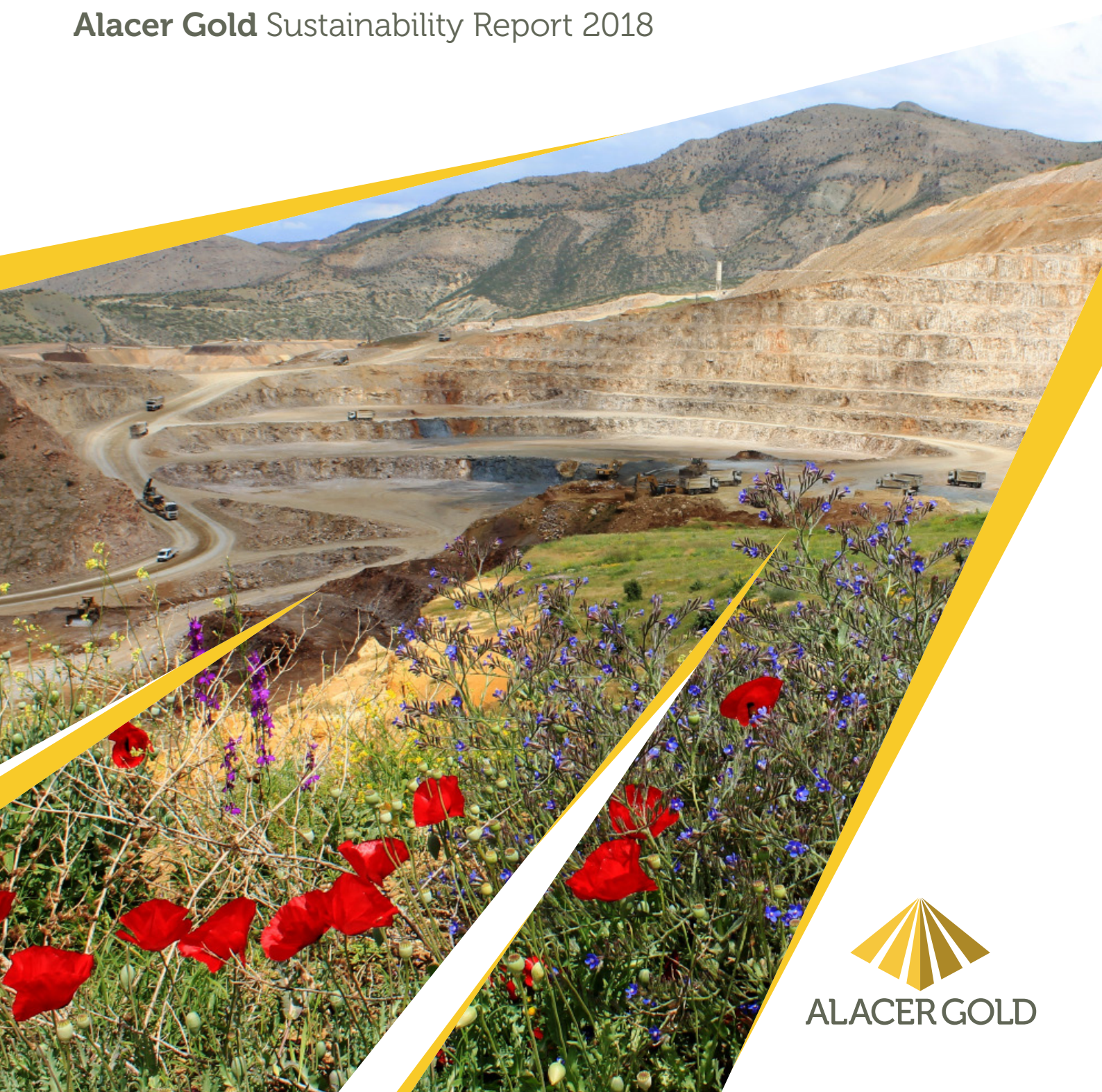


Developing a sustainable legacy

Alacer Gold Sustainability Report 2018



ALACER GOLD

Contents

3	Foreword	30	Chapter 3: Building strong local communities
4	Sustainability highlights 2018	30	3.1 Community relations
6	About Alacer and this report	33	3.2 Our supply chain
8	Sustainability snapshot 2018	33	3.3 Respecting human rights
10	Our mining process	34	Chapter 4: Building robust environmental management practices
12	Chapter 1: Building strong governance of sustainability	35	4.1 Environmental incidents
12	1.1 A top down approach to sustainability	36	4.2 Energy and emissions
13	1.2 Our sustainability framework	38	4.3 Managing water risk
15	1.3 Payments to government	39	4.4 Waste management
16	1.4 Stakeholder engagement	40	4.5 Hazardous chemicals and waste
17	1.5 Materiality assessment – defining what matters most	40	4.6 Tailings management
18	1.6 Grievance mechanism	42	4.7 Biodiversity
19	Chapter 2: Ensuring a safe and skilled workplace	42	4.8 Air quality
19	2.1 Safety first		
23	2.2 Emergency preparedness		
25	2.3 Prioritizing local employment		
26	2.4 Training and staff development		
26	2.4 Industrial relations		
27	Case study: Opening up new opportunities for local women: Nazli Keklik Cinkara		
28	2.5 Gender diversity		

Foreword

Last year was a milestone year for Alacer and nowhere more so than on the ground at our flagship Çöpler Mine. In 2018 we realized two key long-term strategic projects at the Çöpler Mine: the completion of the construction of our new Sulfide Plant and its successful start up; and the establishment of the Social Development Fund (SDF), which is a production-linked community development fund that aims to foster entrepreneurship and local economic development in the communities nearest our operations and the wider region. Respectively, these projects have the potential to deliver meaningful development and positive long-term economic impact for the communities closest to our operations.

The addition of the Sulfide Plant adds twenty years of operational life to the Çöpler Mine and doubles our annual production capabilities. The construction of the plant was a three-year project, and at times we had more than 3,000 workers on site. This was a major test of our safety practices and procedures. It is therefore with pride that we report that construction of the plant was completed on time, under budget and with more than 13 million lost time injury free hours. It is also a testament to the quality and commitment of our team.

On the community front, the establishment of the SDF will enable us to work in partnership with the local community to finance a range of projects, that provide alternative livelihoods for the local community away from mining and which protect and promote traditional customs and practices. The fund is part of Alacer's wider support for local economic development that in 2018 included over \$3.5 million of community investment and sourcing more than \$30 million of goods and services from suppliers based near the Çöpler Mine. The year also saw a significant year on year increase of more than 200% in the average training provided to employees.

Despite the great progress made in 2018, we want to not only maintain but build momentum in the years ahead. In order to achieve this, our priorities for 2019 include maintaining our proud safety record while also ramping up and optimizing production at the Sulfide Plant. Further to this, we plan to establish baselines and ultimately efficiency targets for our water and electricity use and our carbon emissions. We look forward to meeting these challenges and others in the years ahead.

I hope this report provides insights into our ongoing commitment to sustainability and how we translate that commitment into practice.

Rodney P. Antal, President, Chief Executive Officer and Director



Rodney P. Antal

Sustainability Highlights 2018

15%

decrease in total recordable injury frequency rate.

Zero

lost time injuries (LTIs) and

19.16 million

LTI free hours to December 31, 2018.

Construction of Sulfide Plant completed and now operational adding

20+ years

to Çöpler's operational life.

17.6 days

average training per employee, a 220% increase on 2017.

\$1.76m

spent on employee training in 2018.

Full training centre

developed at Çöpler including 6 classrooms and capacity to train up to 150 people at a time.

Transformative

Social Development Fund for Çöpler Mine launched.

+\$1bn

total procurement spend in Turkey since 2015, including

\$31m spent

with suppliers from communities closest to our operation in 2018.

119 academic scholarships

to local high school and university students in 2018, 61 of the scholarships were awarded to female students from communities closest to our operation in 2018.

Zero

reportable environmental incidents.

About Alacer and this report

Alacer is a leading low-cost intermediate gold producer, with an 80% interest in the world-class Çöpler Gold Mine (“Çöpler”) 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 Company’s primary focus is to leverage its cornerstone Çöpler Gold Mine and strong balance sheet as foundations to continue its organic multi-mine growth strategy, maximize free cash flow and therefore create maximum value for shareholders. The Çöpler Gold Mine is located in east-central Turkey in the Erzincan Province, approximately 1,100 kilometers (“km”) southeast from Istanbul and 550km east from Ankara, Turkey’s capital city.

Alacer continues to pursue opportunities to further expand its current operating base to become a sustainable multi-mine producer with a focus on Turkey. The Çöpler Mine is processing ore from three primary sources: Çöpler sulfide ores, Çöpler oxide ores, and Çakmaktepe oxide ores. With the recent completion of the Sulfide Plant, the Çöpler Mine will produce over 3.5 million ounces at first quartile All-in Sustaining Costs, generating robust free cash flow over the next 20 years.

The systematic and focused exploration efforts in the Çöpler District have been successful as evidenced by the newly discovered Ardich¹ deposit. The Çöpler District remains the focus, with the goal of continuing to grow oxide resources that will deliver production utilizing the existing Çöpler infrastructure. In the other regions of Turkey, targeted exploration work continues, including work on the technical studies for the Gediktepe Project.²

Alacer is a Canadian company incorporated in the Yukon Territory with its primary listing on the Toronto Stock Exchange. The Company also has a secondary listing on the Australian Securities Exchange where CHESS Depository Interests (“CDIs”) trade.

Scope and boundary of this report

This report aims to highlight how we manage sustainability in our business and our 2018 achievements. The report is produced to be ‘In Accordance – Core’ with the Global Reporting Initiative (GRI) Standards. Unless otherwise noted, the data in this report covers the Çöpler Mine in Turkey and relates to the reporting period January 01, 2018 – December 31, 2018. Our most recent sustainability report was published in August 2018.

Sustainability is of growing importance to our local communities and all stakeholders, whether they are local people, global shareholders or our employees. This reporting process is a mechanism for monitoring and improving our sustainability performance both now and as we grow in the years to come. We welcome feedback on any aspect of this report. Details of how to respond can be found at the back of this report.

1. Detailed information regarding the Ardich maiden Mineral Resource can be found in the press release entitled “Alacer Gold Announces a Maiden Mineral Resource for the Ardich Oxide Gold Deposit Located in the Çöpler District” dated December 10, 2018, available on www.sedar.com and on www.asx.com.au.

2. Additional information on the Gediktepe Project can be found in the press release entitled “Alacer Gold Announces a New Reserve for its Gediktepe Project Providing Future Growth,” (the “Gediktepe PFS”) dated September 13, 2016, available on www.sedar.com and on www.asx.com.au.

Operations map



Sustainability snapshot 2018

	2018	2017	2016	Performance	Target for 2019
Gold Produced					
	170,865	168,163	119,036	●	Our target production for 2019 is 320,000 – 380,000 ounces.
Safety					
Total recordable injury frequency rate (TRIFR)	1.66	1.94	3.32	●	The 2019 target is to remain below 1.7 per million hours worked.
Lost time injury frequency rate (LTIFR)	0	0	0.51	●	For no lost time injuries across our operations.
Environment					
Major environmental incidents	0	0	0	●	Zero major – Level 4 or above environmental incidents.
Community					
Community grievance resolution	89%	92%	87%	●	To resolve 100% of grievances registered through our grievance mechanism.
Local procurement spend	6.68%	6.65%	10%	●	To spend 6% of total procurement spend with suppliers from communities closest to the mine.
Human resources					
Average hours training	17.6 days	5.6 days	5.31 days	●	To provide sufficient formal training to ensure we have the full range of skills required to run a world-class gold mining company.
% of locals employed ³	Unskilled: 58% from zone 1, 42% from zone 2. Semi-skilled: 100% from zones 1 & 2. Skilled: 95.3% Turkish nationals	Unskilled: 44.6% from zone 1, 96.4% from zone 1 & 2. Semi-skilled: 95.3% from zones 1 & 2. Skilled: 97.6% Turkish nationals	Unskilled: 23.6% from zone 1, 100% from zone 1 & 2. Semi-skilled: 98.6% from zones 1 & 2. Skilled: 96.8% Turkish nationals	● ⁴	For: <ul style="list-style-type: none"> • 90% of unskilled workers to be from zone 1⁵ • 80% of semi skilled from zone 1 & 2⁶ • 80% of skilled employees from Turkey.

3. This refers to Çöpler oxide operations, and does not include construction of the Çöpler Sulfide Expansion Project or contractors.

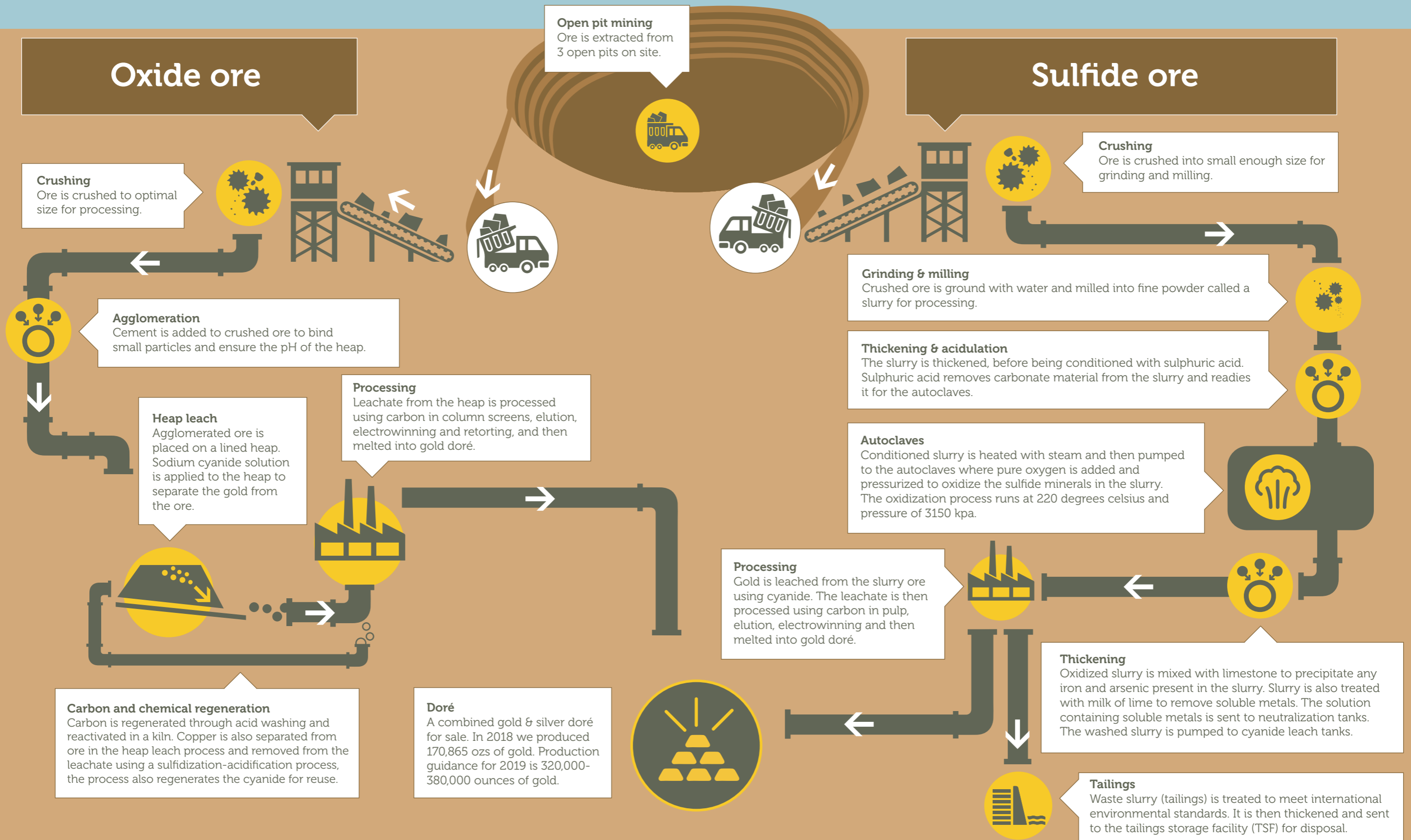
4. While we did not meet our target of 90% of unskilled workers from zone 1, low unemployment rates in our nearby communities restricts our ability to meet this target.

5. Zone 1 includes Çöpler, Sabırlı, Yakuplu, Bağıştaş, Ortatepe

6. Zone 1 & 2 refers to settlements directly affected or adjacent to the Mine, including Çöpler, Sabırlı, Yakuplu, Bağıştaş, Ortatepe and İliç.

● On target
 ● Positive trend
 ● Not achieved

Our mining process



Chapter 1: Building strong governance of sustainability

“Gold mining is a long-term business that requires a significant investment of resources over a number of years. So sustainability and working to ensure we can meet our needs both now and in the future isn’t just a good thing to do, it is also good business.”

Rod Antal – CEO

Alacer has a wide range of policies and processes in place to ensure we identify and manage the risks and opportunities that sustainability issues present to our business. Part of our day-to-day responsibility is to ensure we engage effectively and transparently with all our stakeholders.

1.1 A top down approach to sustainability

Sustainability governance at Alacer starts at the top with its Board of Directors (Board) who has ultimate responsibility for ensuring and driving our performance in this key area. The Board is supported by a dedicated Environmental, Health, Safety and Sustainability (EHS&S) Committee whose role is to oversee our approach to sustainability, as well as the development and implementation of our sustainability linked policies and standards. The EHS&S committee provides support to the Board by monitoring the

Company’s safety record, sustainability performance and ethical conduct. The committee consists of three Board members: Edward Dowling (Chair), Thomas Bates and Alan Krusi, all of whom are independent Directors. The committee formally meets at least twice a year, with additional meetings held as needed throughout the year. Other Directors attend Committee meetings on an ad-hoc basis. EHS&S is also a regular topic of discussion at all Board meetings.

Sustainability is also a key part of the job for group level executives and site based teams – as illustrated in the infographic below. We emphasize the importance to every employee of having individual responsibility for sustainability – particularly on issues of health and safety and reporting of incidents. To reflect Alacer’s commitment to sustainability, a portion of the annual short-term incentive plan is linked to the achievement of group safety targets across all levels of the business.

Figure 1: Organogram of sustainability governance



Priorities for 2019

During 2019 Alacer plans to review its sustainability-related policies, procedures and systems to ensure they are up to date with international standards and best practice. Other key priorities in 2019 include:

- **Safety:** Ramp up and optimize the Sulfide Plant without serious injury or harm.
- **Community:** Disburse the first funds from the Social Development Fund (SDF). Launch second year applications and run additional community training to ensure continuous improvement of applications.
- **Training:** Build on the excellent recent step change in training and further develop the Anagold School of Mining concept.
- **Environment:** Complete the Carbon Disclosure Project (CDP) water and climate disclosure surveys for the first time. Establish baselines for our water, waste, energy use and our emissions and establish targets to help manage and minimize our impacts.

1.2 Our sustainability framework

As explained below, Alacer’s approach to sustainability is detailed through a set of policies that commit us to the highest standards of environmental and social practices. All policies are drafted to meet the requirements not only of host country legislation and aims to align with ICMM (International Council of Mining & Metals) guidance and IFC Performance Standards.

Our key sustainability policies are:

- **Code of Business Conduct and Ethics**
Our Code of Business Conduct and Ethics provides a framework to ensure all our staff conduct business in an open and ethical manner, including principles to avoid any instances of workplace discrimination and harassment. The Code is also applicable to contractors and integrated into supply contracts.
- **Health and Safety Policy**
Our Health and Safety Policy commits us to ensuring all operations are undertaken in a manner that protects the well-being of our employees, contractors and any person who comes into contact with our operations.
- **Environment Policy**
Our Environment Policy outlines our approach to protecting and conserving natural capital and to acting as responsible environmental stewards. This includes efficient use of natural resources, efforts to minimize air, land and water pollution, and robust waste management practices.
- **Community Relations Policy**
Our Community Relations Policy sets the standard by which we operate. It compels us to not only comply with all applicable laws and regulations in jurisdictions of operation but to be transparent, ethical, fair and honest in all dealings with local communities, and to treat individuals with respect. It also sets out our commitment to protect and uphold fundamental human rights and the culture, customs and traditions of those impacted by our activities.

- Diversity Policy**
 Our Diversity Policy recognizes the importance of diversity and commits us to providing an environment in which all employees are treated with fairness and respect. It commits us to provide equal access to opportunities regardless of race, gender, sexual orientation and/or religious beliefs.
- Foreign Corrupt Practices Act Policy (FCPA)**
 Our FCPA Policy commits us to the highest standards of integrity and accountability when conducting business overseas. It includes compliance in all respects to applicable local, Canadian, Australian and U.S. laws. It is applicable to all directors, employees, contractors, agents or other parties connected with our company, and includes termination of employment or contract for any party accepting a bribe or facilitation payment.
- Insider Trading Policy**
 Our Insider Trading Policy provides guidelines regarding the disclosure of material information. It also sets out details for the imposition of trading blackout periods to ensure all Directors,

Officers, Employees, Consultants and their respective families meet their obligations under Toronto and Australian Stock Exchange rules and securities laws.

- Whistleblower Policy**
 Our Whistleblower Policy sets out the whistleblowing procedures available throughout our organization, including both informal and formal reporting procedures. Our informal reporting procedures encourage workers to raise any concerns they may have with their immediate supervisor or a member of site management for first instance investigation and action. Formal reporting utilizes a telephone hotline or email to escalate reports immediately to our Chief Legal Officer and the chair of the Audit Committee. The Policy also includes a no retaliation provision for all reports made in good faith.

All our policies are available on the company website, and on site in both English and Turkish. Policies are also explained to all employees and contractors as part of induction and annual training. Failure to comply with any policy can result in disciplinary action or termination of employment.

1.3 Payments to government

Alacer is committed to being a good corporate citizen and developing strong partnerships with our host countries and governments. This is reflected through our commitment to paying the required taxes and royalties, and reporting these payments in a transparent and accountable manner.

The level of tax we pay is determined by the relevant national, provincial and regional authorities, and as shown in the table below we distributed a total of \$16.8m to

Turkish and regional authorities and in local community infrastructure development in 2018. A detailed and independently audited breakdown of these payments is available online in our Extractive Sector Transparency Measures Report. Alacer benefits from incentives including corporate tax credits under the Turkish government's incentive certificate program for significant investments with positive economic impacts.

Figure 2: Payments to government 2018

Payee (US\$)	Taxes (i)	Royalties (ii)	Fees (iii)	Production entitlements (iv)	Bonuses (v)	Dividends (vi)	Infrastructure improvement payments (vii)	Total amount
Turkish Government	\$7.7m	\$1.8m	\$0.5m	\$0	\$0	\$0	\$0	\$10.0m
Turkish Provincial and Municipal Authorities	\$0	\$1.9m	\$3.0m	\$0	\$0	\$0	\$1.9m	\$6.8m
Total	\$7.7m	\$3.7m	\$3.5m	\$0	\$0	\$0	\$1.9m	\$16.8m



- (i) This category may include taxes paid by Alacer on its income, profits or production. Taxes reported include primarily corporate income taxes. Consumption taxes and personal income taxes are excluded.
- (ii) These are payments for the rights to extract resources, typically at a set percentage of revenue less any allowable deductions that may be taken. Royalties paid in kind are also reported under this category. For the year ended December 31, 2018, there were no royalties paid in kind to a payee.
- (iii) This category may include rental fees, entry fees and regulatory charges as well as fees or other consideration for licenses, permits or concessions. Amounts paid in ordinary course commercial transactions in exchange for services provided by a payee are excluded unless required for the operating license.
- (iv) A payee's share of mineral production under a production sharing agreement or similar contractual or legislated arrangement is reported under this category. For the year ended December 31, 2018, there were no production entitlement payments to a payee.
- (v) Signing, discovery, production and any other type of bonuses paid to a government payee are reported under this category. For the year ended December 31, 2018, there were no reportable bonus payments to a government payee.
- (vi) This payment category consists of dividend payments other than dividends paid to a payee as an ordinary shareholder of Alacer. For the year ended December 31, 2018, there were no reportable dividend payments to a payee.
- (vii) These are payments, which relate to the construction of infrastructure that do not relate primarily to the operational purposes of Alacer. Infrastructure improvement payments consisted of improvements to and maintenance of village roads, building village roads, bridges, a water treatment facility and other community development initiatives.

1.4 Stakeholder engagement

We believe that keeping an open and ongoing two-way dialogue with all our stakeholders is critical to our business, and integral to our governance of sustainability. We have a wide-ranging stakeholder engagement program (SEP), which ensures we communicate with all stakeholder groups throughout the year.

Some of the elements included in our SEP are:

- Quarterly results presentations to shareholders, and local authorities;
- Regular meetings with local mayors, Muhktars and other community representatives;
- Trade union representatives on site;

- Community grievance mechanism; and
- Attendance at industry and investor conferences.

At the Çöpler Mine during 2018, we held 1,013 stakeholder consultations. These included meetings with local communities, authorities, contractors, government representatives, trade union officials and NGOs. Some of the issues included in these consultations were updates on the implementation of the Social Development Fund (SDF), the development of the Çakmaktepe Project and requests for employment following the end of the Sulfide Plant construction.



1.5 Materiality assessment – defining what matters most

As part of both our stakeholder engagement practices and our commitment to report in line with Global Reporting Initiative (GRI) Standards, Alacer conducted a materiality assessment survey in December 2018.

This process involved surveying a sample of internal and external stakeholders, on a range of 31 sustainability issues linked to gold mining. Internal stakeholders were asked to rate a comprehensive list of sustainability issues based on the potential impact the issue could have on the business – using a 1-5 scale. External stakeholders were asked to select the ten issues most important to them.

As shown on the scattergraph below, there were four issues that emerged as the most important issues across for internal and external stakeholders.

These highest priority issues were:

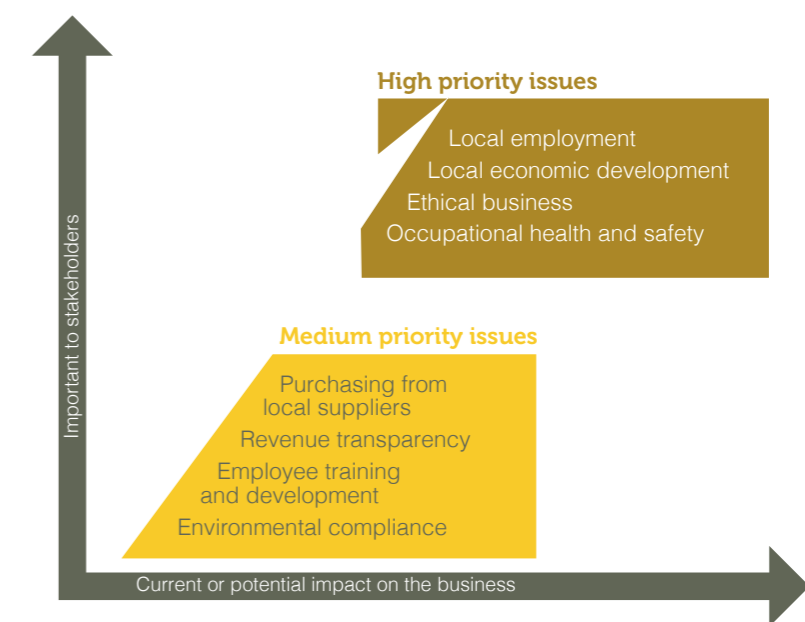
- Local and national employment
- Local economic development
- Doing business in an ethical manner
- Occupational health and safety

A further four issues were identified as medium priority. These were:

- Purchasing from local suppliers
- Revenue transparency
- Employee training and development
- Environmental compliance

Our approach to the management of all of these issues is detailed in this report.

Figure 3: Materiality scattergraph



1.6 Grievance mechanism

A critical component of our approach to stakeholder engagement – particularly with local communities – is our community grievance mechanism. Our community grievance mechanism has been developed to meet IFC Performance Standards requirements. The mechanism is designed to be widely accessible and there are a number of access points available throughout each of our five closest affected communities. There is also a dedicated access point for suppliers.

We commit to responding to all grievances within seven days and aim to have every grievance resolved within 30 days of receipt. As shown in the table below, 27 grievances were received during 2018. As at 31 December 2018, 89% of all grievances registered in 2018 had been successfully resolved to the satisfaction of the party making the complaint. All outstanding grievances from 2017 were also closed out during 2018.

Figure 4: Grievances 2018

Community	Grievances 2018		Grievances 2017	
	Received	Resolved*	Received	Resolved*
Çöpler	6	5	3	2
İliç	7	6	16	16
Other İliç villages	5	5	0	0
Contractors	0	0	15	14
Bağıştaş	1	1	1	1
Sarbirli	1	1	0	0
Yakuplu	6	5	2	1
Kabataş	1	1	0	0
Karakoclu	0	0	1	1
Total	27	24 (89%)	38	35 (92%)

* As at December 31

Chapter 2: Ensuring a safe and skilled workplace

“Nothing is more important than the health and safety of our people and the community. Every employee has the right and expectation to go home safely at the end of their shift. That is why we continually strive to create a safe work environment and to educate all staff on the health and safety hazards they may encounter across the operations and, of course, how to manage the risks and hazards.”

Stewart Beckman,
Chief Operating Officer

2.1 Safety first

Our goal is to be a Zero Harm workplace so ensuring the health, well-being and safety of our workforce is our top priority. Our approach to health and safety is set out in our Health and Safety Policy and we have established a strong health and safety culture at the Çöpler Mine. This has been particularly important in recent years with upwards of 3,000 workers on site during the Sulfide Plant construction.

The Çöpler Mine has a robust safety system in place aligned with international best practice standard ISO 45001 and, as illustrated on the following page, we use a hierarchy of controls to help manage safety risks on site. The first priority is eliminating known hazards. If hazards cannot be eliminated we utilize technology and mechanization of processes to reduce exposure to risk. Finally, where risk exposure cannot be removed we ensure we manage those risks with careful administration and monitoring, including comprehensive training and the compulsory use of personal protective equipment (PPE).

Operational decisions and business strategic planning is established using a risk based approach. The Çöpler Mine has addressed the high consequence, low probability risks by implementing Critical Risk Management (CRM) and Process Safety Management (PSM) programs. Both programs include bowtie risk analysis of the specified risk events with particular focus on critical controls, control effectiveness, monitoring and auditing. With improvement strategies mapped into the five year and annual planning process.

● **0 LTIs**
for the second year in a row

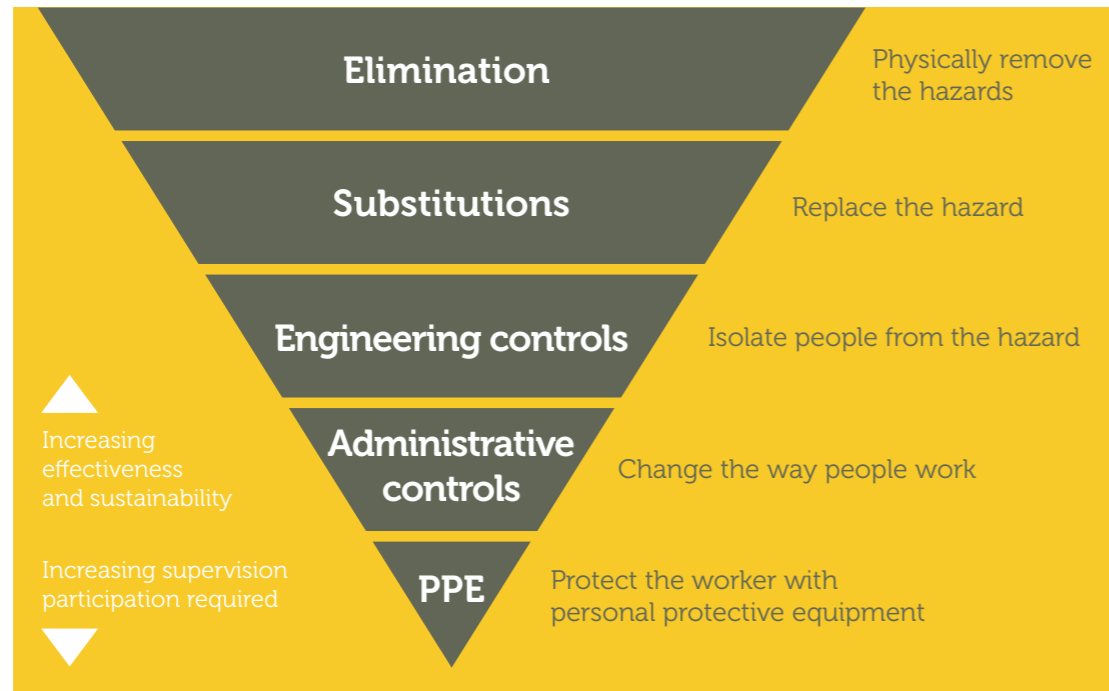
● Construction of the Çöpler Sulfide Plant completed with:
over **13m** hours and **1,517** days worked lost time injury free and **TRIFR rate of 1.84** per million hours.

▼ **14.4%**
decrease in TRIFR (total recordable injury frequency rate) across Turkish Business Unit.

▼ **7%**
decrease in MTIFR (medical treatment injury frequency rate).

▲ **17.6 days** average training for employees, a **220%** increase on 2017.

Figure 5: Mitigation hierarchy of safety processes



Boots on the ground

It is our firm belief that safety doesn't happen behind a desk and members of our on site management team and safety department have targets to meet relating to the time they spend in both the Mine and our exploration sites interacting and leading on safety. This helps to ensure they spend time each day to ensure safe working procedures are followed, appropriate PPE is used, and best practices are shared. All staff are encouraged to think proactively about safety risks, and we also encourage individuals to take responsibility for the safety of themselves and their colleagues.

We also encourage a right to refuse to work if an unsafe scenario arises. That means all our workers are empowered to challenge their supervisors if they believe the appropriate safety measures or equipment

are not in place. Visitors are also encouraged to report issues that they feel require immediate attention. We also have a zero-tolerance policy towards drugs and alcohol use and unsafe behavior on site.

Safety training

Safety training is a critical part of the induction and annual trainings for all employees and contractors. Regular additional job specific safety training is conducted, including use of chemicals, spills, working at height and hot work.

Our safety procedures include regular assessments of specific safety risks across each part of the Mine and we hold daily prestart and toolbox safety briefings to reinforce risk awareness and the importance of safe working procedures.

Safety performance

Last year, 2018, was another standout year for Alacer in terms of safety performance at the Çöpler Mine. We achieved our goal of zero lost time injuries (LTIs) for the second year running, and drove down our total recordable injury frequency rate (TRIFR) again. We also delivered an 8% drop in medical treatment injuries.

The TRIFR decreased by 14.4% in 2018 to 1.66 per million hours worked. These results came despite an increase in higher risk activities worked, for the construction and start up of the Sulfide Plant. With the construction of the Sulfide Plant, at times during the past few years there was upwards of 3,000 workers on site at Çöpler, and we are pleased to report construction ended with the following safety results:

- TRIFR of 1.84 per million hours worked; and
- 13,073,200 hours and 1,517 days lost time injuries free

We attribute these results and the safety improvements delivered in 2018 to the hard work of our on site safety teams, the continued visibility of management and safety teams in the field and the ongoing focus on the establishment of a preventative risk culture.

These results also reflect the on-going increase in the risk awareness of our local employees. However, with the Sulfide Plant now in operation, we cannot afford to become complacent and safety will continue to be a key focus at Çöpler.

Total Recordable Injury Frequency Rate

(per million hours works)



Figure 6: Our safety performance

	2018	2017	2016
Total hours worked	10,832,418	7,739,594	3,919,500
Lost time injury	0	0	2
Restricted work injury	5	5	5
Medical treatment injury	13	10	6
First-aid injury	129	119	38
Total injuries	147	134	51
Total recordable injury frequency rate	1.66	1.94	3.32
Lost time injury frequency rate	0	0	0.51
Serious potential incidents	40	81	19
Serious potential injury frequency rate (SPIFR)	3.69	10.47	4.85



2.2 Emergency preparedness

We have built our HSE systems to avoid incidents and injuries. However, ensuring we are adequately prepared for an emergency is a critical focus for our business. The Çöpler Mine has a well-trained and equipped on site emergency response team in place. Our emergency vehicles include turn table ladder fire engine, Hazmat vehicle, four-wheel drive rescue and recovery vehicle, and four-wheel drive ambulance. The designated emergency response team is comprised of 89 fully trained members. Over the last year, 95 employees underwent internal and external emergency response training – including firefighting, first aid, Hazmat, breathing apparatus, vehicle extraction, and working at height rescue training. This helps to ensure that first response cover and assistance is readily available anywhere on site at any time. To ensure all employees know what to do in an emergency situation, we carry out mock drills and equipment testing throughout the year to ensure competence among all response team members.

2.3 Prioritizing local employment

Alacer's approach to staffing is to attract, develop and retain the highly skilled workforce required to run a world-class operation. As illustrated by the infographic below, we also place significant emphasis on the recruitment, training and development of local and host country workers.

If we are unable to find staff with the appropriate skills from the local community, we seek to recruit from within the Erzincan Province, followed by nationals, before finally looking internationally. It is a strategy that both enables us to build an efficient and effective workforce, at a competitive cost base, while also building strong community relations and a secure environment for our mine.

Figure 7: Local prioritization for our human resources



Our commitment to employing and developing local and national workers is reflected by the following milestones we have achieved at the Çöpler Mine.

Our performance

As of December 31, 2018 our operations, directly employed 652 people, with an overall total workforce including contractors of 2,139. This is a significant contraction from the workforce size during the construction of the Sulfide Plant, which peaked at over 3,000 during 2017/18.

As shown in Figure 9, 35% of our workforce (including contractors) are drawn from those communities closest or adjacent to our operations and a further 63% are drawn from Turkey. All our unskilled employees are drawn from the communities closest to the operations, and all our semi-skilled employees are also drawn from our locally affected communities. The number of

expatriate employees on site at Çöpler increased during 2018 in connection with the Sulfide Plant construction and start-up, but our aim is to reduce this over the next three years as skills are passed on to the locally-based workforce.

Half of the employees in the new Sulfide Plant are drawn from our local communities. The relatively high proportion of employees from local communities reflects the success of the specialist Sulfide Plant transition training programs we have been running in the local community to encourage and ensure, to the extent possible, local employment at the Sulfide Plant. Going forward the bulk of our operations will predominantly focus on the extraction and processing of sulfide ore, thus it is crucial that we continue to train and develop local workers to ensure they have the skills and expertise needed to gain work in the Sulfide operations.

Figure 9: Çöpler Operation Workforce (including Construction of the Sulfide Plant)

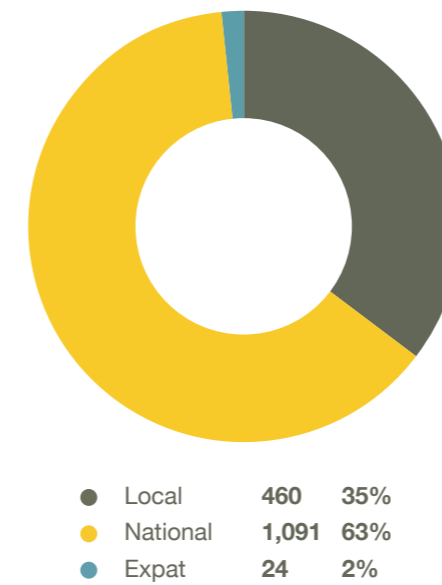


Figure 10: Construction of the Sulfide Plant Workforce (including contractors)

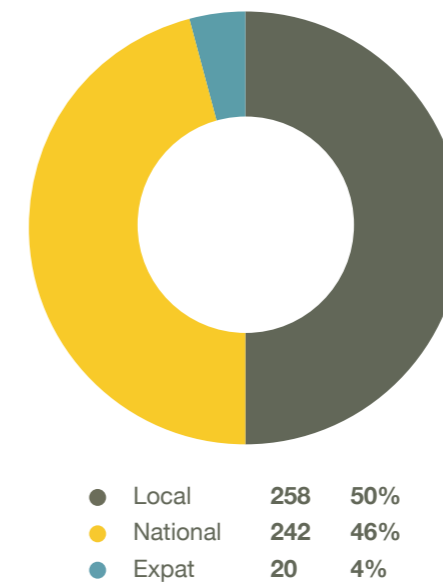


Figure 11: Total workforce (including contractors)

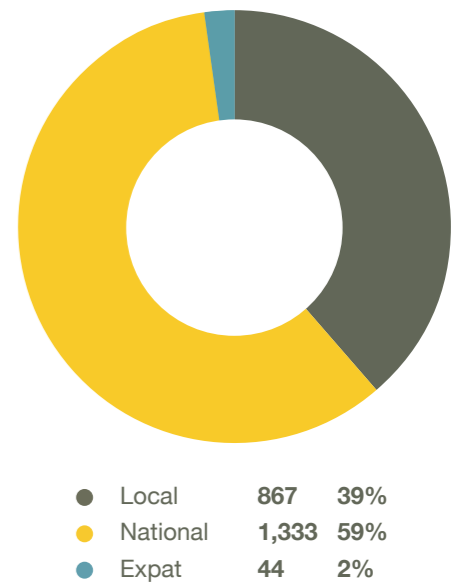


Figure 8: Total workforce (including head office, excluding contractors Çiftay)

Status	Ankara/HQ			Çöpler			Exploration			Total		
	Local	Nat	Expat	Local	Nat	Expat	Local	Nat	Expat	Local	Nat	Expat
Anagold HC	0	24	0	312	262	24	14	16	0	326	302	24
Operation Contractors	0	0	0	232	789	0	51	0	0	283	789	0
Çöpler Operation	0	24	0	544	1051	24	65	16	0	609	1091	24
Construction of the Sulfide Plant	0	0	0	258	242	20	0	0	0	258	242	20
Total Workforce	0	24	0	802	1293	44	65	16	0	867	1333	44



2.4 Training and staff development

With a total workforce of employees and contractors of approximately 2,139 people,* Alacer is a major employer in Eastern Turkey. We recognize that the successful achievement of our goals and ambitions hinges on the skill, commitment and dedication of our workforce.

Therefore, we invest heavily in training to ensure our workforce develop the skills needed to run a world-class gold mine and stay up-to-date with industry innovations and best practice. Our training programs are multifaceted and focus on technical training, leadership and business literacy, procedures and standards, as well as career development. The training department established in the last quarter of 2017 became fully operational during 2018. During 2018 we also built a new modern training center on site at Çöpler Mine.

In 2018, we provided formal training to all 652 of our direct employees, equating to 11,625 days of training. On average, all employees received approximately 17.6 days of formal training during 2018, representing a 220% increase from 2017.

Further to this we work hard to ensure that local skills are continuously being developed through our partnerships with national and international training providers and universities. In 2018 we provided 4,513 hours of skills training to the local community. This includes training 32 local community members on mechanical maintenance and 200 local community members on process plant operations.

Our focus on training is also an important part of our wider efforts to upskill and contribute to the development of the local community. Of the local community members trained during 2018, 39 people were hired for roles in the process plant and six were given mechanical maintenance roles. While the community training did help to deliver additional jobs for community members, the overarching goal is to provide the community with a range of skills and certification from recognized bodies to increase their overall employment opportunities – not just at the Mine.

* As of December 31, 2018

- **100% (662)**
of employees at our operations received some formal training during 2018.
- **17.6 days**
average training for employees, a
- ▲ **220%**
increase on 2017.
- ▲ **\$1.76m**
spent on training during 2018.
- **New**
training facilities capable of training up to 150 people completed at Çöpler.

2.5 Industrial relations

Freedom of association is encouraged by Alacer, and our workers have no restrictions on union representation. We estimate that more than 50% of the workforce at our Çöpler Mine are union members and have collective bargaining agreements in place.

We believe that transparent communication with workers and unions is critical to our on-going business success and invite union and worker representatives to attend on site Health, Safety, and Environment committee meetings. We have enjoyed positive industrial relations with the workforce at Çöpler and there were no instances of industrial action during 2018.

Case study

Opening up new opportunities for local women:

Nazli Keklik Cinkara

Nazli Keklik Cinkara is an acidulation process operator at Çöpler Mine's new Sulfide Plant. She grew up and still lives in Çöpler the village nearest the mine, and is one of 200 locals to receive technical training as part of our operational readiness and local development programs.

Nazli explains, "When I heard about the training opportunity, I was very excited. In my high school exams I won a place to attend Istanbul Technical University, but the city is far away and my family did not want me to go. I was working in a family business and I didn't believe there would ever be such an opportunity near my own village. I started training in August 2017 and in one year I learned about all parts of the mining process including mechanics, construction, ore processing and chemistry and health and safety. After a year I sat an exam and because I had a good result I was selected for a job in the acidulation department at the Sulfide plant."

Nazli is also one of 12 female operators in the Sulfide Plant, which is quite unusual in conservative Eastern Turkey. Nazli explains, "When I first started working, my family were not happy and didn't want me to work at the mine, and I think some of the men weren't sure. But I didn't care. I don't think working at a mine is a job just for a man, it is a job for anyone. And now the men see that women are hard working and can do anything too."

She continues, "I want to be a role model for other girls and women, so they know they can do anything. In a few years I am hopeful I will can have more training and to maybe work at another project with Anagold in a different part of Turkey, or even overseas. Anagold and Çöpler Mine is providing a lot of opportunities for our community to grow and learn like the training and the new social development fund. That will mean we can have lots of good jobs and opportunities here that aren't just mining – which is good because the mine won't be here forever."



2.6 Gender diversity

Alacer values diversity and is an equal opportunity employer. It is our belief that a workforce drawn from a range of backgrounds with differing values and experiences helps to deepen and strengthen our problem-solving skills, encourages innovation, and helps make us a more robust organization. Our approach to diversity is codified in our publicly available Diversity Policy.

The Policy commits us to provide:

- An environment in which all employees are treated with fairness and respect
- Equal access to opportunities – regardless of race, gender, sexual orientation and/or religious beliefs.

We have specific objectives in place to ensure that the candidate pools for any position available throughout the Company (including for the Board of Directors) are made up of a range of qualified and diverse candidates.

Our performance

Currently one of Alacer’s five non-executive directors is a woman. Approximately 60% of employees at Alacer’s head office (excluding the Executive Team) are women. There are no women on the five-person Executive Team. Overall 11% of all employees at Alacer (including the corporate office) are women.

- 20% female representation on the Board.
- 9% of employees at operational level are women.

We actively encourage women to apply for roles within our organization. However mining has traditionally been a male dominated industry and attracting women is an industry wide challenge. It is also an issue that comes into sharp focus in the generally conservative communities of Eastern Turkey where our flagship Çöpler Mine is located. However, our ambition is to increase the number of women we employ year-on-year.

In 2018 the Çöpler Mine:

- Had a workforce of 139 women (including 65 direct employees – 47% more than in 2017)
- 32 of the women are employed in the technically complex Sulfide Plant, the bulk of whom received training from Anagold as part of our operational readiness work.

Approximately 63% of the women employed are from the communities nearest the Mine.

We also strive to provide family friendly working policies to encourage women to join our workforce. For example, we redeploy pregnant women to less strenuous roles during their pregnancy. We manage shift schedules and rotas to ensure breast-feeding and mothers of young children do not work night shifts.

Alongside the employment opportunities provided by the Çöpler Mine and contractors. Alacer also supports a range of gender-focused initiatives that help to provide skills and economic independence for women in the communities nearest the mine. This includes:

- **The Çöpler village copper etching collective:** The collective has 26 members, and provides hand etched copper plates to a buyer outside Turkey. It has been featured on national and regional television. As part of our support to this initiative, we have provided the women with a range of small business skills training – including accountancy and marketing.
- **Greenhouses for agriculture:** We have provided demonstration greenhouses in which women can grow produce including tomatoes and cucumbers for commercial markets.
- **Educational scholarships:** We provide a number of educational scholarships to top performing high school students in the İliç district. In 2018 more than 50% (61/119) of the scholarships awarded were to girls.

- **Social Development Fund:** During 2018, we launched our new Social Development Fund. The fund aims to facilitate long term non-mine related economic opportunities for the communities impacted by the Çöpler Mine. Of the 167 applications for project funding received in 2018, 20% (33) were from women-led projects. We are still finalizing the projects to receive funding, and we expect to fund 30% of all applications received. We will report on some of the projects that received funding and their progress in future reports.

Figure 12: Total Workforce – Gender female (including contractors)

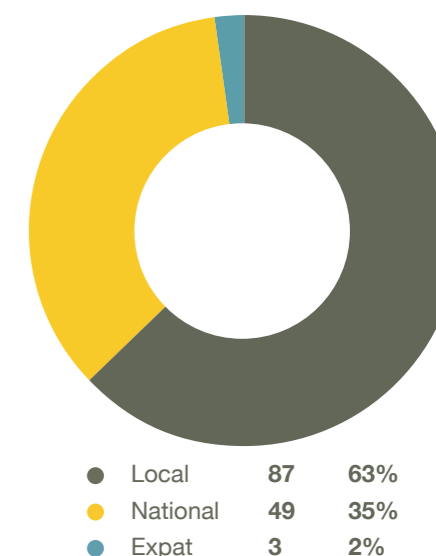


Figure 13: Female Staff Breakdown, 2018

Status	Ankara/HQ			Çöpler			Exploration			Total		
	Local	Nat	Expat	Local	Nat	Expat	Local	Nat	Expat	Local	Nat	Expat
Operation	0	9	0	25	22	3	0	0	0	25	31	3
Operation Contractor	0	0	0	18	6	0	0	0	0	18	6	0
Construction of the Sulfide Plant	0	0	0	0	6	0	0	0	0	0	6	0
Construction of the Sulfide Plant Contractor	0	0	0	44	6	0	0	0	0	44	6	0
Total Workforce	0	9	0	87	40	3	0	0	0	87	49	3



Chapter 3: Building strong local communities

3.1 Community relations

Our local communities are some of our most important partners when it comes to the viability of our operations. They provide us with a pool of talented and committed workers, competent and cost effective suppliers, and a secure operating environment for work to take place. In return, we seek to use our mines to catalyze sustainable development in education, healthcare, local economic development, and to contribute to local sports and cultural activities.

Our approach to community relations is set out in our comprehensive Community Relations Policy, and through a range of specialized procedures, including:

- A stakeholder engagement plan (SEP);
- A community health, safety and security plan (CHSSP);
- A cultural heritage management plan (CHMP); and
- Social risk assessments.

These policies and procedures guide our community relations activities, and are underpinned by a philosophy of open and transparent dialogue. All policies comply with the requirements of Turkish law and aim to align with international best practice including the IFC Performance Standards. The overarching aim of our community relations activities at Çöpler is to maximize the number of beneficiaries from settlements closest to our operations and to help develop sustainable long-term economic growth independent of the Mine. On site responsibility for community relations at Çöpler Mine resides with our External Affairs Department.

▲ **+\$3.5m**
of community investment
in 2018.

● **119 scholarships**
provided to local and vocational
high school students.

▲ **+\$31m**
goods and services procured
from our nearest local
suppliers in 2018.

▲ **+\$11.4m**
taxes and royalties paid to the
Turkish government in 2018.

One of the biggest developments this year has been the launch of the Çöpler Social Development Fund (SDF) – a new financial mechanism that aims to finance a range of sustainable community-led projects, which provide alternative (non-mine based) livelihoods to help diversify the local economy and reduce dependence on the Mine, as well as supporting social and community development projects based on the identified needs of the community. See the box on the opposite page for more details on this.

New fund builds long-term sustainable development into our community work

We want to ensure that every Lira we invest in local communities is fully accountable and works as hard as possible to maximize long-term sustainable economic development. That is why in 2018 we were delighted to launch the Çöpler Social Development Fund (SDF).

dedicated staff. Ultimately we aim for the community to take a more active role in the management of the fund over time as capacity is built. To ensure fair distribution of funding, recommendations are made by an external advisory committee, for final approval by Anagold.

The SDF is an innovative partnership between our Company and the community. It aims to provide financial support to community projects in areas such as agriculture, health education and support for disadvantaged groups. Projects are selected based on an agreed set of development priorities, which are reviewed and updated on a three-year basis through community consultation. All requests for SDF funding must also be from local community residents, i.e., representing “community pull” not “community push”.

One of the underlying aims of the fund is to help build a thriving local economy that supports the communities beyond the Mine.

Ultimately the goals of the SDF are to:

- Reduce community dependence on the mine and promote local economic development.
- Build local community capacity to help them derive more benefit from the mine.
- Revive, protect and promote traditional customs and practices.
- Ensure that community development projects are a hand up rather than a hand out.

SDF funding is provided via a production levee, which links funding to the success of the operation, and under the terms of the fund Anagold contributes \$2 per ounce of gold produced by the Çöpler Mine to the fund. To help build entrepreneurialism and shared responsibility, all applicants must also contribute towards each project via a combination of financial co-commitments and in-kind support. The fund has a comprehensive governance framework in place and is managed by a team of six

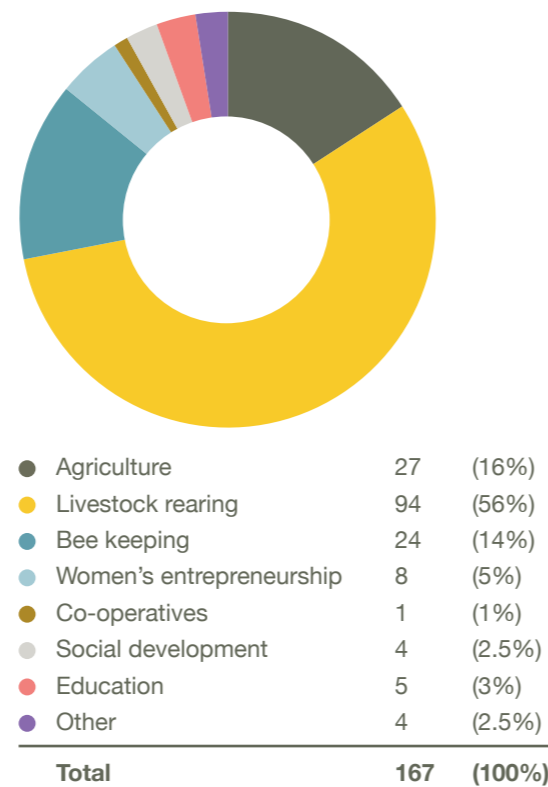


Our performance

Our External Affairs Department continued to regularly engage with a range of community representatives throughout 2018. During 2018 we carried out 1,013 community engagements. We also invested more than \$3.5 million in community development projects during 2018, including \$430,000 for four heavy trucks for the İliç municipality, \$460,000 for road repairs, and rehabilitation work near Sarbirlı village. We also provided 119 academic scholarships to local high school, vocational high school and university students in 2018.

The newly launched SDF has received 167 applications for funding from community members so far, with 20% of the applications received from women. Applications fell into a range of categories, as detailed in the pie chart below. More than 30% of the received applications are likely to receive support under the SDF, and a selection of projects will be reported in our 2019 sustainability report.

Figure 14: SDF applications by project type (including contractors)



3.2 Our supply chain

Alacer's approach to supply chain and procurement is underpinned by two key drivers. The first is a need to ensure the steady and secure supply of high quality products and materials needed for our Çöpler Mine to continue to operate. The second is to utilize our purchasing capacity to foster thriving local economies around our operations. Where skills are lacking we aim to train local suppliers to build the necessary base.

We have a preferential procurement policy in place that commits us to sourcing goods and services from local companies and contractors to the extent possible. We have a target for at least 6% of procurement spend to come from businesses based in the towns and villages closest to the Mine or the wider local district. This practice not only helps to foster a diverse and thriving local economy around our operations, it is also part of maintaining our social license to operate, and drives improvement in sustainability standards in the local region and beyond.

All our suppliers are expected to respect our sustainability-related policies, and follow a set of minimum standards for responsible business conduct. All supply contracts contain anti-bribery and corruption provisions, and pre-qualification checks, including financial records and reference checks are undertaken prior to any contract being signed. We require all of our critical suppliers to be certified to the relevant industry best practice standards such as the International Cyanide Code, and they must provide evidence of their health and safety and emergency response plans.

We ensure that the onward distribution of our product is responsible and it is part of our contract with the Istanbul Gold Refinery (IGR) that they have an effective responsible gold policy in place.

Our performance

During 2018 we purchased about \$10.5 million worth of goods and services from the local communities closest to the Çöpler Mine, and with the Sulfide Plant contractor spend this figure almost tripled to \$31 million.

3.3 Respecting human rights

Alacer is committed to respecting and upholding the human rights of people affected by our operations. This commitment is preserved at policy level in our Community Relations Policy, which includes a commitment to respect and uphold fundamental human rights and the related culture, customs and values in dealing with those affected by the Company's activities.

Our Community Relations Policy is a critical part of employee and contractor induction training. All members of our security department and contractors receive specialist training in 'Security Work and Human Rights' which includes the Voluntary Principles on Security and Human Rights. All private security staff at Çöpler Mine are also carefully vetted and trained to ensure that their practices and behaviors are aligned with the Voluntary Principles on Human Rights and Security.

Chapter 4: Building robust environmental management practices

It is fundamental to Alacer's business to ensure we manage and minimize our impacts on the environment and leave behind no long-term environmental liabilities. Our aim is to use best available technologies and practices to maintain world-class environmental management standards across our operations.

From construction to closure we integrate environmental considerations into the design and decisions of every stage of the mine lifecycle. For example, as part of project feasibility studies we conduct in-depth Environmental and Social Impact Assessments (ESIAs) to understand the environmental risks associated with that project. Should a project move to construction and operation, the results of the ESIA are used to develop a site-specific Environmental and Social Management Plan (ESMP) in accordance with in-country legislation and the IFC Performance Standards.

The Çöpler Mine's Environmental Management System (EMS) is certified to the international ISO 14001: 2015 best practice standard, and is externally audited for compliance. The last external audit occurred in November 2018 and was completed successfully.

- **Zero** reportable environmental incidents.
- ▼ **51%** decrease in total environmental incidents, and
- ▼ **22%** decrease in spills.
- **Closed loop system** designed to maximize water recycling used.

4.1 Environmental incidents

The simplest way we monitor our environmental performance is by tracking the number of environmental incidents, which occur as a result of our activities each year. We classify environmental incidents on a five-level scale of consequence:

- **Level 1:** Localized impact within an existing disturbance that does not cause disruption to operations.
- **Level 2:** Confined and short-term impact area within the mine site. Reportable to external authorities but no penalties are applicable.
- **Level 3:** Medium-term impact affecting a localized area not previously impacted. Reportable incident and/or minor breach of license conditions resulting in minor infringement or fine.
- **Level 4:** Long-term impact over an extensive area that may last 12 months or more, partial shutdown of operations.
- **Level 5:** Major incident resulting in loss/suspension of operating license.

Our goal at Çöpler Mine is to have zero reportable (level two or above) incidents each year.

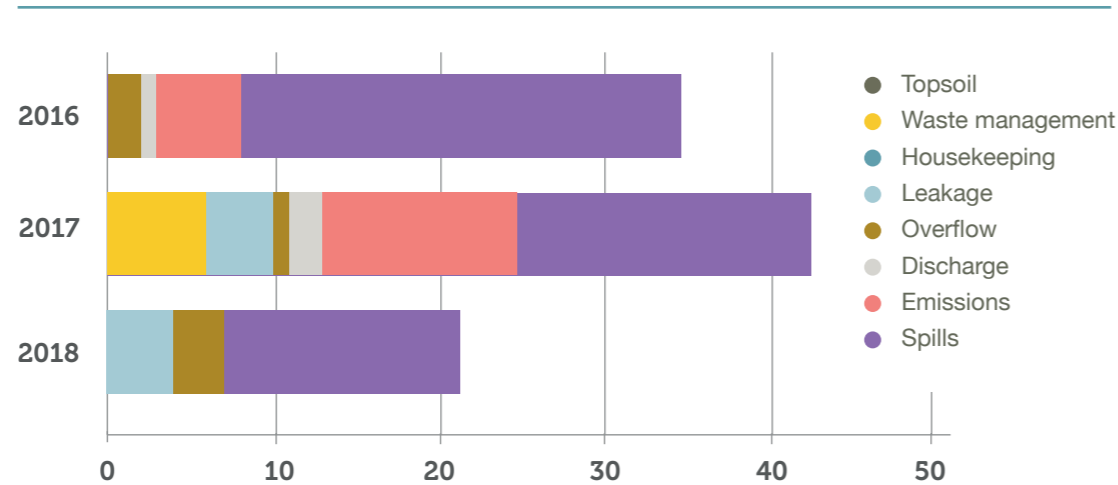
Figure 15: Environmental incidents by level of classification severity

	2018	2017	2016
Level 1	21	43	34
Level 2	0	0	1
Level 3	0	0	0
Level 4	0	0	0
Level 5	0	0	0
Total	21	43	35

As shown in the table above, we reduced our total environmental incidents by more than 50% during 2018. We attribute the reduction in environmental incidents in part to the introduction of frequent environmental inspections across all parts of our operations. During 2018 we completed 215 planned separate environmental inspections at Çöpler Mine. We also attribute the decline in the number of environmental incidents to the

improving environmental risk awareness among our employees. This is reflected by a 92% increase in the number of environmental hazards reported in 2018. We believe environmental hazard reporting can provide a valuable early warning system that highlight areas for attention, trigger corrective actions and help to prevent significant incidents from occurring.

Figure 16: Environmental incidents by type



4.2 Energy and emissions

Climate change is an increasingly important challenge for businesses and communities globally, and in 2017, the World Economic Forum rated “failure of climate-change mitigation and adaptation” as one of the top five risks facing the world. This is important for gold mines as the process requires large amounts of energy to be able to produce gold, and energy is one of a mine’s most material costs. As large energy consumers, gold mines also tend to be a significant source of greenhouse gas emissions.

Çöpler Mine is adjacent to the Bağıştaş hydropower stations. The Bağıştaş hydro station is part of the Turkish national grid and produces more than three times the power required by Çöpler operations. Approximately 41% of Turkey’s national grid capacity comes from hydropower stations.*

Hydro-electricity is one of the cleanest forms of energy available in terms of greenhouse gas emissions, and a significant proportion of our emissions are from the direct mining operations such as emissions from the haul trucks, excavators and drills.

Our performance

As shown in Figure 17, our total electricity use increased 88% during 2018; this is largely due to continuing construction and start up of the Sulfide Plant. We expect our

Figure 17: Annual electricity use kWh

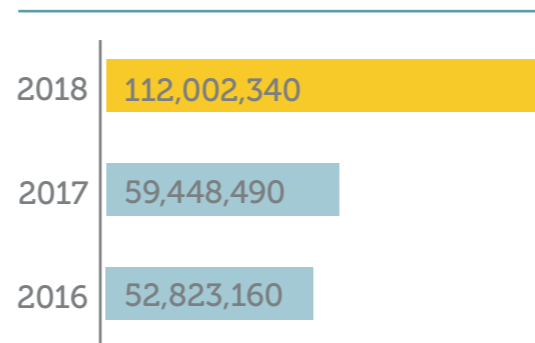
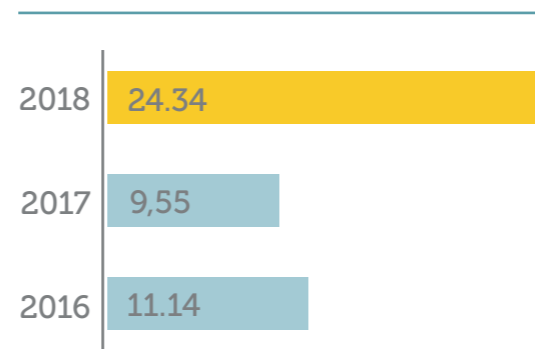
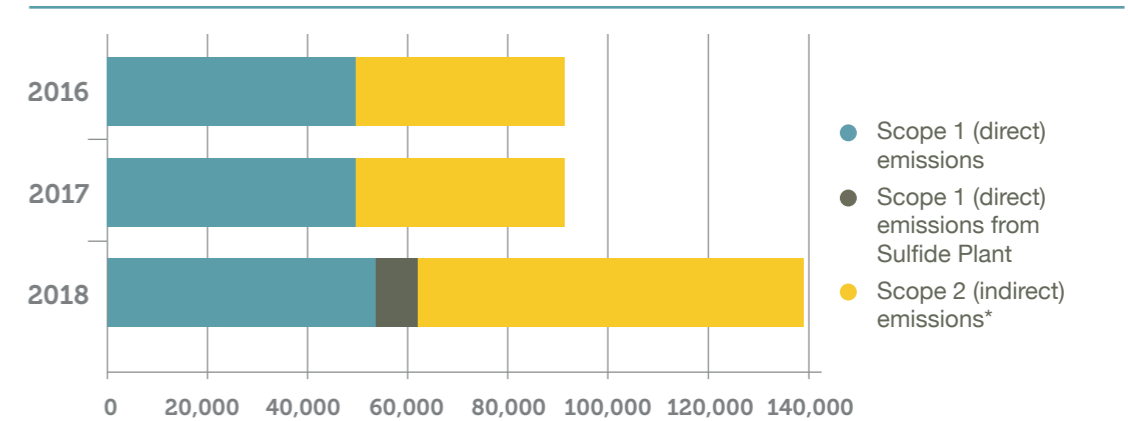


Figure 18: Energy efficiency per tonne processed



* http://www.geni.org/globalenergy/library/national_energy_grid/turkey/country_overview.shtml

Figure 19: Scope 1 & 2 emissions tonnes CO₂-e



* Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.

electricity use to increase further during 2019 as we work to ramp up and ultimately optimize production through the Sulfide Plant. Alongside an increase in overall electricity use our electricity efficiency declined during 2018 to 24.34 kWh per tonne processed.

As 2019 will be the first full year of operation for the Sulfide Plant, it will provide us with a valuable baseline for our electricity use and electricity efficiency. The treatment of the sulfide ore requires a more energy and CO₂ intensive process than the oxide ore processing that was previously the only ore treated at Çöpler. Once we have determined our baseline electricity draw and efficiency, we plan to set total emissions and emissions intensity targets that will help optimize plant performance and identify valuable long-term cost savings for the Company.

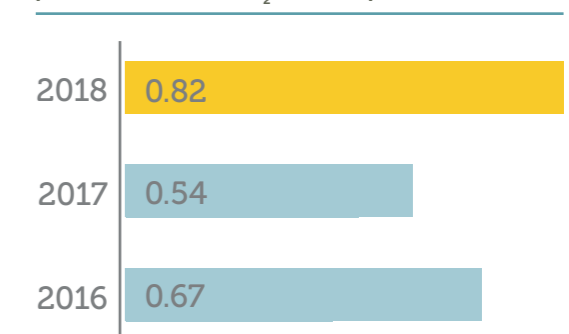
As illustrated in Figure 19 our total emissions increased 85% during 2018. We attribute the increase largely to the additional electricity required for the construction and start up of the Sulfide Plant and as shown in the graph above, our scope two emissions – those associated with purchased electricity – increased by almost 47% during 2018. Our direct emissions also increased by more than 4,000 tonnes or about 8% during the year. This increase is also linked to the construction and start up of the Sulfide

Plant, which as shown below contributed almost 8,500 tonnes of CO₂-e or 6% of our total emissions during the year.

Similarly, our emissions intensity per ounce of gold produced increased during 2018, but we expect our overall emissions intensity to stabilize during 2019 as production from the Sulfide Plant plateaus.

Again as 2019 will be the first full year of operation for the Sulfide Plant, it will provide us with a valuable baseline for our carbon emissions and emission intensity. Once we have determined our baseline emissions, we plan to set total emissions and emission intensity targets. As part of our commitment to transparent disclosure, we plan to respond to the CDP carbon questionnaire in 2019.

Figure 20: Emissions intensity per ounce of gold produced – tonnes CO₂-e/ounce produced



4.3 Managing water risk

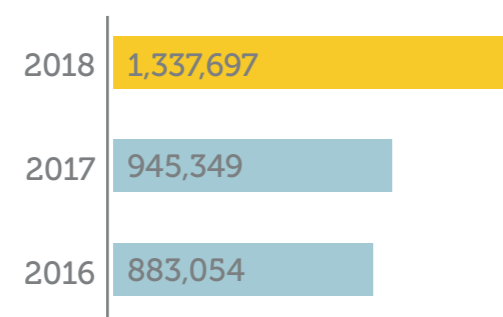
From the pit to the plant all aspects of the gold mining process rely on a constant and steady supply of water to function effectively. Alacer is well aware of the vital importance of managing water responsibly, as it becomes an increasingly scarce resource worldwide.

The Çöpler Mine is located in a high desert region near the Euphrates River in Eastern Turkey. The area is subject to water scarcity. Alacer's water management strategy is to use water as efficiently as possible and to only draw as much as needed and allowed within permit limits, to reduce any potential negative impacts on other local users. Our water use is governed by strict permitting rules regarding abstraction and discharge under Turkish regulations. We work to stay well within our permitted limits and to ensure our water use does not negatively impact access to, or the quality of, water available for our local communities. All the water we abstract for use at Çöpler Mine is ground water.

Our performance

During 2018 we abstracted a total of 1,337,697m³, which represents an almost 42% increase on 2017, but remained well within our permitted limits. This increase is largely due to raised production and to the startup of the Sulfide Plant.

Figure 21: Total fresh water offtake at Çöpler (m³)

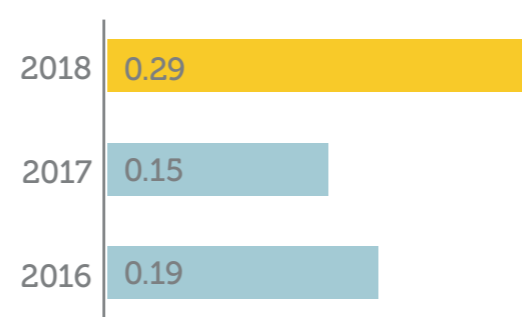


Our total water use increased in 2018, this is largely attributable to the start up of the more water intensive Sulfide Plant operations. This year (2019) will be the first full year of operation for the Sulfide Plant, and thus will help us to establish a baseline for our total water use and water efficiency. One of our key focuses during 2019 is to set water use targets to help drive efficient use of water throughout the plant and site.

The Çöpler Mine does not discharge any process water back into the environment. Our heap leach operations utilize closed loop cycles to maximize the recycling of process water. Any water from Sulfide Plant operations reporting tailings storage facility (TSF) or natural run off into the TSF area is collected and pumped back to the process plant for reuse. This helps to minimize the quantity of water we need to abstract and eliminates the need to discharge back into the environment.

We regularly monitor the quality of ground water and surface water on and off site, to ensure our activities do not negatively impact water supply for other users. We also plan to respond to the CDP water questionnaire for the first time in 2019.

Figure 22: Total water use efficiency m³/tonnes ore mined



4.4 Waste management

The gold mining process generates significant streams of waste. The bulk of the waste created by gold mining is waste rock, however other waste streams can include chemical reagents packaging, waste oils and domestic wastes from admin areas and worker accommodation.

Alacer has a detailed and sound waste management plan in place at Çöpler Mine to ensure that all waste – whether hazardous or non-hazardous is reduced and dealt with in a safe and responsible manner. Our waste management plans are underpinned by our goal to reduce the amount of waste generated and to maximize the proportion of waste sent for recycling in compliance with the principles of waste management hierarchy set out below. Ensuring all waste is responsibly dealt with is crucial to protecting the health of the local environment and our impacted communities.

All of the waste rock created by the Çöpler Mine is carefully disposed of in engineered waste rock dumps. The design and management of all waste rock dumps

is overseen by our geotechnical engineers to ensure they have safe slope angles and maximum structural stability, and thus meet the requirements of Turkish national regulations and the IFC Performance Standards.

Figure 23: Waste management hierarchy



Figure 24: Waste management hierarchy

	Type of waste	2018	2017	2016
	Waste rock	24,175,386	28,765,583	28,846,108
	Hazardous waste	941	652	324
Recycled	Hazardous	888	595	270
	Recyclable scraps	629	441	388
Waste to disposal	Hazardous	54	57	54
	Domestic	Unknown	Unknown	Unknown

4.5 Hazardous chemicals and waste

We take extra care to ensure the hazardous waste from the Çöpler Mine is handled and disposed of in the appropriate manner and in line with international best practice standards. Çöpler Mine has a hazardous waste management system integrated with the non-mining waste management system. All of the hazardous wastes are collected separately, stored properly at the temporary waste storage area, labeled correctly, and sent to licensed disposal facilities for disposal with licensed waste carrier companies.

Cyanide management

The use of cyanide is a critical part of the gold mining process. Alacer's use of cyanide is governed both by the requirements of Turkish national laws and regulations, and aligned with industry best practice. All employees and contractors who handle, transport or dispose of cyanide receive specialized training in cyanide handling, and we require all our suppliers to be certified to the International Cyanide Code.



4.6 Tailings management

The TSF at Çöpler Mine is a downstream mass filled dam, and became fully operational during the final quarter of 2018 with the startup of the Sulfide Plant.

Critically aware of the importance of sound TSF design and management, the technical specifications for the construction of the Çöpler TSF also conform with both Turkish national requirements and accepted good practice standards for tailings facilities, including; World Bank Standards, Canadian Dam Association Safety guidelines, and Mining Association of Canada (MAC) Guide to the Management of Tailings Facilities.

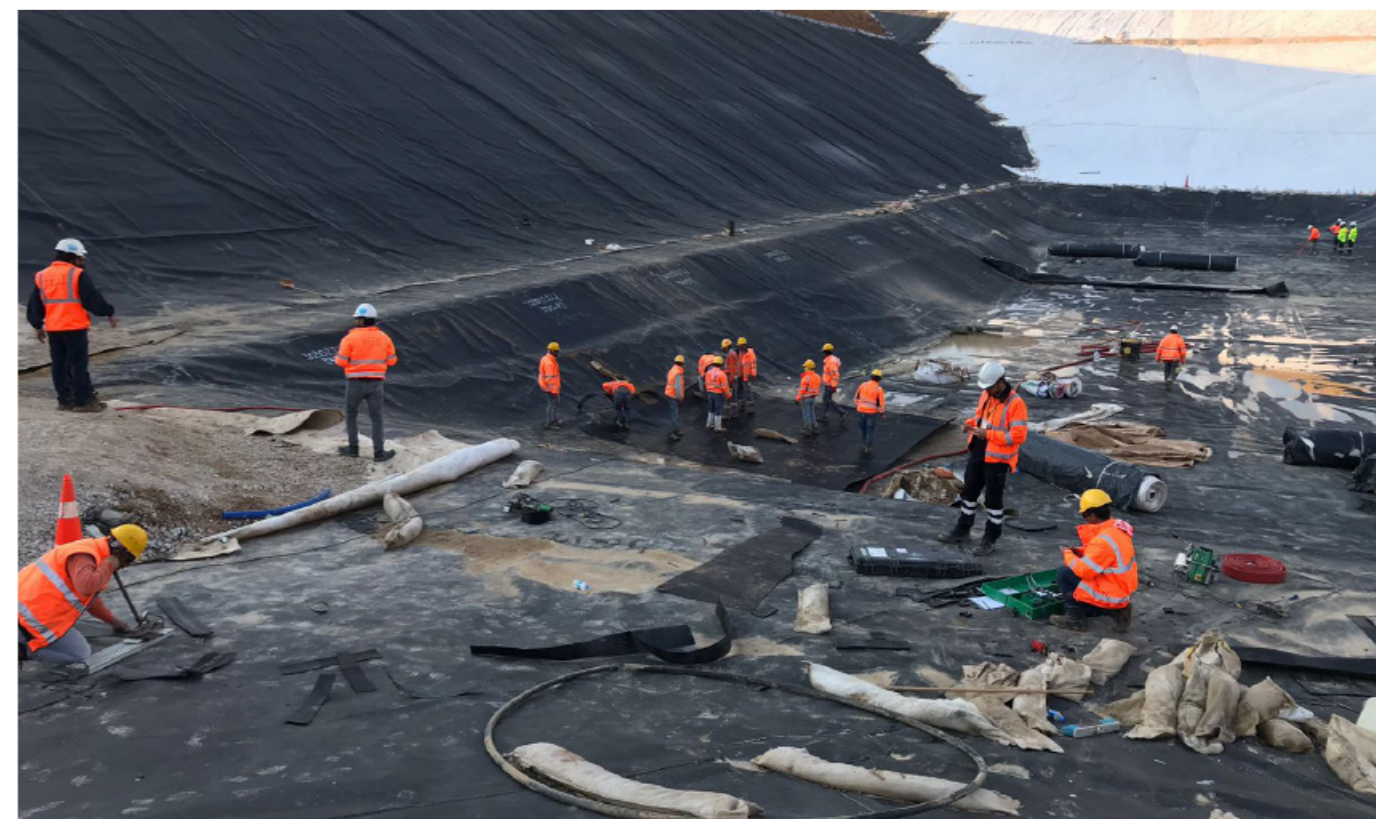
The Çöpler Mine TSF was designed to withstand significant earthquakes up to a magnitude of 7.5 on the Richter scale, and modelling showed that even in the most severe seismic event the wall will heave with minimal risk of altering facility location or strength.

There are no communities living directly downstream. Further to this the Çöpler TSF was designed to meet the best in class requirements for Class-I (hazardous) waste, though all tailings are classified Class-II

(non-hazardous). We use vibrating wire piezometers, embankment crest prisms and accelerographs to monitor embankment settlement, movement and stability.

In addition to stability designs and monitoring we also have three groundwater monitoring wells in place both above and below the Çöpler TSF, to monitor for signs of groundwater contamination.

The TSF is inspected daily for signs of stress or damage by members of our process department. Details of each inspection are recorded in daily tailings logs, which are reviewed by the process manager. Members of our HSSER team also inspect the TSF monthly, and it is also subject to fortnightly external official audits by the Erzinçan Provincial Environmental Directorate. The authorized hydraulic structures inspection company, Hidro Dizayn, is on site during construction at all times, on behalf of the Ministry of Environment and Urbanization of the Turkish Republic. The TSF design and engineering consultant is also on site during construction to ensure quality and conformance to design.



4.7 Biodiversity

Careful management and maintenance of the flora and fauna on or near our operations and exploration site is an important part of Alacer's commitment to responsible environmental stewardship.

We undertook baseline biodiversity studies as part of the environmental impact assessment process during the feasibility stage of any project or expansion. These studies record the full range of biodiversity present on site, and are the basis for each site's Biodiversity Action Plan and closure plans to ensure that impacted ecosystems are restored to their original state (or as close as possible) at the time of closure. Both the Çöpler Mine and its associated tailings storage facility (TSF) have detailed Biodiversity Action Plans in place. We also conduct biodiversity monitoring studies each quarter with experts. These studies also include translocation of the vulnerable species if necessary. We follow a policy of concurrent rehabilitation throughout mine life and in 2018 we planted 1,316 indigenous trees, and collected 5,000 Oak acorns for propagation at the nursery on site at Çöpler. The acorns will ultimately use in future restoration work. During the year we also provided 1,000 saplings to employees and some contractors as gifts for world environment day.

4.8 Air quality

Dust is generated across many parts of mine operations, including, blasting, crushing and milling and the movement of large vehicles on haul roads. Air quality and the presence of dust is an important factor for our local communities and workers. High levels of dust in the air, for example, can cause discomfort for people and livestock – including breathing issues. Therefore ensuring we manage air quality for our workers and communities is an important part of our environmental management.

Alacer has put in place a dust management plan at Çöpler Mine to minimize the levels of dust in the air and ensure they fall within Turkish and IFC guideline limits. To monitor dust levels at Çöpler Mine and in local communities, we have a number of monitoring stations across site and in the local communities. These stations record levels of airborne particulate matter and dust fall out. The results from the monitoring stations are reported to the relevant national authorities, and to local communities. Turkey's EU harmonization process means that they will adopt EU standards and targets.

In order to suppress dust across site and throughout our local communities, we regularly deploy trucks to spray water on the most heavily used roads and the haul road. Through out 2018 we also trialed the application of dust suppressant on some site roads to suppress dust, the trial proved very successful and we plan to expand the use of dust suppressant during 2019.



We welcome feedback on this sustainability report and the activities described within. Please direct any queries or feedback to info@alacergold.com



ALACER GOLD

GRI Content Index 2018

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational Profile	
	102-1 Name of the organization	Alacer Gold Corporation
	102-2 Activities, brands, products, and services	Gold mining
	102-3 Location of headquarters	Denver, Colorado, United States
	102-4 Location of operations	Turkey
	102-5 Ownership and legal form	Alacer is a Canadian company incorporated in the Yukon Territory with its primary listing on the Toronto Stock Exchange. The Company also has a secondary listing on the Australian Securities Exchange where CHES Depository Interests ("CDIs") trade.
	102-6 Markets served	See scope and boundary of this report, p.6
	102-7 Scale of the organization	For total number of people see 'Workforce table' p.24 * Total operations - see scope and boundary of this report, p.3 - Net revenues & total capitalisation – see http://www.alacergold.com/docs/default-source/Regulatory-Filings/2018-q4-fs-final.pdf?sfvrsn=6
	102-8 Information on employees and other workers	p.24
	102-9 Supply chain	p.33
	102-10 Significant changes to the organization and its supply chain	No significant changes during 2018.
	102-11 Precautionary Principle or approach	We address the precautionary principles by conducting full environmental and social impact assessments (ESIAs) before any project commences, through our risk assessments on site, which include sustainability risk, and through our Board-level strategic planning.
	102-12 External initiatives	p.13-14
	102-13 Membership of associations	The only association to which Alacer holds member is the NACD.
	Strategy	
	102-14 Statement from senior decision-maker	p.3
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	p.13-14
	Governance	
	102-18 Governance structure	p.12
	Stakeholder engagement	
	102-40 List of stakeholder groups	p.16
	102-41 Collective bargaining agreements	p.26
	102-42 Identifying and selecting stakeholders	p.16
	102-43 Approach to stakeholder engagement	p.16-17
	102-44 Key topics and concerns raised	p.16-17
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	The full list of entities included in the Consolidated financial statements is available at http://www.alacergold.com/docs/default-source/Regulatory-Filings/2018-q4-fs-final.pdf?sfvrsn=6
	102-46 Defining report content and topic boundaries	p.6 and p.17
	102-47 List of material topics	p.17
	102-48 Restatements of information	No material restatements.
	102-49 Changes in reporting	During 2018 we changed the way we report energy and water efficiency from ounces of gold produced to tonnes of processed basis. As we believe it provides a more accurate picture of our performance.
102-50 Reporting period	01 January - 31 December 2018	
102-51 Date of most recent report	07 August 2018	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	Geoff Smith, Head of HSSER – geoff.smith@alacergold.com , or Can Serdar Hasturk – Chief of Environment – Operations and Sustainability – serdar.hasturk@alacergold.com	
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	
102-55 GRI content index	Produced as appendix to the Annual report and included in the standalone sustainability report.	
102-56 External assurance	This report has not been externally assured. External assurance may be considered for future reports.	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 200 Economic Standard Series		
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.14
	103-2 The management approach and its components	p.12-14
	103-3 Evaluation of the management approach	p.14
GRI 205: Anti corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p.14, 33 – Alacer's anti-bribery policies are taught to all staff as part of induction training, and all employees receive regular refresher training. Anti-bribery and corruption provisions are also included in all supply agreements.
Market Presence including local & national employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.24-25
	103-2 The management approach and its components	p.24-25
	103-3 Evaluation of the management approach	p.24-25
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	p.24-25
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.30-33
	103-2 The management approach and its components	p.30-33
	103-3 Evaluation of the management approach	p.30-33
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	p.30-33
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.33
	103-2 The management approach and its components	p.33
	103-3 Evaluation of the management approach	p.33
GRI 204: Procurement Practices 2016	204-1 Portion of spending on local suppliers	p.8-9 & 33
GRI 300 Environmental Standards Series		
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.34-35
	103-2 The management approach and its components	p.34-35
	103-3 Evaluation of the management approach	p.34-35
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	p.34-35
GRI 400 Social Standards Series		
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.19-23
	103-2 The management approach and its components	p.19-23
	103-3 Evaluation of the management approach	p.19-23
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p.22
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	p.26
	103-2 The management approach and its components	p.26
	103-3 Evaluation of the management approach	p.26
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p.26