



# First Quarter 2020 Operating & Financial Results

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April 30, 2020

# A Free Cash Flow Focused Intermediate Producer

## Alacer Today

2020 Production Guidance<sup>1, 2</sup>:  
310 – 360Koz Au

Unlevered Free Cash Flow<sup>3</sup>:  
>10% Yield

2020 AISC Guidance<sup>4</sup>:  
\$735 - \$785/oz

Balance Sheet:  
Consolidated Cash<sup>5</sup> of \$239M,  
Net Debt<sup>6</sup> of <\$25M

Mine Life<sup>7</sup>:  
~18 Years

Track Record of Delivery

2 Producing Plants,  
Multiple Ore Sources

Unhedged Gold  
Price Exposure

Building a Pathway to 300K-400Kozs of Production for 10+ Years

## What is Next – Low-Capital Intensity Organic Growth

### Sulfide Production

- Increase production above Çöpler Technical Report<sup>7</sup>
- Exploration prospects show good potential for Resource and Reserve growth

### Oxide Production

- Pathway to increase production and grow reserve base from existing and new mines



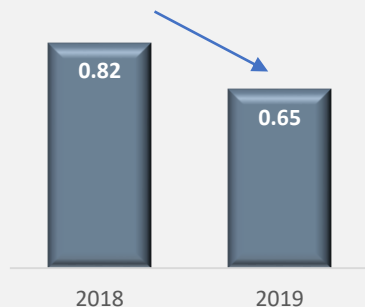
# Developing a Sustainable Legacy – 2019 Highlights



## Environment

- Zero reportable incidents
- 21% decrease in carbon emissions per oz of gold, despite increased power consumption with the new sulfide plant
- Investigating introduction of solar power into Çöpler's energy options

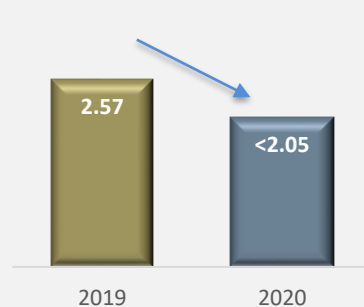
Carbon Emissions Per Oz Produced



## Health & Safety

- 22M lost-time injury free hours
- Total Recordable Injury Frequency Rate<sup>8</sup> (TRIFR) of 2.57
- Lost-Time Injury Frequency Rate of 0.21
- Targeting TRIFR below <2.05/M hours worked

2019 TRIFR vs 2020 Target



## Social

- 142 academic scholarships awarded, 50% to female students from local communities
- Social Development Fund invested in 32 projects in the local communities
- \$6M investment over next 3 years to increase the percentage of employees from our neighboring communities

Total Workforce



## Governance

- US\$1.3Bn+ total procurement spend in Turkey since 2015
- \$25M spent on procurement with local suppliers (7%), and \$309M spent with national suppliers in 2019
- 8% of entire workforce is female
- Implementation of a standalone Human Rights Policy

Company Gender Diversity

Female ♀		Male ♂	
29%	Board	71%	
13%	Corporate Office	87%	
8%	Entire Business	92%	

Fourth Sustainability Report Available on our Website

# COVID-19 Management Plan

- In order to mitigate the risks to our communities, employees and our business, Alacer began planning early for the probable escalation of the COVID-19 pandemic
- While there have been some indirect impacts of the COVID-19 pandemic, the Çöpler Gold Mine continues to operate, to-date, and there has not been any material impact on the operations, logistics, supply chain, sales, guidance or financial position of the Company



## *Protecting our Employees and Our Community*

- Implementation of Infectious Disease Management Plan
- Restricted non-essential travel
- Screening, separation and rapid medical assessment upon arrival at site
- Education and awareness program
- Increased availability of PPE supplies
- Temporarily closed corporate offices, employees working remotely
- Planning for disease control and patient care should our areas of operation, or our people become infected, including implementation of:
  - Quarantine / treatment plans
  - Local community cooperation
  - Response plans



## *Measures Taken To Ensure Continued Safe Operations*

- Logistics and supply chain planning including identification of alternative suppliers if necessary
- Increased inventories and organizing of extra storage facilities
- Established remote support from control nodes in Turkey, Australia and the United States to allow remote experts access so that they can provide support and technical assurance for the plant operations



## *Contingency Planning*

- If circumstances force operations to slow or to be temporarily suspended, plans in place for safe orderly shutdown and speedy restart to operations as soon as conditions allow
- Scenario analysis conducted to evaluate financial impacts of a potential shutdown / slow down
- Consolidated cash<sup>5</sup> of \$239M provides ability to withstand a shutdown if required
- In the event of a shutdown, balance sheet strength provides ability to meet financial obligations
  - Debt obligations of \$17.5M principle + ~\$3-4M interest a quarter
  - Ability to reduce / defer capital spending analyzed

**The Protection of Our Employees & Communities Is Our Highest Priority**

# Q1 2020 Highlights



## Operational

### Safety

- 218 days or 2.7M man-hours worked without a lost-time injury
- TRIFR<sup>8</sup> of 2.69

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

- Maintaining 2020 guidance<sup>2</sup>
- Two millionth ounce produced
- 88Kozs
  - Sulfide plant: 63Kozs
  - Oxide plant: 25Kozs
- Shutdown of autoclave 2 for internal inspection completed, autoclave equipment and refractory linings in excellent condition

### Cost Metrics<sup>4</sup>

- Mine site sulfide AISC of \$640/oz
- Mine site oxide AISC of \$750/oz
- Consolidated AISC of \$700/oz

### Gold Sulfide Stockpiles

- ~6.4Mt at 2.65 g/t or ~543Koz contained



## Growth

### Sulfide Plant

- Progressing programs to increase sulfide plant production rate above design and convert large resource base

### Oxide Plant

- Pathway to increase oxide production and grow reserve base from existing and new mines
  - Near Term: In-pit and near mine exploration success delivering ounces
  - Medium Term: Production potential in ~2-3 years from Çöpler Saddle<sup>9</sup> and/or Ardich<sup>10</sup>
  - Longer Term: Outstanding exploration portfolio with some prospects being drill tested

### Çöpler District Technical Report<sup>7</sup> Planned for H2 2020



## Financial

### Liquidity

- Consolidated Cash of \$239M<sup>5</sup>
- Debt of \$262M<sup>11</sup>
- Net Debt of \$23M<sup>6</sup>, decreased \$222M from January 1, 2019

### Cash Generation

- Operating cash flow of \$63M
- Unlevered free cash flow<sup>3</sup> of \$47M

### EPS

- Attributable EPS of \$0.16
- Normalized attributable EPS<sup>12</sup> of \$0.10

### Finance Facility

- Interest rate margin of L+3.5%-3.7%



# 2020 Guidance Maintained - Free Cash Flow & Disciplined Growth

## 2020 Priorities

### Robust Free Cash Flow Generation

**Low Cost Production: \$735/oz – \$785/oz AISC<sup>4</sup>**

**Oxide Plant: Production Upside**

**Sulfide Plant: Continued Delivery**

**Transition to Net Cash Position**

### Disciplined Low Capital Intensity Growth

**Deliver Updated Çöpler District Technical Report<sup>7</sup>**

**Define 10 Year Production Profile: 300 – 400Koz/yr**

**Build Incremental Capacity: TSF & HLP**

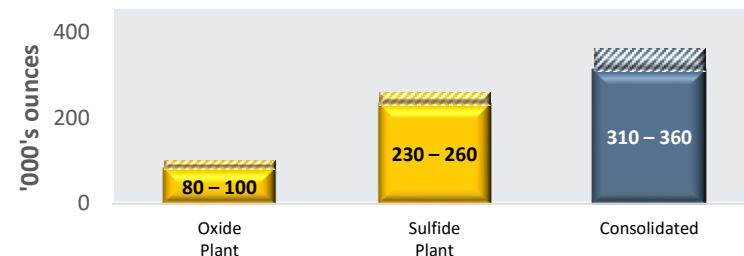
**Deliver Ardich Development Plans**

**Increase Sulfide Production Rate Above Design**

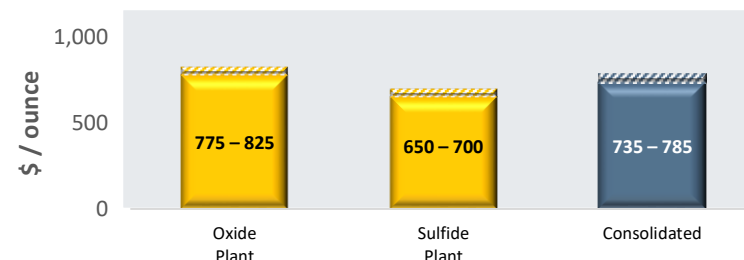
**Convert Large Sulfide Resource Base**

## 2020 Guidance<sup>1, 2</sup>

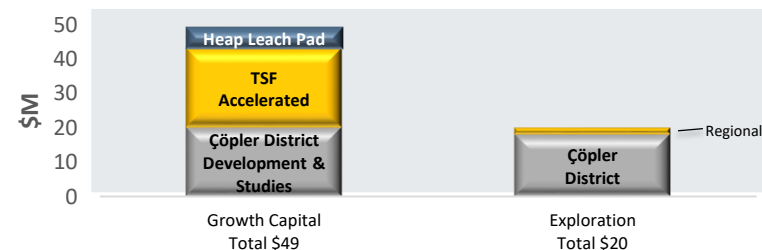
### Production Guidance



### AISC Guidance<sup>4</sup>

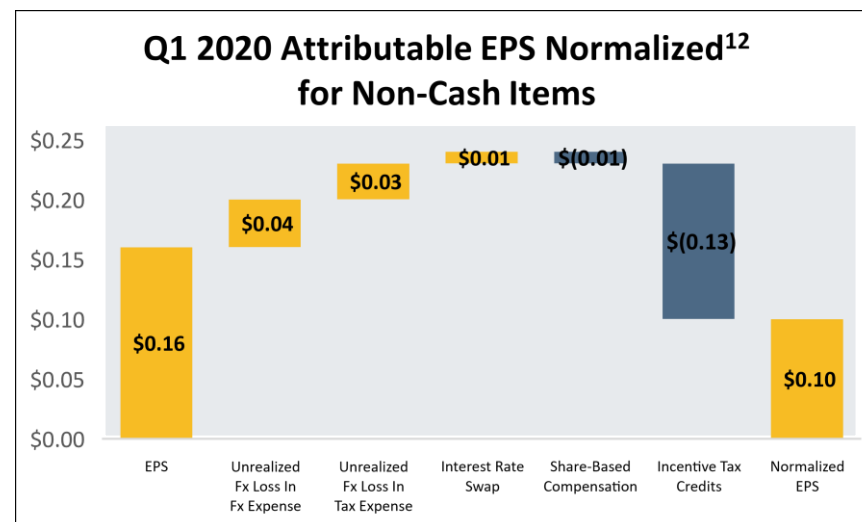
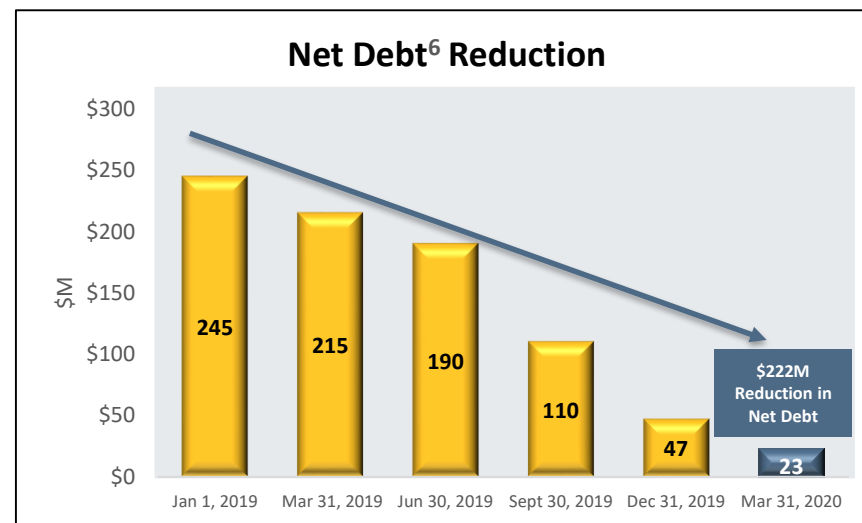


### Growth Capital & Exploration Spend



# Q1 2020 Financial Highlights

On 100% Basis		Three Months Ended March 31	
		2019	2020
Includes Oxide Plant & Sulfide Plant Pre & Post Commercial Production	Total gold ozs produced <sup>13</sup>	89,354	<b>87,863</b>
	Total gold ozs sold <sup>13</sup>	91,044	<b>89,604</b>
	Avg realized price	\$1,305	<b>\$1,588</b>
	Total gold sales proceeds <sup>13</sup> (\$M)	119	<b>142</b>
Includes Full Year Oxide Plant & Only Sulfide Plant Post Commercial Production	Operating cash flows (\$M)	33	<b>63</b>
	EBITDA (\$M)	27	<b>69</b>
	EBIT(\$M)	17	<b>41</b>
	Income tax expense (benefit) (\$M)	9	<b>(27)</b>
	Net Profit (\$M)	6	<b>62</b>
	Attributable Net Profit (\$M)	3	<b>49</b>
Consolidated Cash of \$239M <sup>5</sup> Debt of \$262M <sup>11</sup> <b>Net Debt of \$23M<sup>6</sup></b>			
Alacer consolidated effective <b>cash</b> tax rate forecast to be approximately 5% going forward			



# Sulfide Plant Continues to Deliver

## Q1 2020 Highlights

- 62,800 ozs at mine site sulfide only AISC of \$640 per oz<sup>4</sup>
- Plant operating consistently at or above design throughput rates
- Q1 2020 throughput was 105% of annualized design, which included a full shutdown of autoclave 2 and a short total plant shutdown
- First major shutdown of autoclave 2 completed, autoclave in excellent condition (little scaling or wear, refractory linings in excellent condition) allowing autoclave 1 shutdown to be postponed

## 2020 Targets And Developments

- Guidance<sup>2</sup>: 230K – 260Koz at mine site sulfide only AISC \$650 - \$700 per oz<sup>4</sup>
- Plant throughput ramp-up complete and exceeding expectations
- Potential supplemental flotation circuit enters detailed engineering
- Plant recovery of ~92% for Q1, with recovery improvement projects in process
- Updated mine plan, diversifying ore sources and mitigating impact of potential COVID-19 mining slow down
- An updated Çöpler District Technical Report<sup>7</sup> planned for second half of 2020
  - Preliminary development plans for Ardich<sup>10</sup>,
  - Update the performance expectations of the Çöpler Sulfide Plant, incorporating a potential supplemental flotation circuit
  - Opportunities for tailings storage expansion
  - Potential for resource conversion at Çöpler

*Sulfide Plant In Full Operation*



*Tailing Storage Facility*





# Oxide Plant - Long-Term Contributor to Free Cash Flow

## Q1 2020 Highlights

- 25,063 ozs at mine site oxide only AISC of \$750 per oz<sup>4</sup>
- Phase one construction of heap leach pad expansion of ~6 million tonnes on track to receive ore in Q2 2020
- In-pit exploration continues at both Çöpler and Çakmaktepe Mines

## 2020 Targets and Developments

- Guidance<sup>2</sup>: 80K – 100Koz at mine site oxide only AISC \$775 - \$825 per oz<sup>4, 14</sup>
- Pathway identified to increase oxide production and grow reserve base from existing and new mines
- Advancing heap leach pad expansion – providing future oxide processing capacity
  - ~25Mt heap leach pad expansion underway
  - Will provide ~5 years of additional oxide processing capacity

*Çöpler Mine Heap Leach Pad Expansion*



*Çakmaktepe Mine*



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# Endnotes

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

- 1 Production results are reported on a 100% basis, production results are reduced by a 20% non-controlling interest at the Çöpler Gold Mine to derive attributable gold production. Çakmaktepe is owned 50% by Alacer and 50% by Lidya Mining.
- 2 Detailed information related to 2020 Guidance can be found in the press release entitled “Alacer Gold Achieves 2019 Guidance and Provides 2020 Guidance of 310,000 to 360,000 Ounces at AISC of \$735 to \$785 Per Ounce” dated January 22, 2020, available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 3 Unlevered Free Cash Flow is a Non-GAAP Measure and derives from the Company’s operating cash flows, adjusted for inclusion of investing and financing cash flows; the effects of exchange rates on changes in cash held in foreign currencies; attributable cash flows from joint ventures accounted for using the equity method; the exclusion of cash outflows related to changes in restricted cash; the exclusion of borrowings, principal and interest; and the add back of interest capitalized related to the Company’s borrowing facility for the period prior to the Company’s declaration of commercial production contained within the Investing section of the Statement of Cash Flows, and the add back of the non-controlling interest distribution. See the NON-GAAP measures section of the most recent MD&A.
- 4 All-in Sustaining Costs (AISC) is a Non-GAAP Measure with no standardized definition under IFRS. For further information and a detailed reconciliation to IFRS, please see the “Non-GAAP Measures” section of the most recent MD&A. AISC for the oxide and sulfide plants are for the mine site only and do not include general and administrative costs, share-based compensation costs and other exploration expenses.
- 5 Consolidated cash is a Non-GAAP Measure and includes cash and cash equivalents, cash that is restricted and shown as a long-term asset in the Company’s financial statements and attributable cash held by joint venture partners accounted for using the equity method. For further information, please see the “Non-GAAP Measures” section of the latest MD&A.
- 6 Net Debt is a Non-GAAP Measure and is calculated as the sum of short and long-term borrowings per IFRS, adding back the short and long-term discounted finance facility costs, and subtracting Consolidated Cash. For further information, please see the “Non-GAAP Measures” section of the latest MD&A.
- 7 These production targets and statements are extracted from, or based on, the Çöpler Mine Technical Report, dated June 9, 2016, and a copy is available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 8 Total recordable injuries per million man hours worked.
- 9 Detailed information regarding the Çöpler Saddle can be found in the press release entitled “Alacer Gold Reports Exploration Results from the Çöpler Saddle Shear Zone at the Çöpler Gold Mine,” dated September 26, 2019, available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 10 Detailed information regarding the Ardich gold deposit can be found in the press release entitled “Alacer Gold Step-Out Drilling Program Confirms Significant Extension of Ardich Mineralization” dated November 22, 2019, available on [www.sedar.com](http://www.sedar.com) and on [www.asx.com.au](http://www.asx.com.au).
- 11 Debt is a Non-GAAP Measure derived from the sum of short and long-term borrowings per IFRS, adjusted for the exclusion of short and long-term discounted finance facility costs. For further information, please see the “Non-GAAP Measures” section of the latest MD&A.
- 12 Normalized EPS is a Non-GAAP Measure with no standardized definition under IFRS. Normalized EPS is derived from attributable EPS and adjusted for the following items: foreign exchange loss, foreign exchange and incentive tax credit impact in deferred tax expense, realized and unrealized gains and losses on interest rate swap contracts, share-based compensation and impairment losses. For further information, please see the “Non-GAAP Measures” section of the latest MD&A.
- 13 For Q1 2019 total gold ounces produced, total gold ounces sold, and total gold sales proceeds include sulfide plant production of 36,933 ozs and sales of 34,686 ozs that were capitalized to sulfide plant construction costs as pre-commercial production.
- 14 Mine site oxide AISC includes purchase of Çakmaktepe ore from Kartaltepe (a 50% owned Alacer subsidiary).

# Cautionary Statements

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

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

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any of Alacer’s other public filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders; maintaining community and governmental relations; status of negotiations of joint ventures; weather conditions at Alacer’s operations; commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize, and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer; the timing and amount of future production; the ability to meet production, cost, and capital expenditure targets; timing and ability to produce studies and analyses; capital and operating expenditures; economic conditions; the outbreak of pandemics, epidemics or other health crises (including, without limitation, the COVID-19 pandemic); availability of sufficient financing; the ultimate ability to mine, process, and sell mineral products on economically favorable terms; and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, geopolitical, regulatory and political factors that may influence future events or conditions. While we consider these factors and assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

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

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

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

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

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

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





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