

DEMİR EXPORT

TURNING EXPERIENCE
INTO EXCELLENCE





TURNING EXPERIENCE INTO EXCELLENCE

*Having more than a half century's experience,
Demir Export is recognised as one of the
leading diversified mining companies in Turkey
with extensive know-how and competency*

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Founded under Koç Group, one of the largest and most successful industrial and trading enterprises in Turkey, Demir Export has produced iron ore since 1957.

In subsequent years, Demir Export also initiated production of base and precious metals such as zinc, lead, copper and silver ore concentrates in addition to lignite and chromite ore production in lumpy form and as concentrates. The yearly copper concentrate production of Demir Export from its underground operations in Giresun, north east Turkey, comes in at 15,000 tonnes, while yearly chromite production in Bursa province is 30,000 tonnes. Meanwhile, iron ore production from six different iron ore operations in Sivas, Kayseri and Balıkesir provinces has reached 1.5 metric tonnes per year, all of which is sold to domestic integrated steel mills, namely Kardemir, Erdemir and sdemir. Demir Export is making significant steps to extend this spectrum with new operations that it expects to commence in the near future.

Iron ore, after which Demir Export was named, has been the key production product for the company throughout its history. Demir Export has gone on to become a major supplier in the domestic market, serving the largest integrated iron and steel plants of Turkey. The company's iron ore operations can today be found in Çetinkaya, Purunsur, Elkondu, Otlukilise, Uzunpınar and amlı. While the iron ore production in 2012 was 750,000 tonnes, the production capacity for 2013 has been increased to 1,500,000 tonnes. In May 2013, Demir Export acquired 100 percent of the



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shares of Ferrocom Madencilik operating in Divri i-Sivas. With this acquisition Demir Export is now targeting to elevate its premium quality iron ore production to more than 500,000 tonnes per annum.

Another major product for the company has been its copper ore concentrate production which occurs in Lahanos, in the Eastern Black Sea Region of Anatolia. The production volume in 2012 for copper was approximately 14,800 tonnes, all of which was subsequently exported. Lahanos is still an active operation where the remaining estimated copper concentrate production for 2013 has been determined as being 12,000 tonnes.



In addition to its iron ore and copper assets, Demir Export's Güdecek chromite operation is located in Güdecek Sirtı region of Ömeraltı village in Mustafakemalpaşa district at a distance of 140 kilometres from Bursa. Last year 25,500 tonnes of concentrate was produced from this operation, whereas the target for 2013 has been increased to 35,000 tonnes.

In addition to its existing operations, Demir Export plans to grow its business by developing new projects and adding new products to its production portfolio. Having produced almost 90 million tonnes of coal in Kangal between 1989 and 2012, Demir Export is now in the process of developing an underground coal mine at East Eynez, in Western Turkey, which

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Ortadoğu Drilling Ltd., was established with the purpose of providing drilling services for the mining and energy sector. Our company brings drilling and engineering services with continuously being improved drill rigs for diamond drilling projects. With the experienced drilling crew, our main goal is to satisfy the expectations of customers by completing boreholes with the highest possible core recovery. While increasing the knowledge and experience of our personnel by periodical trainings, the company follows the "ISO 9001 Quality Management System". By observing the national and international

legal legislations and requirements, we commit to follow the change in regulations, ensure the application of these changes, apply and monitor our procedures and continuously improve all of our activities. Especially for the energy sector, our company drills the deepest slim holes in Turkey, which are cored with the purpose of exploring the geothermal heat gradient. These holes, some of which are deeper than 2.000 meters, are drilled with our own manufactured deep hole drill rigs "GEO- 1500".

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“DEMIR EXPORT HAS GONE ON TO BECOME A MAJOR SUPPLIER IN THE DOMESTIC MARKET, SERVING THE LARGEST INTEGRATED IRON AND STEEL PLANTS OF TURKEY”

it predicts will start production in 2015. A fully mechanized longwall method will be employed and occupational health and safety will be of utmost importance at East Eynez where 36.6 million tonnes (3 million tonnes per year) will be produced in the estimated 18 years of mine life. Demir Export will be the first company in Turkey to implement Mechanized Longwall Top Coal Caving (LTCC) for underground coal production.

Another major operation that the company

is excitedly preparing to run is Bakırtepe gold project where total mineable reserves have been estimated as being 4.0 tonnes of gold metal out of total geological source of 150,000 oz. The EIA approval was granted for the project, which will become a running mine operation by the first quarter of 2014. The operation is estimated to create 96 new direct local jobs for the surrounding community, which in turn will provide indirect economic benefit for 441 people in the region.

To develop the current product portfolio and to explore new production areas, the Exploration and Project Group of Demir Export capitalizes on a know-how which has accumulated over 50 years for domestic and international exploration, engineering and development projects.

In a bid to development a sustainable mining structure throughout the business, the company has recently undergone a significant corporate reorganization. This has led to the establishment of an environmental and social management framework based on international best practices, in addition to the operational requirements. This framework is aimed to ensure long-term success in applying corporate policies.

Looking ahead, and in line with said reorganization, Demir Export is committed

to exploring and operating at the highest standards of responsible resource development. The top priorities of the company continue to be occupational health and safety, environmental protection and the well-being of the communities around which it operates. These primary principles are embedded in all phases of the company's operations. Demir Export is today combining a half century of experience with a young and innovative management style in order to achieve remarkable success in sustaining corporate growth and development in the Turkish mining industry. **BE**

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Demir Export visit:
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