



ALACER GOLD

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# Second Quarter 2019 Operating & Financial Results

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# Building A Leading Intermediate Producer

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## Now

- ✓ Superior Free Cash Flow
- ✓ ~20 Year Mine Life
- ✓ 2 Producing Plants
- ✓ Attractive Value Proposition
- ✓ Track Record of Delivery

## What is Next?

- ✓ Ardich – Potential to Add Production in 2-3 Years
- ✓ Çöpler Heap Leach Pad Expansion
- ✓ Gediktepe NSR
- ✓ Exploration – High Quality Pipeline
  - ✓ Near to Existing Operations
  - ✓ Turkey Regional

# H1 2019 Highlights – Sulfide Plant Production Increases ~54% Over Q1



## Operational

### Safety

- 947 days or >21M man-hours worked without a lost-time injury

### Gold Production<sup>1</sup>

- 189 Kozs
  - Oxide plant: 95Kozs
  - Sulfide plant: 94Kozs
    - Plant ramp up continues
    - First planned major autoclave shutdown for internal inspection completed in April, autoclave in excellent condition
- Commercial Production declared<sup>2</sup>

### Cost Metrics<sup>3</sup>

- Mine site oxide AISC of \$583/oz
- Mine site sulfide AISC of \$574/oz
- Consolidated AISC of \$692/oz

### Sulfide Stockpiles

- ~742K contained ozs at 3.02 g/t



## Growth

### Ardich

- Indicated Mineral Resource increased 117% to 639Kozs<sup>4</sup>
- Potential to add production in 2-3 years

### Çöpler District Oxide Optionality

- Identified low capital options for ~20Mt Çöpler heap leach expansion in 2 phases
  - Phase 1 engineering for ~6Mt to be complete Q3 and site works expected to be complete in 2020
  - Phase 2 engineering and permitting progressing in parallel

### Gediktepe

- Sold 50% non-operating ownership for consideration<sup>5</sup>
  - 10% NSR on all oxide production
  - 2% NSR on all sulfide production
  - \$10M contingent cash consideration



## Financial

### Liquidity

- Consolidated Cash of \$125M<sup>6</sup>
  - Does not include \$20M of bullion sales made June 28 and cash received July 1
- Debt of \$315M
- Net Debt of \$190M<sup>6</sup>, decreased \$54M from December 31, 2018

### Cash Generation

- Operating cash flow of \$60M
  - Includes 1 month of operating cash flow from the sulfide plant post Commercial Production
- Pre Commercial Production - sulfide plant gold sales proceeds of \$82M and costs of \$29M were capitalized

### EPS

- Attributable EPS of \$0.03
- Normalized attributable EPS<sup>7</sup> of \$0.14

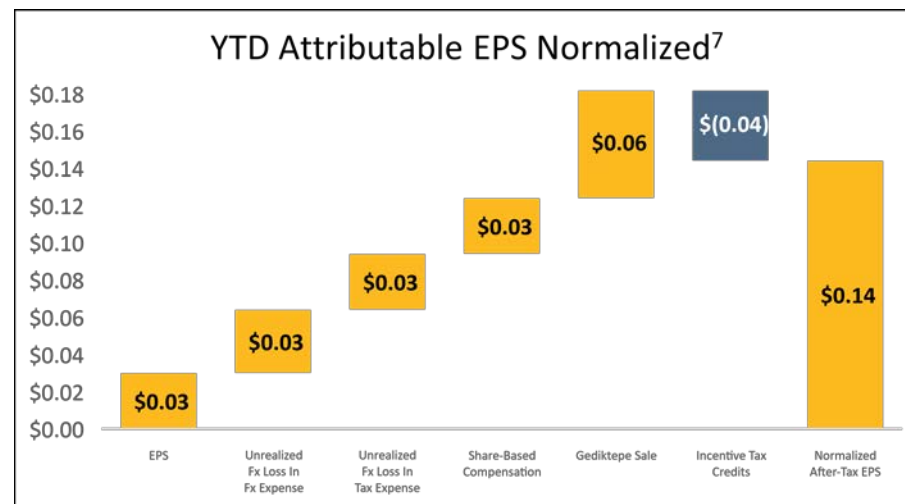
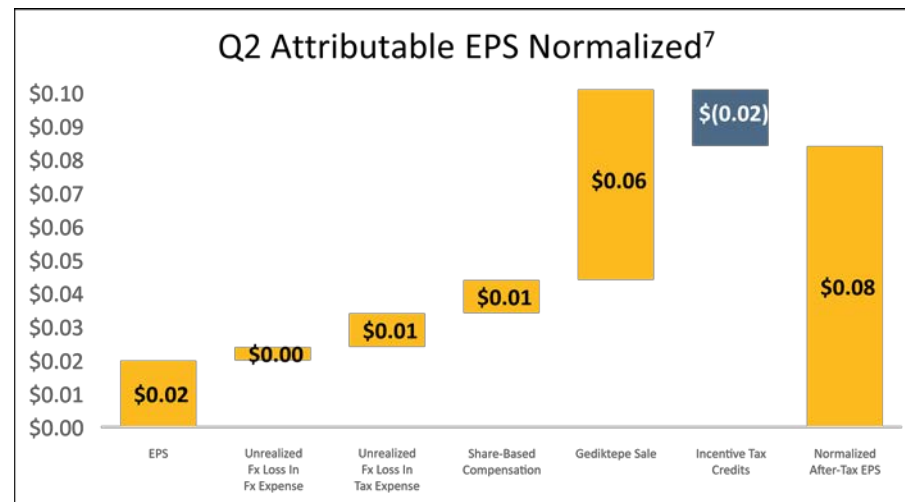
# Half Year 2019 Financial Highlights

On 100% Basis		Q1 2019	Q2 2019	YTD 2019*
Includes Oxide Plant & Sulfide Plant Pre & Post Commercial Production	Total gold ozs produced <sup>8</sup>	89,354	99,499	188,853
	Total gold ozs sold <sup>8</sup>	91,044	101,216	192,260
	Avg realized price	\$1,305	\$1,316	\$1,311
	Total gold sales proceeds <sup>8</sup> (\$M)	119	133	252
Includes Oxide Plant & Only Sulfide Plant Post Commercial Production	Operating cash flows (\$M)	33	26	60
	EBITDA (\$M)	27	31	58
	EBIT(\$M)	17	17	34
	Income tax expense (benefit) (\$M)	9	3	12
	Net Profit (Loss) (\$M)	6	11	18
Consolidated Cash of \$125M <sup>6</sup> Debt of \$315M Net Debt of \$190M <sup>6</sup>				

\*Rounding differences may occur

Alacer consolidated effective **cash** tax rate forecast to be approximately 5% going forward

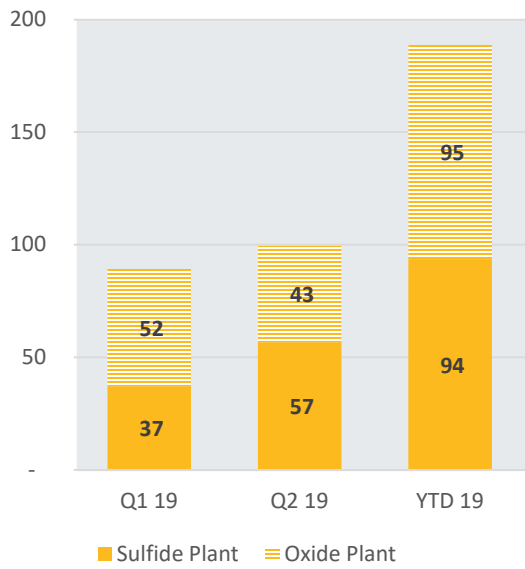
**Sulfide plant commercial production declared May 31, 2019**



# Half Year 2019 Operating Highlights

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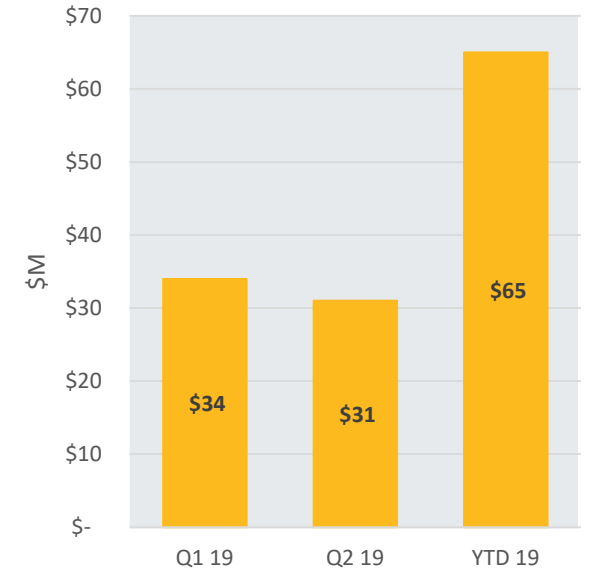
### Gold Ozs Produced



### Consolidated AISC



### Unlevered Free Cash Flow<sup>9</sup>



Full year oxide plant production guidance range increased to 125,000 to 145,000 ozs and oxide AISC guidance range reduced to \$650 to \$700/oz<sup>2</sup>

On track to meet full year guidance



# Çöpler Oxide Plant - A Material Contributor to Free Cash Flow

- **Two Sources of Oxide Ore in 2019**

- Çöpler Mine
- Çakmaktepe Mine

- **Material Free Cash Flow Generation in 2019**

- Increased oxide production guidance range to 125,000 - 145,000ozs<sup>2</sup>
- Lowered oxide AISC guidance to \$650 - \$700/oz

- **H1'19 Oxide Plant Production of 95 Kozs**

- Mine site oxide AISC of \$583 per oz<sup>3, 10</sup>

- **Çöpler District Oxide Optionality**

- ~20Mt Çöpler heap leach pad expansion study advancing in 2 phases
  - Phase 1 engineering for ~6Mt to be complete Q3 and site works expected to be complete in 2020
  - Phase 2 engineering and permitting progressing in parallel
- Çakmaktepe positive reconciliation continues
  - Diamond drilling underway to help inform a review of the resource and reserve
  - The aim is to fast track ore from the permitted areas
- Drilling in the Çöpler Saddle has identified some mineralized areas and drilling and analysis continues

## 2019 Updated Oxide Plant Guidance<sup>2</sup>

Production ('000's ounces)	125 - 145
Mine Site Oxide All-in Sustaining Costs <sup>3</sup> (AISC) (\$/oz)	\$650 - \$700

Çöpler Mine



Çakmaktepe Mine



# Çöpler Sulfide Plant Production Increases ~54% over Q1

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## H1'19 Sulfide Plant Production of 94 Kozs

- Mine site sulfide AISC of \$574 per oz<sup>3</sup>

## Commercial Production Declared as of May 31, 2019<sup>2</sup>

Month	Throughput Rate %	Gold Recovery Rate % Au	Plant Utilization %
April	86	77	45
May	80	93	85
June	81	94	92

## Ramp Up Continues & Plant Design Proving to be Robust

- A planned major autoclave shutdown to undertake internal inspection successfully completed in April
  - Almost no scaling or wear encountered

## Plant Performance is Steadily Improving & Stabilizing

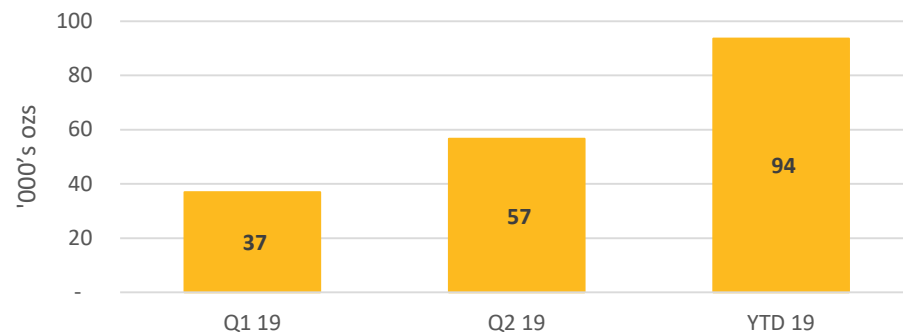
### 2019 Sulfide Plant Guidance<sup>11</sup>

Production ('000's ounces)	230 - 270
Mine Site Sulfide All-in Sustaining Costs <sup>3</sup> (AISC) (\$/oz)	\$600 - \$650

Sulfide Plant In Full Operation



H1'19 Sulfide Plant Production





# Ardich – Highest Priority Development Target

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- Project Development Team is advancing Ardich
  - Priority target with 4 diamond drills currently working
  - Work underway to determine starter pit options
  - Permitting requirements advancing

~20Mt Çöpler heap leach pad expansion study advancing in 2 phases

- Phase 1 engineering for ~6Mt to be complete Q3 and site works expected to be complete in 2020
- Phase 2 engineering and permitting progressing in parallel

Exploration making good progress

- Mineralized target extends >2km
- Exploration update planned for Q3 2019
- Resource update planned for Q4 2019

April 2019 Updated Mineral Resource increased by 117%<sup>4</sup>

- Indicated Mineral Resource of 639Kozs at average grade of 1.5 gold g/t
- Inferred Mineral Resource of 96Kozs at average grade of 1.16 gold g/t

## Ardich Satellite Deposit Location



## Ardich Satellite Deposit – Select Drill Results<sup>4</sup>

- Hole AR09 - 67.7m at 4.08 g/t gold
- Hole AR31 - 68.6m at 2.21 g/t gold
- Hole AR41 - 50.2m at 3.01 g/t gold
- Hole AR52 - 57.7m at 3.84 g/t gold
- Hole AR54 - 61.4m at 2.22 g/t gold

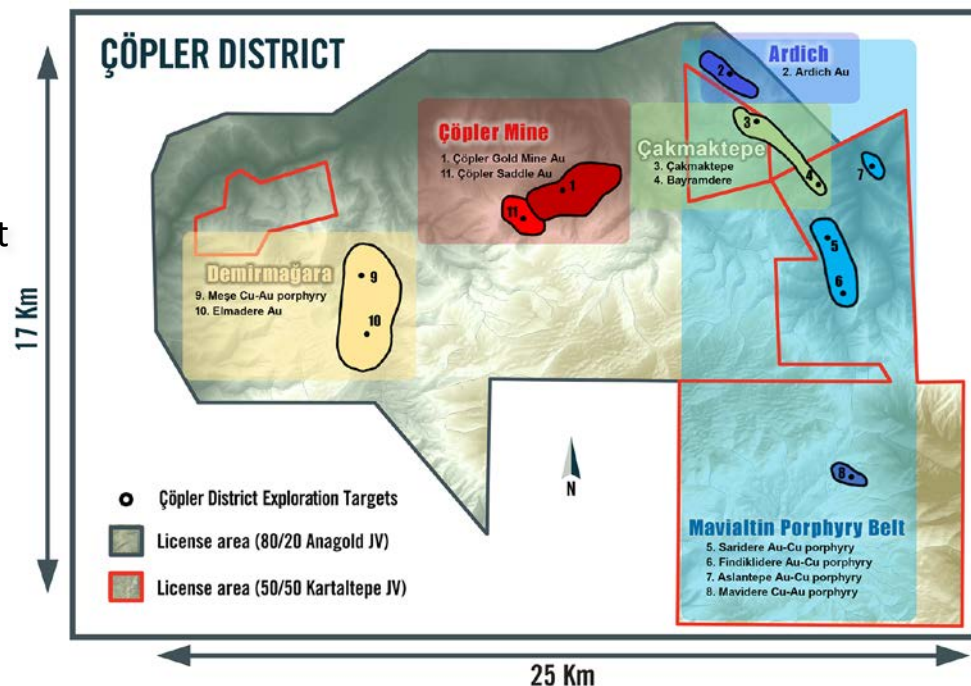
**Updated Resource Planned in Q4 - Potential to Add Production in the Next 2-3 Years**



# Çöpler District – New Mine Opportunities

## Cöpler District Extensive Exploration Potential Across 5 Main Areas

- Exploration resources prioritized to best and nearest term prospects
- Ardich
  - Actively drilling and the Project Development Team advancing the Project
- Çöpler Mine & Çöpler Saddle
  - Drilling in both Çöpler and Çöpler Saddle
  - Çöpler Saddle, adjacent to the Çöpler Mine, identified some mineralized areas
  - Çöpler Saddle exploration update expected in Q3
- Mavialtin Porphyry Belt
  - Recent drilling at Findiklidere & Mavidere
  - Mavialtin exploration update expected in Q4



## Oxide Ore Processing Scoping Study Results

- Options for standalone infrastructure, including new heap leach pads, with some >50Mt identified at Ardich
- Options provide near-term and long-term alternatives for Ardich and other potential oxide targets
- The viability of de-stacking and re-stacking the existing heap leach pad was verified
- Çöpler heap leach can be expanded by ~20Mt at a low cost in 2 phases

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# Endnotes

The reader is encouraged to read the information contained in this presentation in conjunction with the following notes, the Cautionary Statements on slide 12 and the factors described under the “Additional Information and Risk Factors” section of the most recent Management’s Discussion and Analysis.

- 1 Production results are reported on a 100% basis, production results are reduced by a 20% non-controlling interest at the Çöpler Gold Mine to derive attributable gold production. Çakmaktepe is owned 50% by Alacer and 50% by Lidya Mining. Production from Çakmaktepe ore will be 80% attributable to Alacer as a commercial arrangement has been entered into whereby the Çöpler operation will purchase Çakmaktepe ore.
- 2 Detailed information on Commercial Production and Increased Oxide Production Guidance can be found in the press release entitled “Alacer Gold Declares Commercial Production at the Çöpler Sulfide Plant and Increases Oxide Production Guidance,” dated June 13, 2019 and is available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 3 Total Cash Costs, All-in Sustaining Costs & Normalized EPS are Non-GAAP Measures with no standardized definitions under IFRS. For further information and a detailed reconciliation to IFRS, please see the “Non-GAAP Measures” section of the most recent MD&A. AISC for the oxide and sulfide plants are for the mine site only and do not include general and administrative costs, share-based compensation costs and other exploration expenses. Mine site sulfide AISC is for the month of June 2019 only, after Commercial Production was declared.
- 4 Detailed information regarding the updated Mineral Resource for Ardich, including complete drill hole data, can be found in the press release entitled “Alacer Gold Announces a 117% Increase to the Ardich Indicated Mineral Resource Located in the Çöpler Mining District” dated April 3, 2019, available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 5 Detailed information on Gediktepe can be found in the press release entitled “Alacer Gold Announces the Sale of its 50% Non-Operating Ownership Interest in the Gediktepe Project,” dated July 17, 2019 and is available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 6 Consolidated cash is a Non-GAAP Measure and includes restricted cash shown as a long-term asset in the Company’s financial statements. Net Debt is a Non-GAAP Measure derived from the sum of short and long-term borrowings per IFRS, adjusted for the exclusion of short and long-term discounted finance facility costs, and subtracting Consolidated Cash.
- 7 Normalized EPS is a Non-GAAP Measure with no standardized definition under IFRS. Normalized EPS is derived from attributable EPS and adjusted for unrealized non-cash items: foreign exchange loss, foreign exchange and incentive tax credit impact in deferred tax expense and share-based compensation.
- 8 For 2019 total gold ounces produced, total gold ounces sold, and total gold sales proceeds include sulfide plant production of 70,099 ozs and sales of 63,514 ozs that were capitalized to sulfide plant construction costs as pre-commercial production.
- 9 Unlevered Free Cash Flow is a Non-GAAP Measure and is the sum of cash provided by (used in) operating, investing, and financing activities from the Company’s Consolidated Statements of Cash Flows adjusted for the exclusion of “Borrowings, principal and interest” and “Borrowings, restricted cash” within the financing activities section of the Company’s Consolidated Statements of Cash Flows.
- 10 Mine site oxide AISC includes purchase of Çakmaktepe ore from Kartaltepe (a 50% owned Alacer subsidiary).
- 11 Detailed information regarding 2019 guidance can be found in the press release entitled “Alacer Provides 2019 Production Guidance of 320,000 to 380,000 ounces at AISC of \$675 to \$725 per ounce” dated January 22, 2019, available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).



# Cautionary Statements

Certain statements contained in this document constitute “forward-looking information”, “future oriented financial information” or “financial outlooks” (collectively, “forward looking information”) within the meaning of applicable securities laws. Forward-looking information often relates to statements concerning Alacer’s future outlook and anticipated events or results, and in some cases, can be identified by terminology such as “may,” “will,” “could,” “should,” “expect,” “plan,” “anticipate,” “believe,” “intend,” “estimate,” “projects,” “predict,” “potential,” “continue” or other similar expressions concerning matters that are not historical facts.

Forward-looking information includes statements concerning, among other things, production, cost, and capital expenditure guidance; the results of any gold reconciliations; matters relating to proposed exploration; communications with local stakeholders; maintaining community and government relations; negotiations of joint ventures; negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, and the existence or realization of mineral resource estimates; the timing and amount of future production; the timing of studies, announcements, and analysis; the timing of construction and development of proposed mines and process facilities; capital and operating expenditures; economic conditions; availability of sufficient financing; exploration plans; receipt of regulatory approvals; and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, regulatory, and political matters that may influence or be influenced by future events or conditions.

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any of Alacer’s other public filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders; maintaining community and governmental relations; status of negotiations of joint ventures; weather conditions at Alacer’s operations; commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize, and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer; the timing and amount of future production; the ability to meet production, cost, and capital expenditure targets; timing and ability to produce studies and analyses; capital and operating expenditures; economic conditions; availability of sufficient financing; the ultimate ability to mine, process, and sell mineral products on economically favorable terms; and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, geopolitical, regulatory and political factors that may influence future events or conditions. While we consider these factors and assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons including, but not limited to, risks and uncertainties disclosed in Alacer’s Annual Information Form and other public filings, as well as other unforeseen events or circumstances.

Other than as required by law, Alacer does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events. For additional information you should refer to Alacer’s public filings available at [www.alacergold.com](http://www.alacergold.com), [www.sedar.com](http://www.sedar.com) and [www.asx.com.au](http://www.asx.com.au).

Scientific and technical information presented in this document has been prepared in accordance with National Instrument 43-101 (“NI 43-101”) standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”). The scientific and technical information in this document has been reviewed and approved by Loren Ligocki, Alacer’s Manager, Resource Geology, who is a Qualified Person pursuant to NI 43-101 and a Competent Person as defined in the JORC Code.

The information in this presentation that relates to Çöpler District Mineral Resource and Mineral Reserve and exploration results is based on, and fairly represents, the information and supporting documentation prepared by Messrs. Ligocki, Statham or Soylu who are Qualified Persons pursuant to NI 43-101 and Competent Persons as defined in the JORC Code. Further information is available in the press release entitled “Alacer Gold Announces Maiden Mineral Reserve and a 70% Increase in Indicated Mineral Resource for Çakmaktepe as well as Additional Exploration Results for Çakmaktepe” dated December 18, 2017 and press release entitled “Alacer Gold Announces Additional Positive Drill Results for the Ardich Gold Prospect, Including 50.2 Meters at 3.01 Grams Per Tonne Gold Near Surface” (“Ardich Exploration Release”) dated July 25, 2018.

The information in this document that relates to the Çöpler Mineral Resource and Mineral Reserve estimate is based on, and fairly represents, the information and supporting documentation prepared by Dr. Parker, Mr. Seibel, Mr. Statham and Mr. Ligocki. Dr. Parker and Messrs. Seibel, Statham and Ligocki are Qualified Persons pursuant to NI 43-101 and qualify as Competent Persons as defined in the JORC Code. Further information is available in NI 43-101 technical report entitled “Çöpler Mine Technical Report” (“Çöpler Technical Report”) dated June 9, 2016.

Alacer confirms that it is not aware of any new information or data that materially affects the scientific and technical information included in this document, and in the case of Mineral Resources and Mineral Reserves and exploration results, that all material assumptions or technical parameters underpinning such estimates, production targets and forecast financial information continue to apply and have not materially changed from the original public disclosure. Alacer also confirms that the form and content in which such scientific and technical information is presented in this document has not materially changed from the original public disclosure.



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