



ALACER GOLD

# Q2 2016 Operating & Financial Results

Rod Antal, President & Chief Executive Officer

Mark Murchison, Chief Financial Officer

July 25, 2016

# Cautionary Statements



Forward-looking information includes statements concerning, among other things, preliminary cost reporting in this presentation, production, cost and capital expenditure guidance; ability to expand the current heap leach pad, development plans for processing sulfide ore at Çöpler; results of any gold reconciliations; ability to discover additional oxide gold ore, the generation of free cash flow and payment of dividends; matters relating to proposed exploration, communications with local stakeholders and community relations; negotiations of joint ventures, negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates; the development approach, the timing and amount of future production, 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, geopolitical, 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 other of Alacer's filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders and 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 and ability to meet production, cost and capital expenditure targets; timing and ability to produce studies and analysis; capital and operating expenditures; ability to draw under the credit facility and satisfy conditions precedent including execution of security and construction documents; economic conditions; availability of sufficient financing; the ultimate ability to mine, process and sell mineral products on economically favorable terms and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, geopolitical, regulatory and political factors that may influence future events or conditions. While we consider these factors and assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons including, but not limited to, risks and uncertainties disclosed in Alacer's filings at [www.sedar.com](http://www.sedar.com) and 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.

All Mineral Reserves and Mineral Resources referenced in this announcement are estimated in accordance with NI 43-101 standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. While terms associated with various categories of "Mineral Reserve" or "Mineral Resource" are recognized and required by Canadian regulations, they may not have equivalent meanings in other jurisdictions outside Canada and no comparison should be made or inferred. Actual recoveries of mineral products may differ from those estimated in the Mineral Reserves and Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. Investors are cautioned not to assume that all or any part of the Mineral Resources that are not Mineral Reserves will ever be converted into Mineral Reserves.

The resource model was constructed by Loren Ligocki, Alacer's Resource Geology Manager, and verified by external consultant, Gordon Seibel, SME Registered Member, Amec Foster Wheeler's Principal Geologist. The updated Mineral Resources estimates were developed and reviewed by external consultant, Dr. Harry Parker, SME Registered Member, Consulting Mining Geologist and Geostatistician for Amec Foster Wheeler.

The information in this announcement which relates to the data audit and the updated Mineral Resources estimate is based on, and fairly represents, the information and supporting documentation prepared by Dr. Parker and Mr. Seibel. Dr. Parker and Mr. Seibel have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and are Qualified Persons pursuant to NI 43-101.

The Mineral Reserves disclosure in this announcement was estimated and approved by Mr. Stephen K. Statham, PE, SME Registered Member, Alacer's Mining Services Manager, who is a full-time employee of Alacer.

The information in this announcement which relates to Mineral Reserves is based on, and fairly represents, the information and supporting documentation prepared by Mr. Statham. Mr. Statham has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a Qualified Person pursuant to NI 43-101.

The scientific and technical information in this announcement is based on information compiled by Robert D. Benbow, PE, who is a full-time employee of Alacer. Mr. Benbow has sufficient experience with respect to the technical and scientific matters set forth above to be a "qualified person" for the purposes of NI-43-101.

Messrs. Ligocki, Seibel, Parker, Statham and Benbow consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

This presentation does not represent a solicitation or offer to sell securities. All dollars in this presentation are US\$'s and all numbers are presented on 100% basis unless otherwise noted.



## Strategic

- Board approves full construction of the Sulfide Project
- Land Use Permits for Sulfide Project and Heap Leach Pad expansion received
- 175,000 ounces of oxide production hedged to secure gold price during construction of Sulfide Project at average gold price of \$1,282
- Further Çakmaktepe North drill results confirm potential to add oxide production within next two years



## Operational

- Produced 30,047 gold ounces as per plan with production expected to increase H2 2016
- Total Cash Costs<sup>1</sup> of \$752/oz and AISC<sup>1</sup> of \$940/oz
- Heap leach pad expansion to 58Mt advancing
- Sulfide stockpiles grew to 6.4Mt at avg grade of 3.43 g/t gold, or over 700k ozs of contained gold

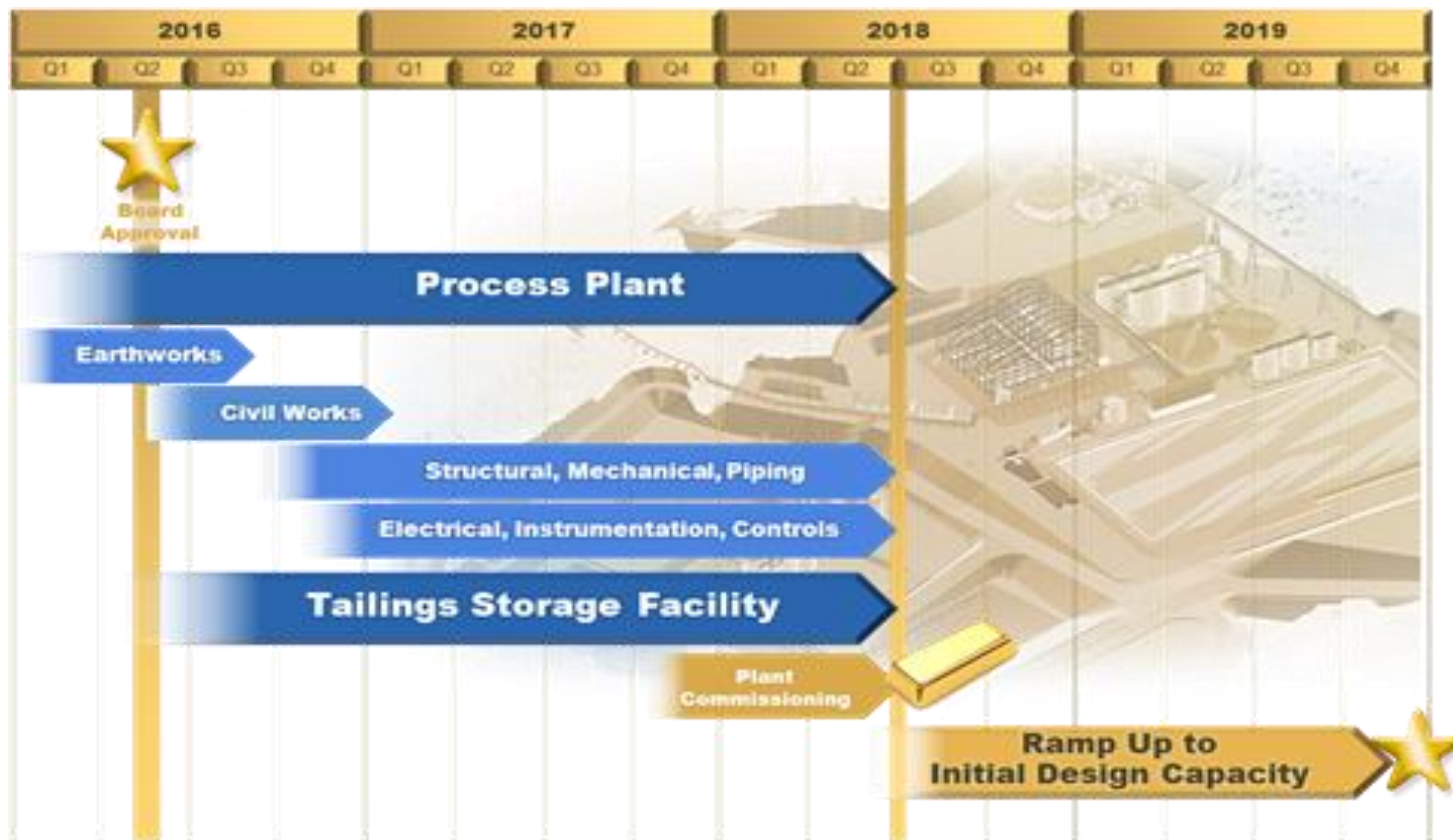


## Financial

- Cash of \$311M at June 30, 2016
- Operating cash flows of \$11.8M
- Attributable net profit<sup>1</sup> of \$12.2M or \$0.04 per share
- \$350M undrawn finance facility<sup>2</sup>

<sup>1</sup> Total Cash Costs, All-in Sustaining Costs and Attributable Net Profit are all non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and a detailed reconciliation, please see the "Non-IFRS Measures" section of the MD&A for the three-month period ended June 30, 2016.

<sup>2</sup> Advances under the facility are subject to customary conditions precedent including execution of security documentation and a minimum of \$220 million capital spend at Çöpler.



- Bulk earthworks for process plant complete and first concrete poured
- \$204M of capital commitments in place
- \$71M of the \$744M pre-production capital spent through Q2

**80% of Total Capital Under Commercial Agreement by the End of 2016**

# P&L Statement – Earnings of \$16 Million



	Q2 2016 (\$M)	Q1 2016 (\$M)	YTD 2016 (\$M)	Commentary
Total gold sold (ounces)	30,263	31,750	62,013	Production expected to increase in H2 2016 as guided
Average realized gold price (\$/ounce)	1,252	1,187	1,219	
<b>Gold sales</b>	<b>37.9</b>	<b>37.7</b>	<b>75.6</b>	
Production costs	22.8	20.9	43.7	Production costs increased due to decline in grade and an increase in strip ratio
DD&A	10.5	10.0	20.5	
<b>Mining gross profit</b>	<b>4.6</b>	<b>6.7</b>	<b>11.3</b>	
Exploration and evaluation	0.7	0.5	1.2	
General and administrative	2.0	2.7	4.7	
Other costs	11.8	1.3	13.0	The increase is due to an unrealized hedge loss of \$8.9M on the forward oxide gold sales and share of exploration costs in JV entities
<b>Profit (loss) before income tax</b>	<b>(9.8)</b>	<b>2.3</b>	<b>(7.6)</b>	
Income tax (benefit)	<b>(26.0)</b>	<b>(1.7)</b>	<b>(27.7)</b>	Increased tax benefit is the result of recognizing incentive tax credits
<b>Earnings</b>	<b>16.1</b>	<b>4.0</b>	<b>20.1</b>	

*Rounding differences will occur*

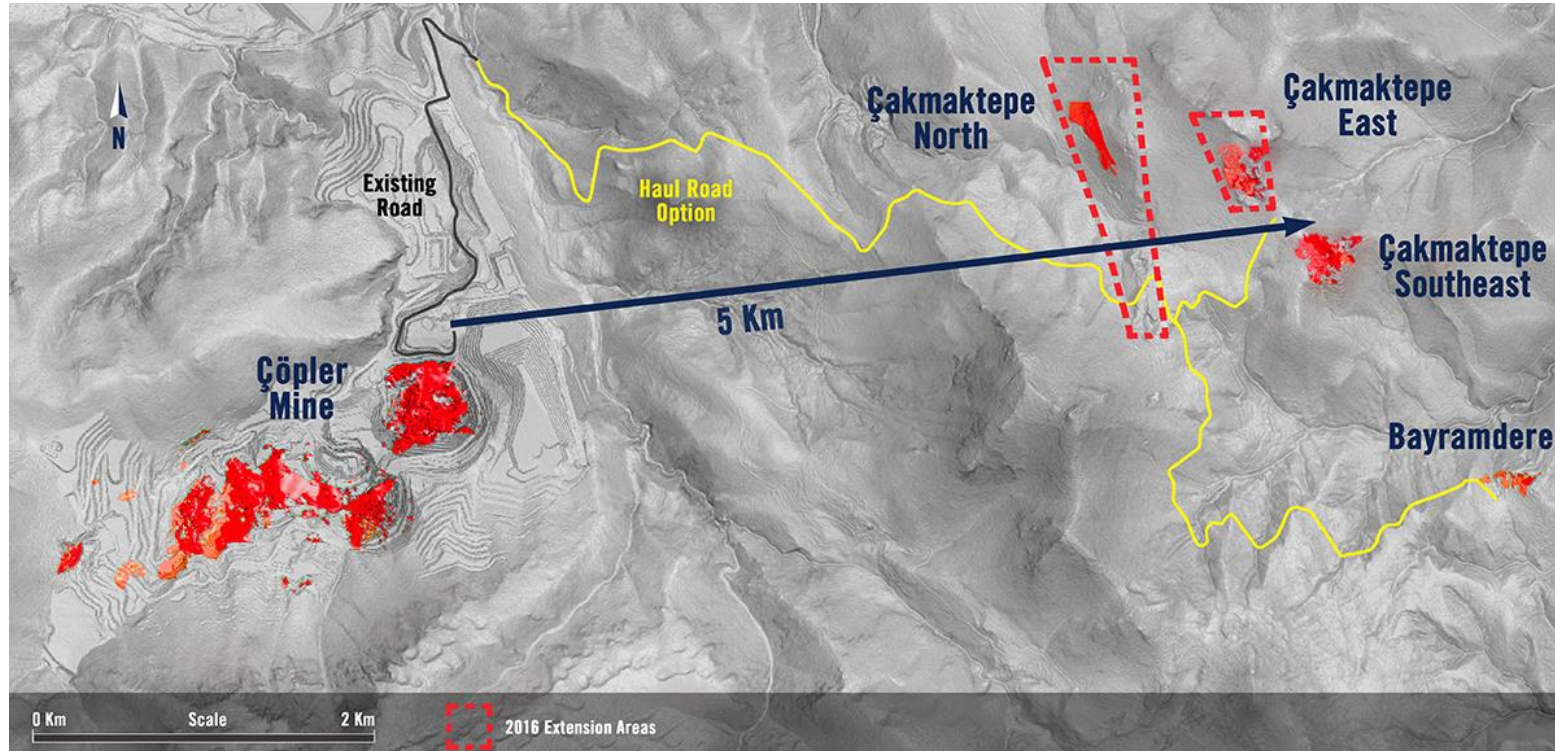
Attributable Q2 Earnings per share of \$0.04

	Q2 2016	Q1 2016	YTD 2016	Commentary
<b>Production costs (Total Cash Costs<sup>1</sup> (C2)) (\$M)</b>	<b>22.8</b>	<b>20.9</b>	<b>43.7</b>	
Add:				
Exploration and evaluation (\$M)	0.7	0.5	1.2	
Other (\$M)	4.4	4.2	8.6	Includes G&A and share based compensation
Sustaining capital expenditure (\$M)	0.6	1.2	1.8	Sustaining capex expected to increase H2 2016
<b>All-in Sustaining Costs<sup>1</sup> (\$M)</b>	<b>28.4</b>	<b>26.9</b>	<b>55.3</b>	
Total gold sold (ounces)	30,263	31,750	62,013	
<b>Total Cash Costs<sup>1</sup> (C2) (\$/ounce)</b>	<b>752</b>	<b>659</b>	<b>705</b>	As expected, C2 costs higher due to lower production from lower grade and higher strip ratio
<b>All-in Sustaining Costs<sup>1</sup> (AISC) (\$/ounce)</b>	<b>940</b>	<b>846</b>	<b>892</b>	AISC is higher due to higher C2 costs

*Rounding differences will occur*

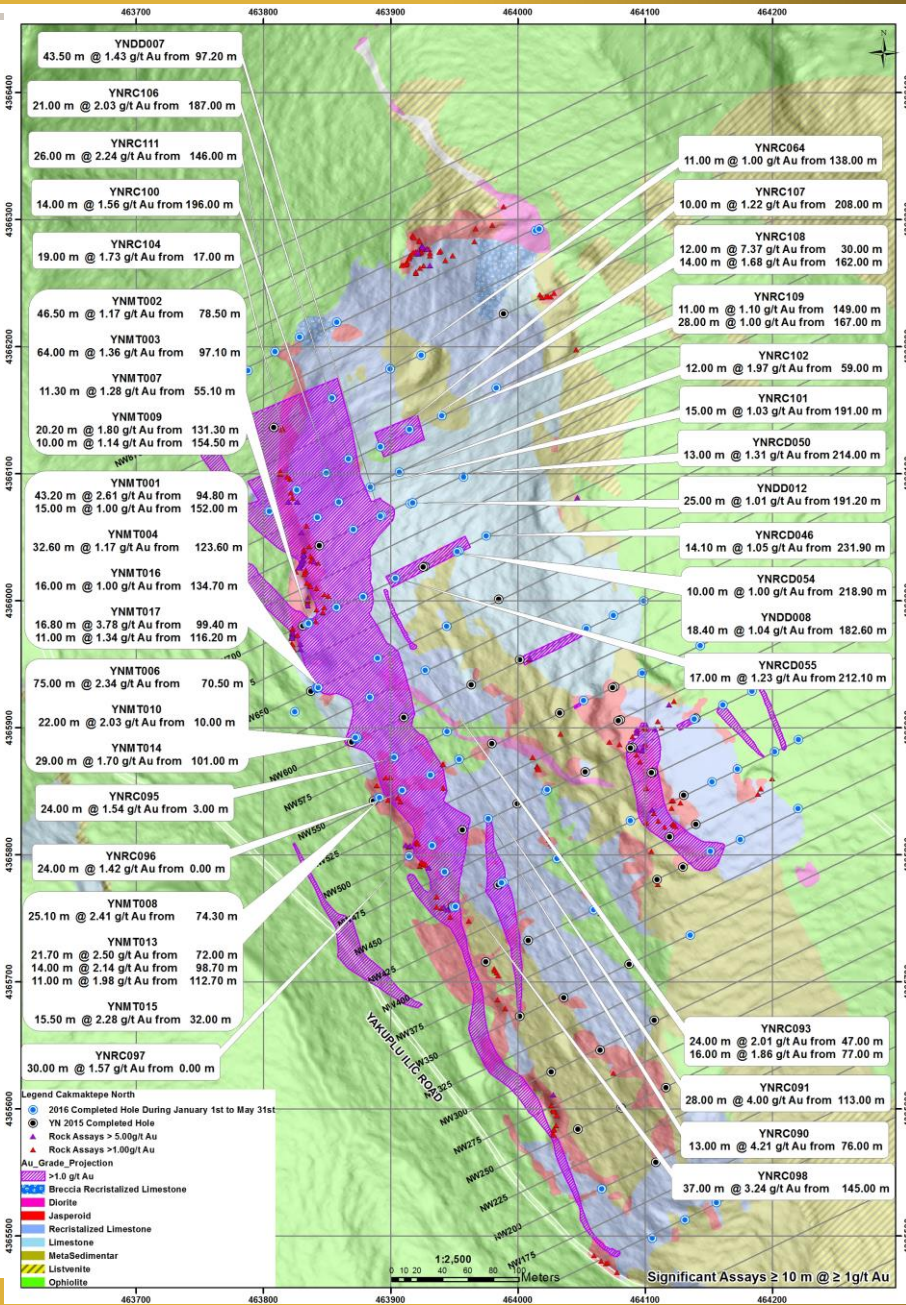
- Cash of \$311 million
- No external debt and undrawn \$350M finance facility
- Working capital of \$352 million

1 Total Cash Costs and All-in Sustaining Costs are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, please see the "Non-IFRS Measures" section of the MD&A for the three-month period ended June 30, 2016.



- Shallow, oxide targets with favorable metallurgy identified within 5km - 7km of Çöpler Mine with potential to add oxide production within the next two years from the existing Çöpler infrastructure:
  - Çakmaktepe North
  - Çakmaktepe East
  - Çakmaktepe Southeast
  - Bayramdere

# Çakmaktepe North Prospect



- Çakmaktepe North is the priority target in the Çöpler District with potential to add oxide production within the next two years
- Gossan hosted mineralization occurring along ophiolite, metasediment, diorite and limestone contacts
- Domain is over 40m wide and potentially mineralized over 1km
- Work to date identified high-grade gold over a 700m strike length
- Remains open in all directions
- Drilled over 30,000m to date
- 2016 spending \$12.5M in the Çöpler District
- Maiden resource planned to be released by end of 2016

**Çakmaktepe North Prospect Plan** - showing location of key drilling results from January 1, 2016 to May 31, 2016. Purple outline defines  $\geq 1.0\text{g/t Au}$  distribution projected to surface. New significant assays are for mineralized downhole drilling intercepts  $\geq 10\text{m} @ >1.00\text{g/t Au}$ . 2016 drill collars are colored in blue.





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