceptable alternative to the evidence originally requested. The following evidence was provided to verify this funding:</p> <ul style="list-style-type: none"> • Copy of Insurance Policy No. 875015539 issued by Türkiye Sigorta A.Ş, dated 1 September 2025 and renewable annually that provides coverage for "safe closure of 	

Bakirtepe Mine
Name of Mine

22 September 2025
Date

<p><i>cyanide facilities in unexpected situations” of ICMI certification’. This insurance policy covers approximately 40% of the estimated cost of the cyanide related decommissioning.</i></p> <ul style="list-style-type: none"> • A letter signed and stamped by the Demir Export Deputy General Manager of Open Pit Operations and Deputy General Manager of Financial Affairs (CFO), stating that Demir Export will assume responsibility for the remaining (approximately 60%) of the cyanide related decommissioning costs. The letter also states that even in the absence of an insurance policy, Demir Export has the financial capacity to fulfill the remediation works specified in the Cyanide Decommissioning Plan. 	
<p>Corrective Action Completion Date: 22 September 2025</p>	
<p>Closure Verified:</p>  <p>Lead Auditor: John T Lambert</p>	<p>Date: 22 September 2025</p>