



ALACER GOLD



# Second Quarter 2020 Operating & Financial Results

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TSX: ASR | ASX: AQG | 1

# Merger of Equals With SSR Mining Nearing Completion

Shareholders overwhelmingly approved merger with 99.9% approval, awaiting final regulatory approvals in the coming weeks

High Quality, Long Life Diversified Portfolio  
Across Six Jurisdictions

Sector Leading Free Cash Flow  
Generation

Balance Sheet Strength With Over  
US\$700M of Cash

High Quality, Low Capital Intensity  
Organic Growth

Track Record of Achieving Guidance, Building  
Assets and Value Creation



Operations

Projects

# Alacer Half Year 2020 Highlights



## Operational

### Safety

- 309 days or 3.9M man-hours worked without a lost-time injury
- TRIFR<sup>1</sup> of 3.02

### Gold Production<sup>2</sup>

- Maintaining 2020 guidance<sup>3</sup>**
- 167Kozs
  - Sulfide plant: 121Kozs
  - Oxide plant: 47Kozs

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

- Mine site sulfide AISC of \$704/oz
- Mine site oxide AISC of \$861/oz
- Consolidated AISC of \$847/oz slightly above guidance YTD due to:
  - Higher royalty expense due to higher gold prices
  - SSR Mining merger costs
  - Higher share-based compensation expense due to higher Alacer share price
  - COVID-19 restrictions and distractions, delayed improvements is impacting operational performance
  - Adjusting for these items results in consolidated AISC within guidance
- Expect AISC to be within guidance range for the year of \$735 - \$785/oz**



## Growth

### Çöpler District Technical Report<sup>5</sup> Planned for Q4 2020

#### Sulfide Plant

- Optimization initiatives to increase throughput above design
  - Supplemental flotation plant enters detailed engineering
  - Resource conversion opportunities to increase LOM production

#### 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: Çöpler Saddle<sup>6</sup> and Ardich<sup>7</sup>
  - Longer Term: Outstanding exploration portfolio with some prospects being drill tested (Mavialtin<sup>8</sup>, Copper Hill<sup>9</sup>)



## Financial

### Liquidity

- Consolidated cash of \$279M<sup>10</sup>
- Debt of \$245M<sup>11</sup>
- Net cash position of \$34M<sup>12</sup>

### Cash Generation

- Operating cash flow of \$148M
- Unlevered free cash flow<sup>13</sup> of \$113M

### EPS

- Attributable EPS of \$0.19
- Normalized attributable EPS<sup>14</sup> of \$0.19

### Finance Facility

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

### Gold Sulfide Stockpiles

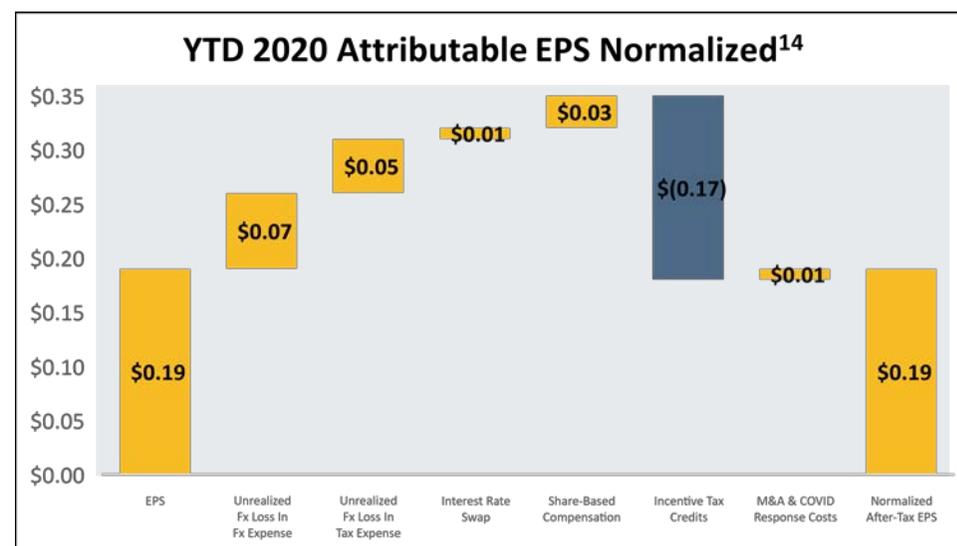
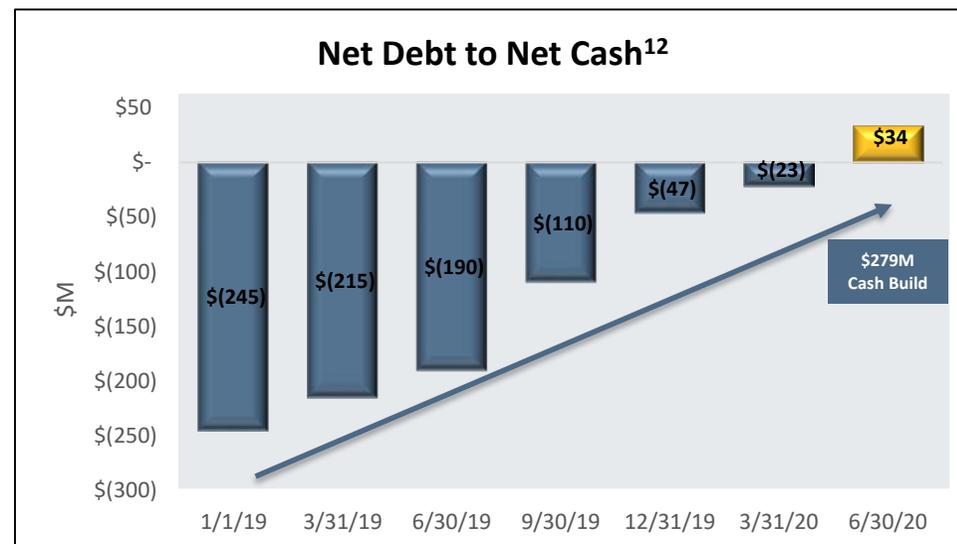
- ~6.4Mt at 2.61 g/t or ~537Kozs contained

# Alacer Half Year 2020 Financial Highlights

On 100% Basis	Q1 2020	Q2 2020	YTD 2020*
Total gold ozs produced	87,863	79,349	<b>167,212</b>
Total gold ozs sold	89,604	76,616	<b>166,220</b>
Avg realized price	\$1,588	\$1,714	<b>\$1,646</b>
Total gold sales proceeds (\$M)	142	131	<b>274</b>
Operating cash flows (\$M)	63	85	<b>148</b>
EBITDA (\$M)	69	52	<b>121</b>
EBIT(\$M)	41	30	<b>71</b>
Income tax expense (benefit) (\$M)	(27)	9	<b>(19)</b>
Net Profit (\$M)	62	15	<b>78</b>
Attributable Net Profit (\$M)	49	8	<b>57</b>
<b>Consolidated cash of \$279M<sup>10</sup></b> <b>Debt of \$245M<sup>11</sup></b> <b>Net cash position of \$34M<sup>12</sup></b>			

\*Rounding differences may occur

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



# Çöpler Mine Continues to Consistently Deliver

## H1 2020 Highlights

- **121Kozs from the sulfide plant at mine site sulfide only AISC of \$704 per oz<sup>4</sup>**
  - Q2 throughput ~115% of annualized design
  - YTD operating time for the autoclaves remains high at 93%
  - Planned June shutdown of autoclave 1 for internal inspection delayed due to excellent condition of autoclave 2 during March shutdown
- **47Kozs from the oxide plant at mine site oxide only AISC of \$861 per oz<sup>4</sup>**
  - Phase one of heap leach pad expansion of ~6 million tonnes ready to receive ore
- **Operations continued uninterrupted through the period.** COVID-19 restrictions and distractions of the remaining resources to manage COVID-19 delayed improvement initiatives and had some impact on operational performance.
  - A shortfall of mine operators contributed to a decision in to adopt a revised mine plan to focus mining resources and to diversify ore sources
  - To protect the supply chain, inventory storage has increased, extra storage facilities have been implemented and alternate suppliers engaged resulting in increases in working capital and costs

## 2020 Targets And Developments

- **Guidance<sup>3</sup>: 310K – 360Kozs at AISC \$735 - \$785 per oz<sup>4</sup> maintained**
- **Oxygen injection into the leach tanks commenced in late June, initial results indicate an improvement to gold recovery**
- **An updated Çöpler District Technical Report<sup>5</sup> planned for Q4 of 2020**
  - Preliminary development plans for Ardich<sup>7</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



## Çöpler Mine Heap Leach Pad Expansion



# Endnotes

The reader is encouraged to read the information contained in this presentation in conjunction with the following notes, the Cautionary Statements on slide 7 and the factors described under the “Additional Information and Risk Factors” section of the most recent Management’s Discussion and Analysis.

- 1 Total recordable injuries per million man hours worked.
- 2 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.
- 3 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 the Company’s website at [www.alacergold.com](http://www.alacergold.com), on SEDAR at [www.sedar.com](http://www.sedar.com), and on the ASX at [www.asx.com.au](http://www.asx.com.au).
- 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 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 the Company’s website at [www.alacergold.com](http://www.alacergold.com), on SEDAR at [www.sedar.com](http://www.sedar.com), and on the ASX at [www.asx.com.au](http://www.asx.com.au).
- 6 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 the Company’s website at [www.alacergold.com](http://www.alacergold.com), on SEDAR at [www.sedar.com](http://www.sedar.com), and on the ASX at [www.asx.com.au](http://www.asx.com.au).
- 7 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 the Company’s website at [www.alacergold.com](http://www.alacergold.com), on SEDAR at [www.sedar.com](http://www.sedar.com), and on the ASX at [www.asx.com.au](http://www.asx.com.au).
- 8 Detailed information regarding the Mavialtin Porphyry Belt can be found in the press release entitled “Alacer Gold Reports Exploration Results from the Mavialtin Porphyry Belt in the Çöpler District” dated February 14, 2020, available on the Company’s website at [www.alacergold.com](http://www.alacergold.com), on SEDAR at [www.sedar.com](http://www.sedar.com), and on the ASX at [www.asx.com.au](http://www.asx.com.au).
- 9 Detailed information regarding the Copper Hill copper exploration prospect can be found in the press release entitled “Alacer Gold Reports Initial Drill Results from the Copper Hill Copper Exploration Prospect,” dated April 22, 2020, available on the Company’s website at [www.alacergold.com](http://www.alacergold.com), on SEDAR at [www.sedar.com](http://www.sedar.com), and on the ASX at [www.asx.com.au](http://www.asx.com.au).
- 10 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.
- 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 Net cash (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.
- 13 Unlevered free cash flow is a Non-GAAP Measure and is derived 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.
- 14 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, COVID-19 expenses and M&A costs. For further information, please see the “Non-GAAP Measures” section of the latest MD&A.

# 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 Soyly 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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