Alacer Gold Corp.

Consolidated Financial Statements

For the Years Ended
December 31, 2017 and 2016

Management's Responsibility for Financial Reporting

The consolidated financial statements, the notes thereto, and other information in Management's Discussion and Analysis of Alacer Gold Corp. (the "Corporation"), are the responsibility of Management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect Management's best estimates, judgments and policies that it believes appropriate in the circumstances.

The Corporation maintains a system of internal accounting controls which provide on a reasonable basis, assurance that the financial information is relevant, reliable, accurate and that the Corporation's assets are appropriately accounted for and safeguarded.

The Board of Directors, principally through the Audit Committee, is responsible for ensuring Management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, all of whom are independent, and meets periodically with Management and the external auditors to review accounting, auditing, internal control and financial reporting matters.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants who were appointed by the shareholders. The auditor's report outlines the scope of their examination and their opinion on the consolidated financial statements.

/signed/
Rodney Antal
President and Chief Executive Officer

/signed/
Mark Murchison
Chief Financial Officer

February 6, 2018

February 6, 2018

Independent Auditor's Report

To the Shareholders of
Alacer Gold Corp.

We have audited the accompanying consolidated financial statements of Alacer Gold Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016 and the consolidated statements of net profit and comprehensive profit, cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alacer Gold Corp. and its subsidiaries as at December 31, 2017 and December 31, 2016 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Alacer Gold Corp.

Consolidated Statements of Financial Position

(expressed in thousands of U.S. dollars)

	Note	As of December 31, 2017	As of December 31, 2016
Assets			
Current assets			
Cash and cash equivalents	6	$ 202,813	$ 214,551
Receivables and other	7	22,497	24,015
Inventories	8	68,507	66,545
		293,817	305,111
Mineral properties and equipment, net	9	738,202	435,358
Deferred tax asset	10	119,232	22,613
Other assets	11	101,868	102,307
Total assets		$ 1,253,119	$ 865,389
Liabilities			
Current liabilities			
Trade and other payables	12	$ 58,633	$ 31,348
Current income tax liabilities		1,432	4,311
		60,065	35,659
Borrowings	14	242,718	-
Asset retirement obligation provision	15	37,938	27,316
Other long-term liabilities	16	4,928	4,303
Total liabilities		345,649	67,278
Equity			
Equity attributable to owners of the corporation			
Share capital	17	1,476,265	1,474,524
Reserves		15,251	15,353
Deficit		(763,445)	(844,949)
		728,071	644,928
Non-controlling interest in subsidiary	18	179,399	153,183
Total equity		907,470	798,111
Total liabilities and equity		$ 1,253,119	$ 865,389

Signed on behalf of the Board

/signed/
Edward C. Dowling, Jr.
Chairman

/signed/
Richard P. Graff
Independent Lead Director

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Profit and Comprehensive Profit

(expressed in thousands of U.S. dollars)

	Note	For the year ended December 31, 2017	2016
Revenues			
Gold sales		$ 209,087	$ 141,994
Cost of sales			
Production costs		88,746	85,207
Depreciation, depletion and amortization		54,512	38,644
Total cost of sales		143,258	123,851
Mining gross profit		65,829	18,143
Other costs			
Exploration and evaluation		2,549	2,005
General and administrative		12,146	14,154
Share-based employee compensation costs		3,975	4,583
Foreign exchange loss		9,143	9,848
Share of loss on investments accounted for using the equity method	19	4,218	11,306
Other (gain) loss	20	23,815	(21,329)
Profit (loss) before income tax		9,983	(2,424)
Income tax benefit	10	(97,737)	(18,084)
Total net profit and comprehensive profit		$ 107,720	$ 15,660
Net profit and comprehensive profit attributable to:			
Owners of the corporation	21	$ 81,504	$ 6,206
Non-controlling interest	18	26,216	9,454
Total net profit and comprehensive profit		$ 107,720	$ 15,660
Total net profit per share - Basic	21	$ 0.28	$ 0.02
Total net profit per share - Diluted	21	$ 0.28	$ 0.02

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Cash Flows

(expressed in thousands of U.S. dollars)

	Note	For the year ended December 31, 2017	2016
Cash provided by (used in):			
Operating activities			
Total net profit and comprehensive profit		$ 107,720	$ 15,660
Non-cash items:			
Depreciation, depletion and amortization		54,620	38,969
Non-cash related to hedging activities	13	19,172	(15,882)
Unrealized foreign exchange impacts		7,009	7,372
Share-based employee compensation costs		3,975	4,583
Other non-cash expenses and items not affecting cash		10,478	10,990
Income taxes	10	(97,736)	(27,718)
Net change in non-cash working capital, net of investing activites	26	3,907	2,914
		109,145	36,888
Investing activities			
Mineral properties and equipment		(345,686)	(147,064)
Sulfide ore stockpile		(13,972)	(21,253)
Equity investments		(7,388)	(23,393)
Contract advances and payables		(1,562)	(758)
		(368,608)	(192,468)
Financing activities			
Borrowings	14	250,000	-
Capital contribution		-	16,266
Finance facility costs		(681)	(3,638)
		249,319	12,628
Increase (decrease) in cash and cash equivalents		(10,144)	(142,952)
Cash and cash equivalents - beginning balance		214,551	360,745
Effect of exchange rates on changes in cash held in foreign currencies		(1,594)	(3,242)
Cash and cash equivalents – ending balance		$ 202,813	$ 214,551
Supplemental cash flow information			
Interest paid		$ 5,763	$ -
Income taxes paid		$ 5,888	$ 7,949

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Changes in Equity

(expressed in thousands of U.S. dollars)

	Attributable to owners of the Corporation				Non-controlling interest	Total Equity
	Share capital	Reserves	Deficit	Total		
Balance at January 1, 2016	$ 1,473,183	$ 14,760	$ (851,155)	$ 636,788	$ 127,463	$ 764,251
Profit for the period	-	-	6,206	6,206	9,454	15,660
Transactions with owners of the corporation:						
Capital contribution	-	-	-		16,266	16,266
Share plans - exercises	1,341	(1,341)	-	-	-	-
Amortization of share-based awards	-	1,934	-	1,934	-	1,934
Total transactions with owners of the corporation	1,341	593	-	1,934	16,266	18,200
Balance at December 31, 2016	$ 1,474,524	$ 15,353	$ (844,949)	$ 644,928	$ 153,183	$ 798,111
Balance at January 1, 2017	$ 1,474,524	$ 15,353	$ (844,949)	$ 644,928	$ 153,183	$ 798,111
Profit for the period	-	-	81,504	81,504	26,216	107,720
Transactions with owners of the corporation:						
Share plans - exercises	1,741	(1,701)	-	40	-	40
Amortization of share-based awards	-	1,599	-	1,599	-	1,599
Total transactions with owners of the corporation	1,741	(102)	-	1,639	-	1,639
Balance at December 31, 2017	$ 1,476,265	$ 15,251	$ (763,445)	$ 728,071	$ 179,399	$ 907,470

The accompanying notes are an integral part of these consolidated financial statements.

1. General information

Alacer Gold Corp. (“Alacer” or the “Corporation”) is a leading low-cost gold producer, with an 80% interest in the world-class Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. (“Anagold”), and the remaining 20% owned by Lidya Madencilik Sanayi ve Ticaret A.S. (“Lidya Mining”).

The Corporation is incorporated under the laws of the Yukon Territory, Canada. The address of its registered office is 3081 Third Avenue, Whitehorse, Yukon, Y1A 4Z7. Corporate administrative services are provided by Alacer Management Corp.

These consolidated financial statements of the Corporation as of and for the year ended December 31, 2017 are comprised of the Corporation, its subsidiaries, and joint ventures accounted for as equity investment (together referred to as the "Group" individually as "Group entities"). The Corporation is the ultimate parent.

2. Basis of presentation

The consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared under the historical cost convention, except for forward sales contracts and marketable security investments that are measured at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5a.

These consolidated financial statements were authorized for issue by the Board of Directors (“BOD”) on February 6, 2018.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. A list of Group entities appears in Note 18.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net profit and comprehensive profit is recognized directly in equity. Changes in the Corporation's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

b) Joint arrangements

The Group conducts a portion of its business through joint arrangements where the venturers are bound by contractual arrangements establishing joint control over the ventures requiring unanimous consent of each of the venturers regarding strategic, financial and operating policies of the venture. The Group undertakes its joint arrangements through jointly controlled entities, being corporations, partnerships or other unincorporated entities in which each venturer has an interest. The Group accounts for investments in joint ventures using the equity method of accounting. The carrying value of the Group's investments in joint ventures represents the cost of the investment, including the Group's share of retained earnings and losses subsequent to formation. At the end of each reporting period, the Group assesses its investments in joint ventures for any indicators of impairment.

c) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. Gains or losses on disposals of non-controlling interests are recorded to the deficit account in Equity. For non-wholly-owned subsidiaries, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated statement of financial position. Profit (loss) for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling shareholders in the subsidiary.

d) Segment reporting

The Group currently operates in one reportable operating segment consisting of mining, development and exploration of mineral deposits in Turkey. Corporate and other results are shown separately for reconciliation purposes as presented in Note 25.

e) Foreign currency translation

i) Functional currency
Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Primary and secondary indicators are used to determine the functional currency (primary indicators have priority over secondary indicators). Primary indicators include the currency that mainly influences sales prices and the currency that mainly influences labor, material and other costs. Secondary

indicators include the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The functional currency for all Group entities is the United States dollar (“U.S. dollar”).

ii) Transactions and balances
Foreign currency transactions are translated into an entity’s functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statements of Profit and Comprehensive Profit.

f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held available on demand with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash balances are excluded from cash and cash equivalents, and are classified as either current or non-current assets, based upon the expiration date of the restriction.

g) Inventories

Product inventories are valued at the lower of production cost or net realizable value. Production costs are determined on an average cost basis and consist of direct production costs including mining, crushing, processing, site support costs, depreciation and allocated indirect costs, based on normal operating capacity. Supplies inventories are valued at the lower of average cost or net realizable value less any allowances for obsolescence.

i) Finished goods inventory includes gold bullion and doré. Doré represents a bar containing predominantly gold by value, which is generally refined off-site to return saleable metals. Doré inventory is valued at the lower of average cost to produce the doré and net realizable value.

ii) Work-in-process inventory represents costs that are incurred in the process of converting mineralized ores into partially refined precious metals, or doré. Ore represents material that, at the time of extraction, is expected to be processed into a saleable form. The recovery of gold from ore is achieved through a heap leaching process. Under the heap leaching method, ore is crushed and placed on leach pads where it is treated with a chemical solution, which dissolves the gold contained in the ore. The resulting “pregnant” solution is further processed in a plant where the gold is recovered.

Costs capitalized to work-in-process inventory include costs incurred during the mining process such as direct and indirect materials and consumables; stripping costs in the production phase of the mine; direct labor; repairs and maintenance; utilities; depreciation, depletion and amortization of mineral property, plant and equipment; and site support costs. Costs are removed from work-in-process inventory and transferred to finished goods inventory as ounces are produced based on the average cost to produce a recoverable ounce. Costs are transferred from inventory and recorded as costs of sales in the Consolidated Statements of Profit and Comprehensive Profit upon the sale of refined gold.

Recoverable gold on the leach pads is estimated based on the quantities of ore placed on the leach pads (based on grade control measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on estimated ultimate recovery assumptions from the block model). The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, estimates are refined based on actual results and engineering studies over time. The ultimate recovery of gold from leach pads will not be known until the leaching process is concluded at the end of the mine life.

iii) Current Oxide and Sulfide ore stockpile inventories represent ore that has been mined and is available for further processing in the next twelve months. Ore stockpile quantities are measured by estimating the number of tonnes added and removed from the stockpile and are verified by periodic surveys. Costs are allocated to ore stockpiles based on the current mining cost per tonne incurred up to the point of stockpiling the ore, including applicable overhead, depreciation, depletion and amortization relating to mining operations, and are removed at the average cost per tonne. The carrying value of ore stockpiles inventory is measured at the lower of average cost and net realizable value which is determined based on the number of contained ounces (based on assay data) and the estimated metallurgical recovery rate.

iv) Long-term sulfide ore stockpiles are measured and valued in the same manner as the above Oxide and Sulfide ore stockpile inventories; however, the long-term sulfide ore stockpile is classified as a non-current asset, as this material will not be processed within the next year.

h) Exploration and evaluation expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or costs incurred during the evaluation process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond or reverse circulation drilling and other work involved in searching for ore.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of: (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an orebody that is classified as either a mineral resource or a proven and probable reserve; (ii) determining the optimal methods of extraction and metallurgical and treatment processes; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping and prefeasibility studies.

Exploration and evaluation expenditures incurred prior to the date of a Definitive Feasibility Study ("DFS") on an exploration project are expensed as incurred. Exploration and evaluation expenditures incurred during and subsequent to the DFS, including development drilling and related expenditures are capitalized as mineral properties in the accounting period the expenditure is incurred.

i) Mineral properties and mining plant and equipment

i) Mineral Properties & Non-Producing Properties

Mineral properties consist of mineral reserves and resources acquired in a business combination or asset acquisition; capitalized exploration and evaluation costs; development projects; open-pit mine development costs including pre-production stripping costs; and estimates of any related-rehabilitation obligations. Mineral properties are comprised of historical costs associated with acquisition, evaluation, and development of mining properties and is stated at historical cost less depletion. Historical cost includes expenditures directly attributable to acquisitions and subsequent costs to evaluate and develop mineral reserves and resources. On acquisition of a mineral property in the exploration stage, an estimate of the fair value attributable to the exploration licenses acquired is determined, including the fair value attributable to mineral resources, if any, of that property. The fair value of the exploration license is recorded as an exploration asset (acquired exploration potential) as at the date of acquisition.

Non-Producing properties are mineral properties prior to being subject to depletion. Depletion does not occur until commercial production is achieved. Commercial production is achieved when the mining plant and equipment is operating sustainably without interruption in order for the designed economic benefit to be derived.

Mineral property costs are depleted using the units-of-production ("UOP") method based on proven and probable mineral reserves.

In open-pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred in order to provide initial access to the orebody (referred to as pre-production stripping) are capitalized as open-pit mine development costs. Stripping costs in the production phase of the mine are included in the cost of inventory produced during the relevant period. Capitalized open-pit mine development costs are amortized on a UOP method over the proven and probable reserves accessed by the mine development process. Capitalized open-pit mine development costs are amortized when the open-pit has entered production and the future economic benefit is being derived.

ii) Mining Plant and Equipment & Construction-in-Progress ("CIP")

Mining plant and equipment is stated at historical costs less accumulated depreciation. Historical costs include initial purchase price or construction cost, costs directly attributable to bringing the asset into operation, and where relevant, include an estimate of its related rehabilitation obligation and borrowing costs.

Costs that meet the asset recognition criteria are capitalized. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance expense and are accounted for as a cost of work-in-process inventory and subsequently charged to period expense, when the related revenues are recognized.

CIP are mining plant and equipment assets under construction prior to being subject to depreciation. The cost of CIP comprises its purchase price and any costs directly attributable to bringing it to working condition, including borrowing costs and capitalized interest. Incidental revenues and operating costs are included in mineral properties prior to a plant achieving commercial production. Commercial production is achieved when the mining plant and equipment is operating sustainably without interruption in order for the designed economic benefit to be derived. Once commercial production achieved, the capitalized costs are transferred to the appropriate mining plant and equipment asset class and depreciation commences.

Mining plant and equipment, net of residual value, is depreciated either on the UOP method or on a straight-line basis, over the shorter of estimated useful lives or life of the related mineral property. Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Straight-line depreciation rates of major asset categories:

Buildings, plant and equipment	5 - 25 years
Light vehicles and other mobile equipment	2 - 3 years
Furniture, computer and office equipment	2 - 3 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in Other (Gain) Loss in the Consolidated Statements of Profit and Comprehensive Profit.

iii) Leasing Arrangements
The Group may enter into both leasing arrangements and arrangements that are in substance leasing arrangements. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Group are classified as finance leases. All other leases are classified as operating leases. Operating lease payments are recognized as an operating cost in the Consolidated Statements of Profit and Comprehensive Profit on a straight-line basis over the lease term. The Corporation presently has no finance leases.

j) Recoverability of long-lived assets

Assets subject to depreciation, depletion and amortization are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized in the Consolidated Statements of Profit and Comprehensive Profit at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). Previously impaired non-financial assets are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Financial assets

Classification of financial assets depends on the purpose for which the financial assets were acquired. Routine purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Management determines the classification of financial assets at initial recognition. The Group classifies and provides for financial assets as follows:

i) Financial assets at fair value through profit or loss are financial assets held for trading, principally the Group's marketable equity securities, as well as forward gold sales contracts and foreign currency forward sales contracts. A financial asset is classified in this category if acquired principally for the purpose of selling it in the short term. Derivatives are also categorized as held for trading unless they are designated as forward contracts. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed. Gains and losses arising from changes in fair value are presented in the Consolidated Statements of Profit and Comprehensive Profit in the period in which they arise.

ii) Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortized cost using the effective interest method, less any provision for impairment.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. When sold or impaired, any accumulated fair value adjustments previously recognized are included in profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share-based compensation are shown in equity as a deduction, net of tax, from the proceeds.

m) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings using the effective interest method.

Fees paid to establish loan facilities are recognized as transaction costs of the loan and are deferred into other assets, subsequently accounted for as a discount to the loan principal and accreted over the instrument's life based on the effective interest rate once drawn. Transaction costs and fees are any expenditures directly connected with establishing and finalizing the borrowing arrangement. These costs include legal and accounting fees, printing costs, investment banker or registration fees, agency fees, and arrangement fees.

Commitment fees are amounts incurred by the Company for undrawn loan principal. For accounting treatment of these fees, an assessment is made to determine the probability the loan will be drawn down. If probable, these fees are capitalized along with the qualifying asset and are included as an indirect cost of Construction in Progress. If it is not probable the loan will be drawn or the commitment expires without drawing on the loan, the fees are recognized as a non-operating expense.

Interest expense is a non-operating expense shown on the profit and loss statement. It represents interest payable on any type of borrowings, except when the borrowing is directly attributable to the acquisitions, construction, or production of qualifying assets, in which case interest expense is capitalized under CIP. Interest expense is calculated as the effective interest rate times the outstanding principal amount of the debt times the number of days subject to the interest calculation.

Any premium or discount is recorded in a separate account. Discounts and premiums, if material, are amortized using the effective interest rate method. The amortization thereof is considered a borrowing costs for the current period, subject to potential capitalization, with the offsetting debit or credit to the premium or discount account in the liability section of the balance sheet.

In situations when debt instruments, including finance leases, are entered into to finance the acquisition, construction or production of a qualifying long-term asset (an asset that takes greater than twelve months to get ready for its intended use or sale), the attributable borrowing costs will be added to the cost of that asset until such time the asset is substantially ready for its intended use or sale.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability, or a portion of the liability, for at least twelve months after the balance sheet date.

n) Current and deferred income taxes

Income tax expense or benefit for the reporting period includes current and deferred income taxes. Tax expense or benefit is recognized in the Consolidated Statements of Profit and Comprehensive Profit, except to the extent it relates to items recognized directly in reserves. In such cases, associated income tax is recognized directly in reserves.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the statement of financial position date in the countries where Group entities operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method on temporary differences arising between the tax basis of assets and liabilities and the respective carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. Incentive tax credits in Turkey create deferred income tax assets as eligible spending occurs. The deferred tax asset creates a tax credit in the period earned and can be applied to current and future year income tax payments.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, and joint arrangements, except for deferred income tax liabilities where the timing of the reversals of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

o) Share-based payments

Fair value of restricted share units or other share-based payments under incentive programs is measured at grant date and amortized over the period during which the employee becomes unconditionally entitled to the equity-based instrument. Amounts amortized are expensed or, to the extent appropriate, are capitalized as the cost of constructing long-term assets. Total value is determined by reference to the fair value of the instrument granted, excluding the impact of any non-market service and performance vesting conditions. The unvested units are subject to mark-to-market adjustments based on the share price at the end of the period and assumptions related to performance measures. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to vest.

The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. At each reporting date, the entity revises its estimates of the number of instruments that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statements of Profit, or Consolidated Statements of Changes in Equity, as appropriate for amounts capitalized as a cost of constructing long-term assets, with a corresponding adjustment to the reserve. The proceeds received, if any, net of any directly attributable transaction costs, are credited to share capital when the instruments are exercised or otherwise redeemed.

p) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions for reclamation and closure cost obligations represent management's best estimate of the present value of the future expenditures required to settle the obligation which reflects estimates of future costs, inflation, changes in foreign exchange rates and assumptions of risks associated with the future expenditures, using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in the above factors can result in a change to the provision recognized by the Corporation. The increase in the provision due to passage of time is recognized as finance expense within Other (Gain) Loss in the Consolidated Statements of Profit.

An asset retirement obligation to incur decommissioning and reclamation costs generally occurs when an environmental disturbance is caused by exploration, evaluation, development or ongoing production. Costs are estimated on the basis of a formal closure plan and are subject to periodic review.

Decommissioning and site reclamation costs arising from the installation of plant and other site preparation work, discounted to present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged through depreciation and/or depletion of the asset and unwinding of the discount on the provision.

q) Revenue recognition

Revenue from metal sales is recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership have been transferred;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be measured reliably;
- It is probable that economic benefits associated with the transaction will flow to the Corporation; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

i) Gold Bullion is sold primarily on the Istanbul Gold Exchange. Under new legislation in Turkey, the Central Bank of the Republic of Turkey has first right to purchase gold produced by mining operations in Turkey. The sales price is fixed based on the gold spot price. Revenue from gold bullion sales is recorded at the time of physical delivery, which is also the date that title to the gold and risk of loss transfers to the purchaser.

r) Earnings per share

The Corporation presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders, and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise any convertible arrangements, including share-based compensation granted to employees.

s) Future changes to standards

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective until financial years beginning on or after January 1, 2018 and have not been early adopted. Pronouncements that are not applicable to the Group have been excluded from those described below.

i) Accounting standards effective on or after January 1, 2018:

A. The International Accounting Standards Board ("IASB") has issued a new standard for the recognition of revenue, IFRS 15 – *Revenue from Contracts*. This standard will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach, entities recognize transitional adjustments in retained earnings on the date of initial application (i.e. January 1, 2018), without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The standard is effective for annual reporting periods beginning on or after January 1, 2018. Early adoption is permitted. The Corporation has evaluated the new standard and there is no material impact from the adoption.

B. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Corporation has evaluated the change in the standard and there is no material impact from the adoption.

C. In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled. The IFRS 2 amendments are effective for annual periods beginning on or after <u>January 1, 2018</u>. The Corporation has evaluated the change in the standard and there is no material impact from the adoption.

D. In January 2016, the IASB issued IFRS 16 – *Leases* which establishes the principles that an entity should use to determine the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17, *Leases*, and related Interpretations. IFRS 16 is effective from <u>January 1, 2019</u> though a company can choose to apply IFRS 16 before that date but only in conjunction with IFRS 15 *Revenue from Contracts with Customers.* The Corporation has commenced the evaluation of the new standard and does not initially anticipate any material impact from the adoption of this standard but will continue to monitor as the adoption period approaches.

4. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and commodity price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the corporate finance function under policies approved by the BOD. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The BOD provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The Group's risk exposures and the impact on the Group's financial instruments are summarized below:

a) Credit risk

The portion of cash and cash equivalents held by banks and receivable balances are subject to credit risk. Such credit risk is managed by diversifying holdings among various financial institutions and by purchasing short-term investment grade securities and money market fund holdings, including bankers' acceptances, guaranteed investment contracts, corporate commercial paper, and United States and Canadian treasury notes in accordance with the Group's investment policy. Investment objectives are primarily directed towards preservation of capital and liquidity. The investment policy provides limitations on concentrations of credit risk, credit quality and the duration of investments, as well as minimum rating requirements for cash and cash equivalents held in banks and financial institutions.

(expressed in thousands of U.S. dollars, unless otherwise stated)

The majority of the Group's receivable balances consist of Turkish value-added tax recoverable claims. The Group is also exposed to credit risk to the extent these amounts are not received. As at December 31, 2017, receivables from the Turkish value-added tax recoverable totaled $15.2 million.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Consolidated Statements of Financial Position. Management monitors its exposure to credit risk on an ongoing basis. Concentration of credit risk exists with respect to the Group's cash and cash equivalents, which totaled $202.8 million and $214.6 million as at December 31, 2017 and 2016, respectively.

b) Liquidity risk

The Group's approach to managing liquidity risk is to provide reasonable assurance that it can provide sufficient capital to meet liabilities when due. The Group maintains sufficient cash and cash equivalents in order to meet short-term business requirements. The Group's ability to settle other long-term liabilities when due is dependent upon future liquidity from capital sources or positive cash flows from commercial operations.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 5 years
Balance at December 31, 2017				
Trade and other payables	$ 58,633	-	-	-
Current income tax liabilities	1,432			
Borrowings			50,000	150,000
Total	$ 60,065	$ -	$ -	$ -
Balance at December 31, 2016				
Trade and other payables	$ 31,348	-	-	-
Total	$ 31,348	$ -	$ -	$ -

This table does not include forward sales contracts discussed in Note 13 or other commitments discussed in Note 23.

c) Market risk

i) Interest rate risk

The Group holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. All other financial assets and liabilities in the form of receivables, payables and provisions are non-interest bearing. Borrowings have a variable interest rate based on LIBOR plus a predetermined rate. Future net cash flows from interest income on cash and cash equivalents and interest expense on variable rate borrowings will be affected by interest rate fluctuations. The Group manages interest rate risk by maintaining an investment policy for short-term investments and cash and cash equivalents. This policy focuses primarily on preservation of capital and liquidity. The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

As at December 31, 2017, Management estimates that if interest rates had changed by 0.1% (i.e. 10 basis points), assuming all other variables remained constant, the impact to 1) pre-tax net profit (loss) would have been approximately $0.2 million (2016 - $0.2 million) for interest earned on cash and cash equivalents, and 2) capitalized interest would have been approximately $0.1 million (2016 - $0.0 million) for outstanding borrowings.

ii) Currency risk

The Group's functional currencies are the U.S. dollar. The Group is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the U.S. dollar in relation to other currencies impact the fair value of financial assets and liabilities and operating results. The Corporation has entered into a forward sales foreign currency program to to limit exposure to the impact of Turkish Lira volatility (Note 13).

Certain short-term financial liabilities are denominated in other currencies, predominately the Turkish Lira. To reduce exposure to currency transaction risk, the Group maintains cash and cash equivalents in each of these currencies to meet short-term liquidity requirements. Other assets and liabilities subject to currency translation risk primarily include non-U.S. dollar cash and cash equivalents, receivables, deferred tax assets, taxes and royalties payable.

As at December 31, 2017, Management estimates that if foreign exchange rates had weakened 10% against the U.S. dollar, assuming all other variables remained constant, pre-tax profit would have decreased $8.3 million (2016 - $2.2 million), and a strengthening of 10% in foreign exchange rates, assuming all other variables remained constant, would have increased pre-tax profit by $10.2 million (2016 - $2.7 million). This is mainly a result of foreign exchange gains or losses on translation of Turkish Lira denominated cash and cash equivalents, receivables, deferred tax assets and payables.

iii) Commodity price risk

The market price of gold is a significant driver of profitability and ability to generate free cash flow. The Corporation sells gold produced in the international market at prevailing market rates. Future declines in commodity prices may impact the valuation of long-lived assets, and fluctuations in commodity pricing may impact cash flows and profitability. The Corporation has entered into a forward sales hedge program to secure the gold price on gold production (Note 13).

As at December 31, 2017, Management estimates that if gold prices had increased (decreased) by 10% for the full year, assuming all other variables remained constant, the impact to gold sales would have been approximately $20.9 million (2016 - $14.2 million).

d) Fair value of financial instruments

Financial assets and financial liabilities are initially recognized at fair value; subsequent measurement is dependent on the applicable classification. The Group has classified loans and receivables at amortized cost, which approximates fair value. The Group has classified marketable equity securities at fair value through profit and loss. The Group has classified accounts payable and accrued liabilities as other financial liabilities. The carrying amounts of accounts payable and accrued liabilities approximate the fair values of those financial instruments, due to the short-term maturity of such instruments.

In accordance with IAS 39, The Company records the fair value of the forward contracts instrument at the end of the reporting period as an asset (in the money) or liability (out of the money). The fair value is calculated as the difference between a market-based price and the contracted price. At the end of the reporting period, a corresponding gain or loss is recorded in the Consolidated Statements of Profit and Comprehensive Profit as Other (Gain) Loss. This amount recorded in the financial statements as “Other Unrealized (Gain) Loss” provides transparency on the performance of the forward contracts portfolio. The movement in fair value, based on the forward gold price at period-end as reported by the banking institutions holding the position and the forward currency rates at period-end as reported by the banking institutions holding the position, will be reported in the profit/loss statement. At the point a position is settled, an “Other Realized (Gain) Loss” is recorded. This amount represents the difference between the settlement price and the contracted price.

IFRS requires disclosure about the inputs to fair value measurements, including their classification within a hierarchy that prioritize the inputs to fair value measurement. The following are the three levels of the fair value hierarchy:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability
- Level 3 – Inputs that are not based on observable market data

(expressed in thousands of U.S. dollars, unless otherwise stated)

The following table shows the Company's financial assets and liabilities carried at fair value by valuation method as of December 31, 2017 and 2016.

	December 31, 2017			
Fair Value Hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash, cash equivalents, and trade receivables	$ 225,310	$ -	$ -	$ 225,310
Marketable equity securities	22	-	-	22
Forward sales contracts	-	(3,291)	-	(3,291)
	$ 225,332	$ (3,291)	$ -	$ 222,041

	December 31, 2016			
Fair Value Hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash, cash equivalents, and trade receivables	$ 238,566	$ -	$ -	$ 238,566
Marketable equity securities	64	-	-	64
Forward sales contracts	-	15,882	-	15,882
	$ 238,630	$ 15,882	$ -	$ 254,512

e) Capital risk management

The Group's objectives when managing capital (including borrowings, if any, and share capital) are to:

- Ensure the Group has sufficient cash available to support the continuing mining, development, exploration and other areas of the business;
- Ensure the Group has sufficient capital and capacity to support its long-term growth strategy;
- Provide investors with an appropriate rate of return in context of a balanced risk profile;
- Ensure compliance with borrowing covenant ratios, if applicable; and
- Minimize counterparty credit risk.

The Group adjusts its capital structure based on changes in business results, economic conditions, and the Group's strategy. The Group, upon BOD approval, has the ability to adjust its capital structure by issuing new equity, issuing new debt and by selling or acquiring assets. Within the context of its strategy, the Group can also control how much capital is returned to shareholders through dividends and share buybacks.

5. Critical accounting estimates and judgments

Many of the amounts included in the Consolidated Statements of Financial Position require Management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on Management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the Consolidated Statements of Financial Position. Information about such judgments and estimates is contained in the accounting policies within these Notes to Consolidated Financial Statements, and the critical areas are summarized below.

Judgments and estimates

i) Mineral reserve and resource estimates
Amounts estimated for reserves and resources are determined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and Canadian Institute of Mining, Metallurgy and Petroleum standards. Proven and probable reserves are the economically mineable parts of the Corporation's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Corporation estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons, as also defined by NI 43-101. The information relating to the geological data on the size, depth, and shape of an orebody requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, gold and other commodity prices, future capital requirements and production costs along with geological assumptions, and judgments made in estimating the size and grade of the orebody. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment; reclamation and remediation obligations; recognition of deferred tax amounts; and depreciation, depletion and amortization.

ii) Depreciation, depletion and amortization
Plant assets and other facilities used directly in mining activities are depreciated using the UOP method over a period not to exceed the estimated life of the orebody based on recoverable ounces to be mined from proven and probable reserves. Mobile and other equipment is depreciated, net of residual value, on a UOP or straight-line basis, over the useful life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves. The calculation of the UOP rate, and therefore the annual depreciation, depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining, and differences in gold price used in the estimation of mineral reserves. Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

iii) Inventories
The assumptions used in the valuation of work-in-process inventories include estimates of gold contained in the ore stacked on leach pads, assumption of the amount of gold stacked that is expected to be recovered from the leach pads, and an assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Group may be required to write-down the recorded value of its work-in-process inventories, which would reduce the Group's earnings and working capital. In the event of a write-down, the impairment will be reviewed for possible reversal at the end of each reporting period.

(expressed in thousands of U.S. dollars, unless otherwise stated)

iv) Mine restoration provision estimates
The Group's calculation of rehabilitation and closure provisions (and corresponding capitalized closure cost assets, if necessary) relies on estimates of costs required to rehabilitate and restore disturbed land to appropriate post-operations' condition. Key assumptions are reviewed regularly and adjusted to reflect current assumptions used to calculate these estimates. Significant judgment is required in determining the provision for mine closure and rehabilitation as there are many transactions and other factors that will affect the ultimate costs required to rehabilitate the mine site. Factors that will affect this liability include future development and operating activity, changes in technology, price, and inflation rate and interest rate changes.

v) Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognizes tax-related assets and liabilities based on the Group's current understanding of tax laws as applied to the Group's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

vi) Recoverability of long-lived assets
The Group reviews and evaluates long-term non-financial assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. This assessment is done at the cash generating unit level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. An impairment is considered to exist if the recoverable amount, determined as the higher of the estimated fair value less costs to sell or value in use, is less than the carrying amount. Future cash flows are estimated based on expected future production, gold and other commodity prices, operating costs and capital costs. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

6. Cash and cash equivalents

	December 31, 2017	December 31, 2016
Cash at banks and on hand	$ 136,719	$ 41,456
Money market funds and other	66,094	173,095
	$ 202,813	$ 214,551

Cash is deposited at banks and financial institutions and earns interest based on market rates. The fair value of cash and cash equivalents approximates the values as disclosed in the table above.

(expressed in thousands of U.S. dollars, unless otherwise stated)

7. Receivables and other

	December 31, 2017	December 31, 2016
Consumption taxes recoverable (VAT)	$ 15,224	$ 6,536
Forward sales contract receivable (hedge) (Note 13)	-	10,802
Non-trade receivables	1,351	1,965
Prepaid expenses and advances	5,574	4,688
Other current assets	348	24
	$ 22,497	$ 24,015

8. Inventories

	December 31, 2017	December 31, 2016
Work-in-process	$ 53,362	$ 57,766
Finished goods	3,670	3,769
Oxide ore stockpiles	217	96
Sulfide ore stockpiles	6,301	-
Supplies and reagents	4,957	4,914
	$ 68,507	$ 66,545

Work-in-process inventories represent materials that are currently in the process of being actively converted into saleable product. This primarily includes cash operating costs and depreciation related to oxide ore placed on the heap leach pad for processing.

The Corporation's Sulfide ore stockpiles are classified as short-term if expected to be commissioned in the next twelve months. Otherwise, Sulfide ore stockpiles are classified as long-term and listed under Other long-term assets (Note 11).

There were no write-downs of inventory to net realizable value. A reserve for obsolescence of $1.8 million (December 31, 2016 - $1.4 million) is included in the Supplies and reagents balance above.

(expressed in thousands of U.S. dollars, unless otherwise stated)

9. Mineral properties and equipment, net

	Mineral properties[1]	Mining plant and equipment	Construction-in-progress[2]	Non-producing properties[2]	Total
Balance at January 1, 2016	$ 114,519	$ 80,625	$ 18,007	$ 112,207	$ 325,358
Additions	-	-	110,850	37,868	148,718
Transfers	6,378	4,486	(10,864)	-	-
Disposals	(28)	(634)		-	(662)
Rehabilitation provision	4,959	-		-	4,959
Depreciation, depletion	(24,567)	(18,448)		-	(43,015)
Balance at January 1, 2017	$ 101,261	$ 66,029	$ 117,993	$ 150,075	$ 435,358
Additions			360,523		360,523
Transfers	3,888	4,835	(8,789)	66	-
Disposals / Refunds		(773)		(239)	(1,012)
Rehabilitation provision	3,031				3,031
Depreciation, depletion	(36,228)	(23,470)			(59,698)
Balance at December 31, 2017	$ 71,952	$ 46,621	$ 469,727	$ 149,902	$ 738,202

1 Mineral properties represent assets subject to depreciation including production stage properties, capitalized mine development costs related to current production, and capitalized pre-production stripping.

2 Construction-in-progress and Non-producing properties are not subject to depreciation. Construction-in-progress includes the Sulfide Project costs incurred following construction approval and sustaining capital expenditures. Non-producing properties includes the Sulfide Project costs incurred prior to construction approval and other capitalized mine development costs not yet in production.

10. Income taxes

a) Income tax expense - The following table summarizes activity for the years ended December 31:

	2017	2016
Income tax (benefit) expense:		
Current income tax expense	$ 4,397	$ 9,634
Deferred income tax benefit	(102,134)	(27,718)
Income tax benefit	$ (97,737)	$ (18,084)

The Corporation receives incentive tax credits for qualifying expenditures at the Çöpler Gold Mine. Application of these tax credits reduces income tax expense in the current period and offsets current and future cash tax payments.

(expressed in thousands of U.S. dollars, unless otherwise stated)

b) Reconciliation of income tax expense - The following table summarizes the difference between income tax expense at the Canadian statutory rate of 28.5% for 2017 (30% - 2016) and actual income tax expense for the years ended December 31:

	2017	2016
Net profit (loss) before income tax for the year	$ 9,983	$ (2,424)
Income tax expense (benefit) at Canadian statutory rate	2,845	(727)
Effect of difference in foreign tax rates	(2,383)	(71)
Incentive tax credits	(97,343)	(39,536)
Unrecognized income tax assets, net	4,089	2,284
Foreign currency valuations	(6,451)	16,461
Other	1,506	3,505
Income tax benefit	$ (97,737)	$ (18,084)

c) Significant components of deferred tax assets and liabilities

	Consolidated statement of financial position	
	December 31, 2017	December 31, 2016
Deferred income tax assets:		
Incentive tax credits recognized	$ 145,887	$ 54,059
Deferred income tax liabilities	(26,655)	(31,446)
Deferred income tax asset	$ 119,232	$ 22,613

Tax attributes not recognized:	**2017**	**2016**
Loss carry-forwards	$ 137,042	$ 121,739
Capital loss carry-forwards	$ 946,887	$ 885,704

Deferred income tax assets are recognized for incentive tax credits to the extent that the realization of the related tax benefit through future taxable profits is probable. The deferred tax liability is comprised of temporary differences related to taxable income. The Corporation applies the liability method to recognize deferred income tax expense on temporary differences between the tax bases of assets and their carrying amounts in the financial statements.

The Group did not recognize deferred income tax assets of $173.8 million (2016: $168.8 million) in respect of losses amounting to $137.0 million (2016: $121.7 million) that can be carried forward against future taxable income, and in respect of capital losses amounting to $946.9 million (equivalent to $1.2 billion Canadian Dollars). Canadian operating losses total $115.7 million and can be carried forward 20 years. U.S. losses total

(expressed in thousands of U.S. dollars, unless otherwise stated)

$15.9 million and can be carried forward 20 years. Luxembourg losses total $1.7 million and can be carried forward indefinitely if incurred before January 1, 2017, and losses can be carried forward 17 years thereafter. Turkish losses total $3.8 million and can be carried forward 5 years.

Deferred income tax liabilities of $62.4 million (2016: $53.5 million) have not been recognized for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Unremitted earnings totaled $624.0 million at December 31, 2017 (2016: $535.0 million).

11. Other long-term assets

	December 31, 2017	December 31, 2016
Long-term sulfide ore stockpiles	$ 78,600	$ 69,235
Forward sales contract receivable (hedge) (Note 13)	-	5,080
Equity accounted investments (Note 19)	18,108	15,500
Finance facility costs (Note 14)	3,141	10,312
Long-term advances and deposits	1,997	2,116
Marketable security investments	22	64
	$ 101,868	$ 102,307

Long-term sulfide ore stockpiles represent sulfide ore that has been extracted from the mine and is not expected to be further processed within twelve months. The Corporation's current sulfide ore stockpile inventories are classified as current-assets when expected to be consumed in the next twelve months (Note 8).

12. Trade and other payables

	December 31, 2017	December 31, 2016
Trade payables	$ 31,289	$ 15,630
Accruals	17,937	13,197
Forward sales contract obligation (hedge) (Note 13)	3,291	-
Withholding taxes	1,653	83
Royalties payable	4,463	2,438
	$ 58,633	$ 31,348

Trade payables include the company's obligations to suppliers of goods or services acquired on trade credit. This represents invoices received but not yet paid for goods delivered or services already consumed by the company and usually settled within a month. Accruals include estimated amounts for goods or services received but not yet invoiced by the supplier, as well as obligations that build up throughout the year and settled once annually, such as short-term incentive compensation payments.

(expressed in thousands of U.S. dollars, unless otherwise stated)

13. Financial Instruments – forward sales contracts (hedge)

The following table is a summary of the carrying amounts of the Corporation's financial instruments that are recognized in the consolidated statements of financial position at:

Financial instrument classification	December 31, 2017	December 31, 2016
Trade and other receivables (Note 7)	$ -	$ 10,802
Other long-term assets (Note 11)	$ -	$ 5,080
Gold forward sales contracts - Short-term	$ (1,699)	$ -
Foreign currency forward sales contracts - Short-term	(1,592)	-
Trade and other payables (Note 12)	$ (3,291)	$ -
Net asset (liability)	**$ (3,291)**	**$ 15,882**

The change in the carrying amount of the Corporation's financial instruments ($19,172 loss for 2017 and $15,882 gain for 2016) is recorded as Other (Gain) Loss in the Consolidated Statements of Profit and Comprehensive Profit (Note 20).

a) Gold forward sales contracts

The carrying value of these instruments is the fair value of the 52,800 unsettled forward gold sales contracts as of December 31, 2017.

Quarter Ending	Ounces	Average Fixed Price
Q1 2018	28,405	
Q2 2018	13,868	
Q3 2018	10,527	
Unsettled Gold Forward Sales at December 31, 2017	**52,800**	**$ 1,280**
Forward sales settled in 2016 & 2017	151,983	$ 1,281
Gold Forward Sales Program Total	**204,783**	**$ 1,281**

Gold forward sales are settled in cash during the settlement period. Realized gains (losses) are recorded as Other (Gain) Loss in the Consolidated Statements of Profit and Comprehensive Profit (Note 20).

(expressed in thousands of U.S. dollars, unless otherwise stated)

b) Foreign currency forward sales contracts

The carrying value of these instruments is the fair value of the 275,312,500 TRY unsettled foreign currency forward sales contracts as of December 31, 2017.

Quarter Ending	TRY	Average FX Rate
Q1 2018	128,500,000	
Q2 2018	97,562,500	
Q3 2018	49,250,000	
Unsettled Foreign Currency Forward Sales at December 31, 2017	**275,312,500**	**3.8**
Forward sales settled in 2017	224,687,500	3.7
Foreign Currency Forward Sales Program Total	**500,000,000**	**3.8**

Foreign currency forward sales are settled in cash during the settlement period. Realized gains (losses) are recorded as Other (Gain) Loss in the Consolidated Statements of Profit and Comprehensive Profit (Note 20).

Fair value methodology

In accordance with IAS 39, a three-level hierarchy was evaluated to determine the applicable fair value accounting methodology to be used for the hedge instrument. Level 2 of the hierarchy is applicable and therefore, the Corporation calculates fair value of financial instruments utilizing observable market data and other inputs. The fair values of the gold and foreign exchange forward sales contracts are determined using forward rates at the balance sheet date.

14. Borrowings

On June 16, 2016, the Corporation signed a $350 million project finance facility with a syndicate of lenders (BNP Paribas (Suisse) SA, ING Bank A.S., Societe Generale Corporate & Investment Banking and UniCredit Bank Austria AG). The facility has no mandatory hedging, has an 8-year term, and interest rates of LIBOR plus 3.5% to 3.95%.

As of December 31, 2017, the Corporation has drawn down $250 million on the finance facility. As defined by the Corporations' Significant Accounting Policies, a prorated share of the Finance Facility Costs (Note 11) incurred to establish and finalize the financing facility (including syndicate bank fees, legal and accounting fees, investment and registration fees, and other agency fees) was accounted for as a discount to the loan principal and amortized over the life of the loan. All related interest expense is capitalized in construction-in-progress, since the borrowing is directly attributable to funding the Sulfide Project construction. Capitalized interest amounted to $6.1 million in 2017. As of December 31, 2017, the Corporation is in compliance with all aspects of the finance facility.

(expressed in thousands of U.S. dollars, unless otherwise stated)

	December 31, 2017	December 31, 2016
Draw down of the Finance Facility	250,000	-
Discounted Finance Facility Costs	(7,282)	-
	$ 242,718	$ -

The first repayment of principle for the finance facility is expected on March 21, 2019 with final principal repayment on or before December 21, 2023. The repayment schedule is a flat 5% paid quarterly. Mandatory cash sweep conditions on excess cash flows are in place and will escalate repayment, if conditions exist.

15. Asset retirement obligation ("ARO")

	December 31, 2017	December 31, 2016
Balance, beginning of period	$ 27,316	$ 21,231
Arising during the period	3,031	4,959
Accreting and unwinding of discount (Note 20)	7,591	1,126
Balance, end of period	$ 37,938	$ 27,316

At the end of each year, the Corporation reviews cost estimates and assumptions used in the valuation of environmental provisions. Changes in these cost estimates and assumptions have a corresponding impact on the carrying value of the obligation. The primary factors that can cause expected future cash flows to change include construction of new processing facilities, material changes in reserve estimates and the life-of-mine plan, changes in ore characteristics that may impact required environmental protection measures and related costs, changes in water quality that impact the amount of water treatment required, and changes in laws and regulations governing the protection of the environment. The environmental provision established for reclamation and closure cost obligations represents the present value of rehabilitation costs for the Çöpler Gold Mine.

For the year ended December 31, 2017, the Corporation updated the reclamation and closure cost obligation for the Çöpler Gold Mine. The update was prepared based on management and third-party estimates. The total undiscounted inflated expenditures are estimated at $138.3 million as of December 31, 2017. The critical assumptions used in the updated estimate include the timing of when the expenditures are expected to be incurred (up to the year 2044), the average inflation rate (10.21%), and the discount rate (7.25%) used to determine net present value. The discount rate is based on estimated overnight borrowing rate set by the Central Bank of the Republic of Turkey Monetary Policy Committee.

(expressed in thousands of U.S. dollars, unless otherwise stated)

16. Other long-term liabilities

	December 31, 2017	December 31, 2016
Share-based compensation	2,956	2,585
Long-term employee benefits	1,972	1,718
	$ 4,928	$ 4,303

17. Share capital and share-based payments

a) Share capital

The Corporation has an unlimited number of common shares, without nominal or par value, authorized for issuance and an unlimited number of preferred shares, without nominal or par value, issuable in series. As of December 31, 2017, there have been no transactions involving preferred shares. The following table summarizes activity for common shares:

	Common Shares	
	Number of Shares	$
Balance at January 1, 2016	291,401,496	$ 1,473,183
Shares issued:		
On exercise of share-based awards (Note 17b)	743,387	1,341
Balance at December 31, 2016	292,144,883	$ 1,474,524
Shares issued:		
On exercise of share-based awards (Note 17b)	946,145	1,741
Balance at December 31, 2017	293,091,028	$ 1,476,265

b) Share-based payments

i) Restricted share unit ("RSU") plan

The Corporation's outstanding RSUs were granted under the 2014 RSU plan or the 2017 RSU Plan (collectively, the "Alacer RSU Plans"). The 2014 Plan will only remain active until all RSUs granted under the plan are vested or terminated. All new RSUs will be granted under the 2017 RSU plan. Each RSU becomes payable as they vest over their lives, typically at three years, are subject to normal performance criteria, and entitles participants to receive one common share of the Corporation. Alternatively, the Corporation, at its discretion, may elect to satisfy all or part of its payment obligation in cash.

(expressed in thousands of U.S. dollars, unless otherwise stated)

The following table summarizes activity for the years ended December 31:

	2017		2016	
	Number of RSUs	Weighted average price	Number of RSUs	Weighted average price
Outstanding - Beginning of year	2,655,788	$ 1.89	3,130,184	$ 1.91
Granted	1,753,638	1.62	1,438,326	1.86
Vested and redeemed	(946,145)	1.88	(743,387)	1.84
Forfeited	(807,428)	2.06	(1,169,335)	2.02
Outstanding - December 31	2,655,853	$ 1.71	2,655,788	$ 1.89

ii) Performance share unit ("PSU") plan

The Corporation's outstanding PSUs were granted under the 2014 PSU plan or the 2017 PSU Plan (collectively, the "Alacer PSU Plans"). The 2014 Plan will only remain active until all PSUs granted under the plan are vested or terminated. All new PSUs will be granted under the 2017 PSU plan. Each PSU granted entitles the participant, at the end of the applicable performance period (typically three years), to receive a payment in cash for the equivalent value of one Share provided: (i) the participant continues to be employed or engaged by the Corporation or any of its affiliates, and (ii) all other terms and conditions of the grant have been satisfied, including the performance metrics associated with each PSU. The grant of a PSU does not entitle the PSU participant to exercise any voting rights, receive any dividends or exercise any other right which attaches to ownership of Shares in the Corporation.

The following table summarizes activity for the years ended December 31:

	2017	2016
	Number of PSUs	Number of PSUs
Outstanding - Beginning of year	2,640,959	1,931,875
Granted	1,320,489	1,009,769
Vested and redeemed	(959,356)	(252,446)
Forfeited	(267,003)	(48,239)
Outstanding - December 31	2,735,089	2,640,959

iii) Deferred share unit ("DSU") plan

The Corporation's outstanding DSUs were granted under the 2014 DSU plan or the 2017 DSU Plan (collectively, the "Alacer DSU Plans"). The 2014 Plan will only remain active until all DSUs granted under the plan are vested or terminated. All new DSUs will be granted under the 2017 DSU plan. DSUs are valued based on the share price and settled in cash when the director's term concludes.

(expressed in thousands of U.S. dollars, unless otherwise stated)

The following table summarizes activity for the years ended December 31:

	2017	2016
	Number of DSUs	Number of DSUs
Outstanding - Beginning of year	446,641	202,625
Granted	204,379	244,016
Vested and redeemed	-	-
Forfeited	-	-
Outstanding - December 31	651,020	446,641

18. Group entities and transactions with non-controlling interests

		Ownership interest	
Alacer Gold Corp.	**Country of incorporation**	**31-Dec 2017**	**31-Dec 2016**
Alacer Management Corp.	USA	100%	100%
Alacer Gold Holdings Corp. S.à.r.l.	Luxembourg	100%	100%
Alacer Gold Corp. S.à.r.l.	Luxembourg	100%	100%
Alacer Gold Madencilik Anonim Şirketi	Turkey	100%	100%
Anagold Madencilik Sanayi Ve Ticaret Anonim Şirketi	Turkey	80%	80%
Kartaltepe Madencilik Sanayi Ticaret Anonim Şirketi	Turkey	50%	50%
Tunçpınar Madencilik Sanayi Ve Ticaret Anonim Şirketi	Turkey	50%	50%
Polimetal Madencilik Sanayi Ticaret Anonim Şirketi	Turkey	50%	50%

In 2009, the Group and Lidya Mining formalized an agreement to create a strategic relationship which allowed Lidya Mining to acquire up to a 20% interest in Çöpler, through ownership of Anagold stock, and outlined a structure for cooperation and cross-investment to jointly explore and develop other mineral properties in Turkey on a 50/50 basis.

In addition, and in conjunction with the strategic relationship with Lidya Mining, during 2011 the Corporation and Lidya Mining completed two joint ventures on other non-Çöpler Turkish holdings. During 2012 the Corporation and Lidya Mining completed a third non-Çöpler Turkish holding joint venture. The joint venture agreements provide for equal ownership by the Corporation and Lidya Mining. In 2013, the Corporation elected to reduce its ownership in Polimetal from 50% to 20%, but still maintaining its rights to clawback its interest in the Polimetal joint venture to 50% on a project-by-project basis. Starting December 2016, Alacer's interest in the Polimetal joint venture is 50%. (See additional information in Note 19.)

As a 20% shareholder of Anagold, Lidya Mining is responsible for its proportionate share of Anagold's capital and operating costs, and will receive the benefit of its proportionate share of revenues and other income. Non-controlling interest represents the 20% interest of Lidya Mining in Anagold, based on investment amounts adjusted for its share of profit or losses.

(expressed in thousands of U.S. dollars, unless otherwise stated)

The following table summarizes activity for the years ended December 31:

	For the year ended December 31, 2017	For the year ended December 31, 2016
Non-controlling interest, beginning of period	$ 153,183	$ 127,463
Capital contribution	-	16,266
Share of profit in Anagold	26,216	9,454
Non-controlling interest, end of period	$ 179,399	$ 153,183

Set out below is summarized financial information for Anagold, the entity which has the 20% non-controlling interest held by Lidya Mining. The amounts disclosed are based on those included in the consolidated financial statements before inter-company eliminations.

Summarized statements of financial position	**As of December 31, 2017**	**As of December 31, 2016**
Current assets	215,431	204,156
Current liabilities	52,513	27,015
	$ 162,918	$ 177,141
Non-current assets	921,641	554,537
Non-current liabilities	282,446	60,309
	$ 639,195	$ 494,228
Net assets	$ 802,113	$ 671,369

Summarized income statements	**For the year ended December 31, 2017**	**For the year ended December 31, 2016**
Revenue	$ 209,087	$ 141,994
Profit before income tax	$ 31,154	$ 20,883
Income tax benefit	$ (99,924)	$ (26,386)
Total net profit	$ 131,078	$ 47,269
Attributable to:		
Owners of the Corporation	$ 104,862	$ 37,815
Non-controlling interest	$ 26,216	$ 9,454

(expressed in thousands of U.S. dollars, unless otherwise stated)

Summarized cash flows	**For the year ended**	
	December 31, 2017	**December 31, 2016**
Cash flows from operating activities	$ 122,169	$ 110,588
Cash flows for investing activities	$ (360,810)	$ (167,626)
Cash flows from financing activities	$ 249,319	$ 12,628

Lidya Mining is entitled to receive dividend payments equaling its 20% share of legally declarable dividends from Anagold. Commencing in 2015, there have been no dividend payments related to Anagold earnings. Dividend payments were suspended in 2015 due to expected future capital expenditure commitments, including the Sulfide Project construction.

19. Investments accounted for using the equity method

The Group has interests in exploration joint ventures (see Note 18) that are accounted for using the equity method. The aggregated financial information on the Kartaltepe Madencilik Sanayi Ticaret Anonim Şirketi, Tunçpınar Madencilik Sanayi Ve Ticaret Anonim Şirketi, and Polimetal Madencilik Sanayi Ticaret Anonim Şirketi joint ventures are as follows:

	For the year ended	
	December 31, 2017	**December 31, 2016**
Aggregate amount of the Corporation's share of net losses	$ 4,218	$ 11,306

The aggregate amount of the Corporation's share of net losses is the current reporting period's expenditures of the joint ventures.

	As of December 31, 2017	**As of December 31, 2016**
Aggregate carrying amount (Note 11)	$ 18,108	$ 15,500

The Corporation has no commitments and contingencies for the joint ventures.

(expressed in thousands of U.S. dollars, unless otherwise stated)

20. Other (gain) loss

The following table summarizes activity for the years ended December 31:

	For the year ended December 31, 2017	For the year ended December 31, 2016
Finance income, net	$ (1,704)	$ (1,193)
ARO Accretion (Note 15)	7,591	1,126
Unrealized (gain) loss on financial instruments (hedge) (Note 13)	19,172	(15,882)
Realized (gain) on financial instruments (hedge)	(1,238)	(1,427)
Gain on settlement of Australian tax matter	-	(4,444)
Write-down of property, plant and equipment assets	833	97
Non-operating transactions	(839)	394
Total other (gain) loss	$ 23,815	$ (21,329)

21. Profit (loss) per share

Basic profit (loss) per share is calculated by dividing the profit (loss) attributable to equity holders of the Corporation by the weighted average number of ordinary shares outstanding during the period.

Diluted profit (loss) per share is calculated using the treasury method, except the if-converted method is used in assessing the dilution impact of convertible instruments (until maturity) and options. The treasury method, which assumes that outstanding stock options with an average exercise price below the market price of the underlying shares, is exercised and the assumed proceeds are used to repurchase common shares of the Corporation at the average market price of the common shares for the period. The if-converted method assumes that all convertible instruments (until maturity) and options have been converted in determining fully diluted profit (loss) per share if they are in-the-money, except where such conversion would be anti-dilutive. The following table summarizes activity for the years ended December 31:

	For the year ended December 31, 2017	For the year ended December 31, 2016
Net profit attributable to owners of the Corporation	$ 81,504	$ 6,206
Weighted average number of shares outstanding – basic	293,004,478	291,957,513
Weighted average number of shares outstanding – diluted	295,660,331	294,613,301
Total net profit per share – basic	$ 0.28	$ 0.02
Total net profit per share – diluted	$ 0.28	$ 0.02

22. Contingencies

The Group has contingent liabilities associated with legal claims arising in the ordinary course of business. The Corporation believes these claims will have no material impact where a liability would be recorded in the financial statements.

23. Commitments

a) Contractual Obligations

Contractual commitments related to purchase obligations and capital expenditures are as follows:

($ 000's)	Less than one year	Between one and five years	More than five years	Total
Purchase obligations for operations	$ 880	$ 260	$ -	$ 1,140
Capital expenditure commitments	65,218	-	22,000	87,218
Total contractual obligations	$ 66,098	$ 260	$ 22,000	$ 88,358

b) Non-controlling interest dividends

Lidya Mining is entitled to receive dividend payments equaling its 20% share of legally declarable dividends from Anagold. Dividend payments were suspended in 2015 due to expected capital expenditure commitments, including the Sulfide Project construction.

c) Other

In connection with exploration and development activities, the Group may enter into option, lease, royalty or other similar agreements with third parties. Generally, payments required on these commitments do not occur until the property has reached commercial production.

24. Related party transactions

In 2016, the Corporation entered into a new related party agreement for the construction of the sulfide process plant with an affiliate of our joint venture partner, GAP İNŞAAT YATIRIM VE DIŞ TİCARET A.Ş. (“GAP”). The current scope of work under the contract is valued at $190 million, of which year-to-date transactions total $92 million.

There were no other related party transactions for services rendered during 2017 and 2016, except key management compensation as detailed below.

(expressed in thousands of U.S. dollars, unless otherwise stated)

Key management compensation

The compensation of directors of the Corporation and key management personnel of the Group is shown below for the years ended December 31:

	2017	2016
Salaries, director fees and other employee benefits	$ 5,141	$ 4,470
Share-based compensation expense	1,370	2,334
Termination benefits	-	1,014
Total	$ 6,511	$ 7,818

25. Segment information

The Corporation operates one segment directed towards the acquisition, exploration and production of gold in Turkey. The segment net profit (loss) and the segment assets and liabilities as of and for the years ended December 31, 2017 and 2016 are shown in the following tables:

	Turkish Business Unit	Corporate and other	Total
For the year ended December 31, 2017:			
Revenues	$ 209,087	$ -	$ 209,087
Production costs	88,746	-	88,746
Depreciation, depletion, amortization	50,036	4,476	54,512
Mining gross profit (loss)	70,305	(4,476)	65,829
Exploration and evaluation	2,157	392	2,549
Administration, finance and other, net	40,629	12,668	53,297
Income tax expense (benefit)	(98,858)	1,121	(97,737)
Net profit (loss) for the period	$ 126,377	$ (18,657)	$ 107,720
For the year ended December 31, 2016:			
Revenues	$ 141,994	$ -	$ 141,994
Production costs	85,207	-	85,207
Depreciation, depletion, amortization	34,989	3,655	38,644
Mining gross profit (loss)	21,798	(3,655)	18,143
Exploration and evaluation	1,649	356	2,005
Administration, finance and other, net	10,573	7,989	18,562
Income tax expense (benefit)	(20,132)	2,048	(18,084)
Net profit (loss) for the period	$ 29,708	$ (14,048)	$ 15,660

(expressed in thousands of U.S. dollars, unless otherwise stated)

	Turkish Business Unit	Corporate and other	Total
As of December 31, 2017:			
Current assets	$ 200,706	$ 93,111	$ 293,817
Non-current assets	939,886	19,416	959,302
Total assets	$ 1,140,592	$ 112,527	$ 1,253,119
Current liabilities	$ 54,461	$ 5,604	$ 60,065
Non-current liabilities	282,628	2,956	285,584
Total liabilities	$ 337,089	$ 8,560	$ 345,649
As of December 31, 2016:			
Current assets	$ 209,794	$ 95,317	$ 305,111
Non-current assets	538,728	21,550	560,278
Total assets	$ 748,522	$ 116,867	$ 865,389
Current liabilities	$ 31,330	$ 4,329	$ 35,659
Non-current liabilities	29,034	2,585	31,619
Total liabilities	$ 60,364	$ 6,914	$ 67,278

26. Net change in non-cash working capital

The following table summarizes activity, excluding cash and cash equivalents transactions, for the years ended December 31:

	For the year ended December 31, 2017	December 31, 2016
Changes in non-cash working capital accounts:		
Trade and other payables	$ 27,285	$ (3,221)
Receivables and other	1,518	(12,464)
Inventories	4,339	5,134
Current income tax liabilities	(2,879)	1,904
Subtotal of non-cash working capital accounts	$ 30,263	$ (8,647)
Non-cash related to hedging activities	(14,092)	10,802
Trade and other payables related to the Sulfide Project	(13,826)	(2,273)
Receivables and other related to the Sulfide Project	1,562	3,032
Net change in non-cash working capital, net of investing activites	$ 3,907	$ 2,914