

Building gold standards in sustainability

Alacer Gold

Sustainability Report 2017



ALACER GOLD

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Foreword



Rodney P. Antal

It has been a year of significant progress across Alacer, nowhere more so than at our Çöpler mine in Eastern Turkey. From the pit to the plant sustainability considerations have remained central to every decision we make.

There has been progress that we can see and feel with the gathering pace of construction of the Çöpler Sulfide Expansion Project (CSEP). We are proud to report zero lost time injuries and a 42% decrease in our total recordable frequency rate (TRIFR). A remarkable achievement in a year when the number of people on-site swelled to over 3,000 and overall total hours worked increased.

There has also been progress in the equally important but less tangible areas of sustainability management, including community relations and development. We have continued to foster a strong and mutually beneficial partnership with the communities around our mine. The year saw us invest in projects such as the new water depot for Çöpler village, and provide 114 academic scholarships for local students of all ages. Perhaps most crucially we also worked with the local community to develop a new sustainable development fund which will be launched in 2018. The fund aims to ensure the economic benefits created by Çöpler reach all parts of the community, and that sustainable development remains at the heart of what we do.

Further afield, our positive impacts continued to be felt in the wider Turkish economy too with Alacer sourcing more than \$256 million of goods and services from Turkish companies in 2017.

Such partnerships have continued to be critical to our success. As part of our ambition to drive up local skills. Last year not only saw a 5.5% increase in the average formal training received by each employee, we also established an independent training department at Çöpler that will help to up-skill local people and increase access to employment opportunities not only within our business but across wider Turkey.

On the environmental side, in 2017 we updated certification of Çöpler Mine to the international ISO14001: 2015 standard, and compiled a new environmental Management Plan for the mine. This helped us achieve a record of zero recordable environmental incidents on-site throughout the year.

Our progress also brings a range of future challenges. In 2018 the further development of the CSEP will bring new operational requirements, and we will also continue to face the challenge of building local capacity and ensuring that economic benefits are equitably distributed throughout local communities.

I believe that the progress this year on sustainability not only speaks volumes about our people and the sustainability structures we are implementing, it puts us on good ground for the challenges ahead. Ensuring that we meet our deep commitment to environmental, health and safety performance will remain critical to the on-going operational success and growth of our company. It is a challenge we look forward to meeting.

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

Sustainability highlights 2017

42%

decrease in total recordable injury
frequency rate (TRIFR)

Zero

lost time injuries (LTIs) and

100%

decrease in lost time injury
frequency rate (LTIFR)

326%

increase in serious potential
incident reporting

**Specialist training
department**

established at Çöpler Mine

+\$1,844,000

spent on employee training in 2017



5.6 days

average training per employee,
a 5.5% increase on 2016.

+\$1.6m

invested in community
development projects

+ \$51m

spent on suppliers in communities
closest to Çöpler Mine

More than 1/4 bn

total procurement spend in Turkey

114 academic scholarships

provided to local high school
and university students

Zero

reportable environmental incidents in 2017

About Alacer and this report

Alacer Gold (Alacer) is a leading intermediate gold mining company, with an 80% interest in the world-class Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. (“Anagold”), and the remaining 20% owned by Lidya Madencilik Sanayi ve Ticaret A.S. (“Lidya Mining”). The Corporation’s primary focus is to leverage its cornerstone Çöpler Mine and strong balance sheet to maximize portfolio value, maximize free cash flow, minimize project risk, and thereby maximize value for shareholders.

The Çöpler Mine is an epithermal gold deposit located in central eastern Turkey in the Erzincan Province. The mine is approximately 1,100 kilometers southeast from Istanbul, 550 kilometers east from Ankara, Turkey’s capital city, and 120 kilometers southwest of the city of Erzincan. Alacer is actively pursuing initiatives to enhance value beyond the current mine plan. These include:

- **Çöpler Oxide Production Optimization** – Expansion of the existing heap leach pad capacity to 58 million tonnes continues in preparation for the addition of oxide ore from Çakmaktepe reserves expected in Q4 2018, pending approval of the revised Çakmaktepe Environmental Impact Assessment (EIA) and operating permits. The Corporation continues to evaluate opportunities to extend oxide production beyond the current reserves, with in-pit exploration, Çöpler District exploration and evaluating options to increase heap leach pad capacity, including potential for a new heap leach pad site to the west of the Çöpler Mine.
- **Çöpler Sulfide Expansion Project** – The Sulfide Project construction is more than 85% complete with operational readiness well progressed. Additionally, the Project is under budget, and on schedule for start-up in third quarter 2018. The Sulfide Project is expected to deliver long-term growth with robust financial returns and adds 20 years of production at Çöpler Mine. The Sulfide Project will bring Çöpler’s remaining life-of-mine gold production to approximately 4 million ounces at All-in Sustaining Costs averaging \$645 per ounce.

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 systematic and focused exploration efforts in the Çöpler District, as well as in other regions of Turkey, are progressing well. In February 2018, the Corporation announced additional positive drilling results at Ardich (formerly known as Çakmaktepe Far North) within the Çöpler District. The Çöpler District remains the focus, with the goal of continuing to grow oxide resources to deliver production utilizing the existing Çöpler infrastructure. In the other regions of Turkey, targeted exploration work continues, and work on the Definitive Feasibility Study for the Gediktepe Project is expected to be in 2018.

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

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1. Detailed information, including complete drill hole data, can be found in the press release entitled “Alacer Announced Additional Positive Drilling Results for the Çöpler District including 67.7 Meters at 4.08 Grams per Tonne Gold Near Surface” (the “Ardich Update”), filed on February 26, 2018, which is 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,” dated September 13, 2016, available on www.sedar.com and on www.asx.com.au.

Scope and boundary of this report

This report aims to highlight how we manage sustainability in our business and some of our 2017 achievements. The report is produced to be 'In Accordance – Core' with the internationally-recognized 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, 2017 - December 31, 2017.

Sustainability is of growing importance to our local communities and all stakeholders, whether they are local people, global shareholders or our employees. We want to use the reporting process as 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.

Operations map



Sustainability snapshot 2017







	2015	2016
Safety		
Total recordable injury frequency rate (TRIFR) per million hours worked.	3.03	3.21
Lost time injury frequency rate (LTIFR) per million hours worked.	0	0.51
Environment		
Environmental incidents.	0	0
Community		
Community grievance resolution.	100%	83%
Local procurement spend.	8.7%	10%
Human resources		
Average hours training.	5.13 days	5.31 days
% of locals employed. ³	Unskilled: 47.6% from zone 1, 95.2% from zone 1 & 2. Semi-skilled: 97.6% from zones 1&2. Skilled: 95.8% 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.

3. This refers to Coper oxide operations, and does not include CSEP or contractors.

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

5. In overall \$ terms local procurement spend in 2017 was 11% more than 2016.

6. Zone 1 includes Çöpler, Sabırlı, Yakuplu, Bağıtaş, Ortatepe

2017	Performance	Target for 2017
2.03		Below 3.97
0		Below 0.43
0		Zero major - category 4 or above environmental incidents.
92%		To resolve 100% of grievances registered through our grievance mechanism.
6.65%		To spend 6% of total procurement spend with suppliers from communities closest to the mine. ⁵
5.6 days		To provide sufficient formal training to ensure we have the full range of skills required to run a world-class gold mining company.
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.	 ⁴	For: <ul style="list-style-type: none"> • 90% of unskilled workers to be from zone 1.⁶ • 80% of semi skilled from zone 1 & 2.⁷ • 80% of skilled employees from Turkey.

7. 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

Oxide ore

Open pit mining
Ore is extracted from 3 open pits on site.

Crushing

Ore is crushed to optimal size for processing.

Agglomeration

Cement is added to crushed ore to bind small particles and ensure the pH of the heap.

Heap leach

Agglomerated ore is placed on a lined heap. Sodium cyanide solution is applied to the heap to separate the gold from the ore.

Processing

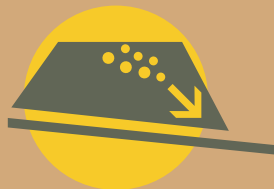
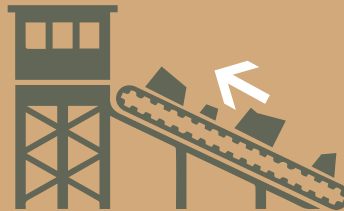
Leachate from the heap is processed using carbon in column screens, elution, electrowinning and retorting, and then melted into doré.

Carbon and chemical regeneration

Carbon is regenerated through acid washing and reactivated in a kiln. Copper is also separated from ore in the heap leach process and removed from the leachate using a sulfidization-acidification process, the process also regenerates the cyanide for reuse.

Doré

A combined gold & silver doré for sale. In 2017 we produced 168,163 oz of gold. Production guidance for 2018 is 120,000 - 190,000 oz.



Sulphide ore

Crushing

Ore is crushed into small enough size for grinding and milling.

Grinding & milling

Crushed ore is ground and milled into fine powder and water added to create a slurry for processing.

Thickening & acidulation

The slurry is thickened, before being conditioned with sulphuric acid. Sulphuric acid removes carbonate material from the slurry and readies it for the autoclaves.

Autoclaves

Conditioned slurry is heated with steam and then pumped to the autoclaves where pure oxygen is added and pressurized to oxidize the sulphide minerals in the slurry. The oxidation process runs at 220 degrees celsius and pressure of 3150 kpa.

Processing

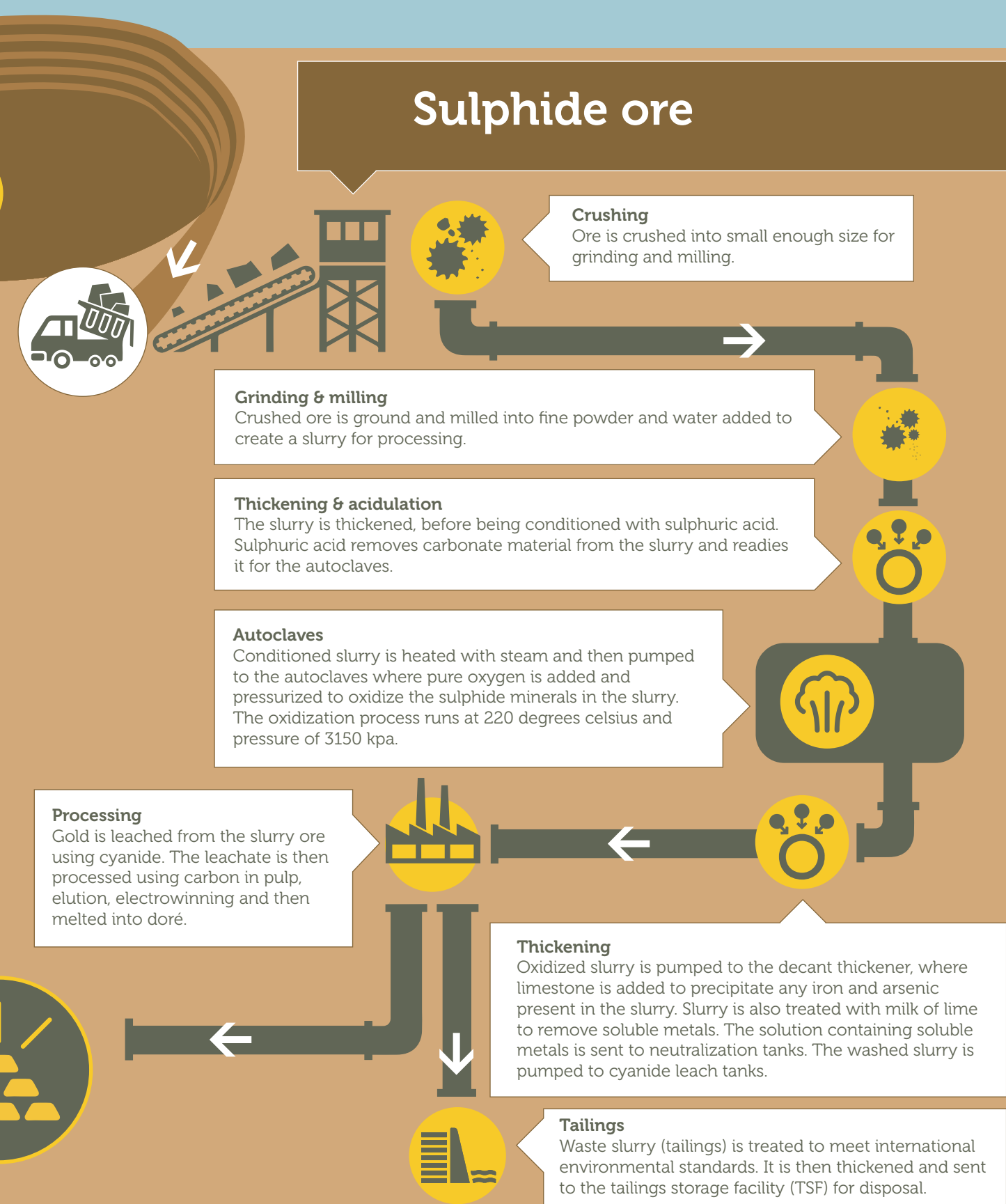
Gold is leached from the slurry ore using cyanide. The leachate is then processed using carbon in pulp, elution, electrowinning and then melted into doré.

Thickening

Oxidized slurry is pumped to the decant thickener, where limestone is added to precipitate any iron and arsenic present in the slurry. Slurry is also treated with milk of lime to remove soluble metals. The solution containing soluble metals is sent to neutralization tanks. The washed slurry is pumped to cyanide leach tanks.

Tailings

Waste slurry (tailings) is treated to meet international environmental standards. It is then thickened and sent to the tailings storage facility (TSF) for disposal.



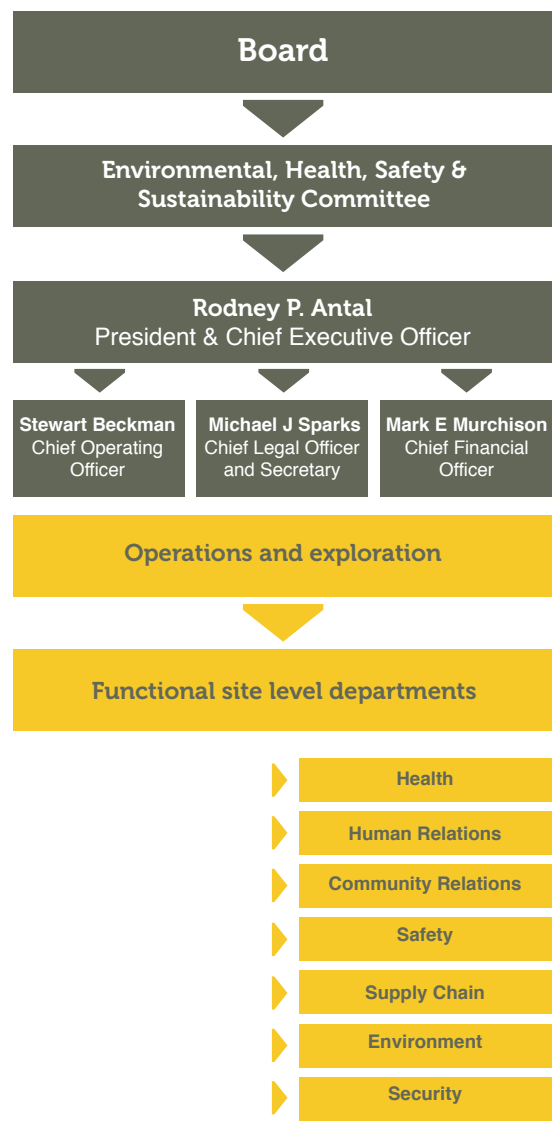
Chapter 1: Building strong governance of sustainability

1.1 Sustainability starts at the top

Alacer’s governance of sustainability flows from the top down, with ultimate responsibility for sustainability efforts resting with our Board of Directors (Board). The Board is supported by the Environmental, Health, Safety and Sustainability (EHS&S) Committee. The role of the Committee is to advise on best practice and provide recommendations to the Board regarding health and safety, environmental management, and sustainability linked regulatory matters. The Committee is made up of at least three members of the Board: Edward Dowling (chair), Thomas Bates and Alan Krusi, all of whom are independent Directors, and formally meets at least twice a year. Additional meetings and communications are held as needed throughout the year, and other Directors may attend on an ad-hoc basis. In addition to the EHS&S meetings, regular updates regarding health, safety, environmental management and sustainability are provided to the full Board at their meetings.

Day-to-day executive responsibility for implementing our sustainability policies cascades down to all levels of our company. The task of achieving the sustainability targets and Key Performance Indicators (KPIs) set out in this report rests with the heads of each functional site department. Further to this every employee is encouraged to take individual responsibility on sustainability – particularly on issues of health and safety and reporting of hazards and incidents.

Figure 1: Organogram of sustainability governance.



1.2 Our policies

Our approach to sustainability is set out in a suite of policies, which commit us to the highest standards of environmental and social practices, and meeting international best practice. All our sustainability policies are communicated to employees as part of staff and contractor induction training and failure to comply with any policy can, depending on severity, result in disciplinary action or termination of employment.

Our key sustainability policies, which are all publicly available online, are:

Code of Business Conduct and Ethics

From the corporate office to the operations, the Code provides a framework to ensure all our staff conduct business in an open and ethical manner. It sets out 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 health and safety of our employees, contractors and others associated with our operations.

Environment Policy

Our Environmental Policy outlines our approach to protecting and conserving natural capital and to acting as responsible environmental stewards. This includes efficient use of natural resources and 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 comply with all applicable law and regulations in jurisdictions of operation. To meet the requirements of all applicable standards, and to be transparent, ethical, fair and honest in all dealings, 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.

Disclosure Policy

Our Disclosure Policy ensures that material information about our company is disclosed to the public in a broad, non-exclusionary manner. The aim is to ensure that information is distributed in a manner that all persons investing in our securities have equal access to information that may affect their investment decision.

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, and have 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. It includes compliance in all respects to applicable 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 in breach of the policy.



Insider Trading Policy

Our Insider Trading Policy provides guidelines regarding the disclosure of material information, including tipping. It also sets out details for the imposition of trading restrictions during 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.

Land Access and Resettlement Policy

Our Land Access and Resettlement Policy guides our approach to land access and resettlement issues. The policy commits us to meeting all applicable legal and regulatory requirements and relevant industry best practice. This includes seeking alternative solutions before any resettlement activities commence, undertaking formal negotiations with the affected persons and communities and establishing clear grievance mechanisms that respect local culture, beliefs and processes as part of any resettlement process. Where resettlement does take place the policy also commits us to improving or at least restoring the standard of living of the affected parties.

Whistleblower Policy

Our Whistleblower Policy sets out the whistleblowing procedures available throughout our organization. These include 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. Our formal reporting procedure 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 sustainability policies are drafted to meet the requirements not only of host country legislation, but also the International Council on Mining and Metals (ICMM) guidance and the IFC Performance Standards. Our approach when developing our sustainability policies is to identify the most stringent standards and integrate those into our policies.



1.3 Payments to government

Alacer strives to be a good corporate citizen and to develop genuine partnerships with our host countries. This is reflected through our commitment to paying our fair share of 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 paid a total of \$15.8m to

the Turkish authorities in 2017. A detailed and independently audited breakdown of these payments is publicly available in our Extractive Sector Transparency Measures Report. Alacer benefits from the Turkish government's legislated incentive certificate program that is available for major project investments in the country. Incentives include reductions to corporate tax payable and other indirect taxes.

Figure 2: Payments to government 2017

Payee (numbers USD)	Taxes (i)	Royalties (ii)	Fees (iii)	Production entitlements (iv)	Bonuses (v)	Dividends (vi)	Infrastructure improvement payments (vii)
Turkish Government	5.9m	1.3m	0.8m				
Turkish Provincial and Municipal Authorities		1.4m	4.3m				2.1m
Total	5.9m	2.7m	5.1m				2.1m

- (i) Corporation Tax includes 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) Royalties are payments for the rights to extract resources, typically at a set percentage of revenue less any deductions that may be taken. Royalties paid in kind are also reported under this category. For the year ended December 31, 2017, there were no royalties paid in kind.
- (iii) Fees 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) Production entitlements include payments under a production sharing agreement or similar contractual or legislated arrangement. For the year ended December 31, 2017, there were no production entitlement payments.
- (v) Bonuses include signing, discovery, production and any other type of bonuses paid. For the year ended December 31, 2017, there were no reportable bonus payments.
- (vi) Dividends include dividend payments other than dividends paid by Group entities to shareholders in the ordinary course of business. For the year ended December 31, 2017, there were no reportable dividend payments.
- (vii) Infrastructure improvement payments include payments to community development initiatives that do not relate primarily to the operations of the mine – these include payments, for improvements to and maintenance of village roads, building village roads and bridges, water treatment facilities and other community development initiatives.

1.4 Stakeholder engagement

Honest, open and transparent communication with our stakeholders is a central tenet of our approach to sustainability. We have a wide-ranging stakeholder engagement program (SEP) which ensures we communicate with all stakeholder groups throughout the year. This helps us to understand the needs of different groups and to build the strong and stable partnerships that contribute to our on-going success. Some of the elements included in our SEP are:

- Quarterly results presentations to shareholders, local authorities, and an annual presentation of results and performance to local communities;
- Regular meetings with local mayors, Muhktars and other community representatives;
- Regular meetings with trade union representatives on-site;
- Community grievance mechanism; and
- Attendance at industry and investor conferences.

For example at Çöpler Mine during 2017, we held more than 890 stakeholder consultations throughout the year. These included meetings with local communities, authorities, contractors, government representatives, trade union officials, investors and NGOs.



1.5 Materiality assessment - defining what matters most

As part of both our stakeholder engagement practices and our commitment to report in line with the internationally recognized GRI, Alacer carried out a formal 'materiality assessment' exercise during January and February of 2018.

The materiality assessment surveyed a sample of internal and external stakeholders, on a range of 30 sustainability issues linked to our operation. 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.

This year we sent the survey to more than 50 stakeholders including suppliers, employees, NGOs and government representatives, and compared their views with those of our heads of department and senior management team.

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

These were:

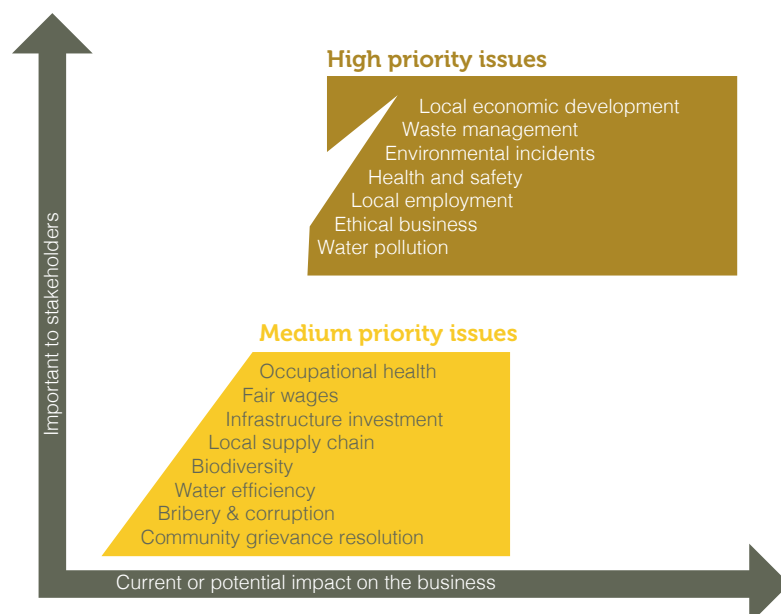
- Local economic development
- Waste management
- Environmental incidents
- Health and safety
- Local employment
- Ethical business
- Water pollution

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

- Occupational health
- Fair wages
- Infrastructure investment
- Local supply chain
- Biodiversity
- Water efficiency
- Bribery & corruption
- Community grievance resolution

How we manage all these issues is covered in this report.

Figure 3: Materiality scattergraph



1.6 Grievance mechanism

One of the most important parts of our approach to engagement with local communities is our community grievance mechanism. The mechanism was developed in line with Turkish regulations and IFC Performance Standards, and provides access points in 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, 38 grievances were received during 2017. The bulk of these were linked to local businesses seeking to recover debts from sub-contractors, and not directly linked to or about Alacer. As at December 31, 2017, 92% of all grievances registered in 2017 had been successfully resolved to the satisfaction of the party making the complaint.

Figure 4: Grievances 2017

Community	Grievances 2017		Grievances 2016	
	Received	Resolved*	Received	Resolved*
Çöpler	3	2	2	1
İliç	16	16	6	6
Other İliç villages	0	0	1	1
Contractors	15	0	6	6
Bağıştaş	1	1		
Sarbirli			3	3
Yakuplu	2	1	5	3
Karakoclu	1	1		
Total	38	35 (92%)	23	20 (83%)

* As at December 31

Chapter 2: Building a highly skilled workforce and reliable safety standards

0 LTIs and
100% decrease
in LTIFR

42% decrease
in TRIFR

326% increase
in serious
potential incident
reporting (SPIFR),
and **182%**
increase in near
miss reporting

“Effective Safety Leadership and engagement doesn’t happen behind a desk. That is why our senior leaders spend quality time each day walking around site.”

Geoff Smith, Head of HSSER (Anagold)

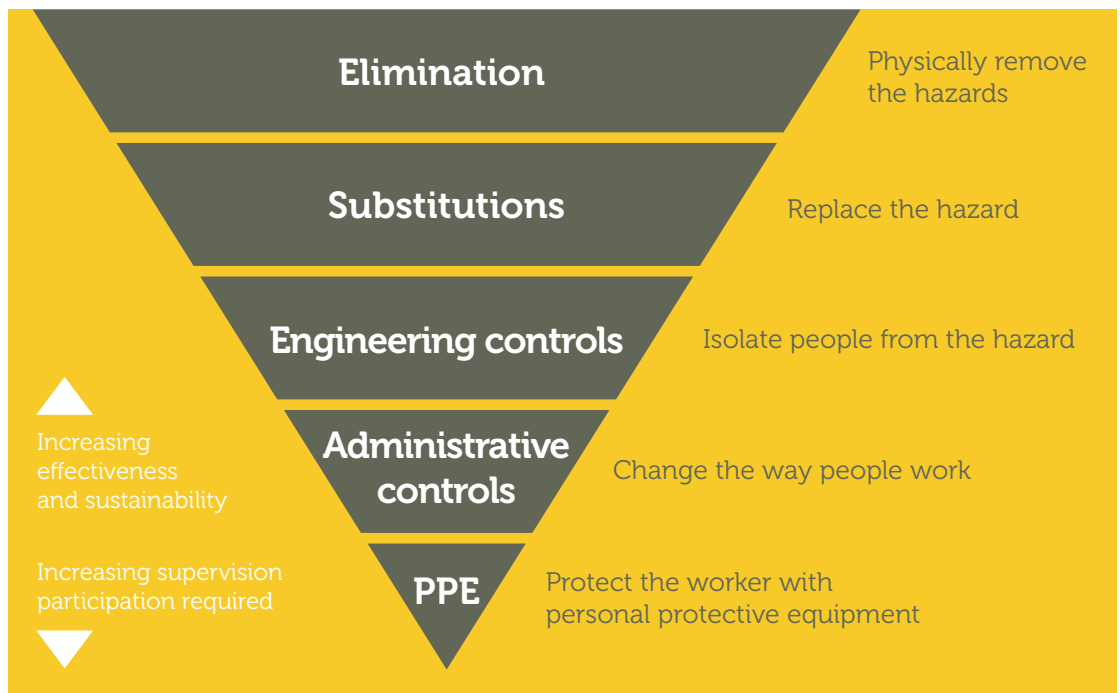
Mining operations are dynamic environments, with significant heavy machinery in constant operation, hazardous chemicals in use and rock blasting taking place. This means our workforce are regularly exposed to a range of health and safety risks. So it was no surprise that health and safety ranked as one of the most important sustainability issues during our stakeholder materiality survey.

2.1 Safety first

Safety is a top priority for Alacer and we are determined to provide an injury and fatality-free working environment. It is essential all our workers come to work every day knowing they will be in a safe work environment. This was particularly important during 2017, when CSEP construction peaked and there was often more than 3,000 workers on-site late in the year.

At Çöpler, our only operational mine, we have robust safety systems in place, and use the internationally recognized OHSAS 18001 to guide and inform our practices. For example, as shown on the following page we use a hierarchy of control to help manage safety risks on-site. This involves first, eliminating known hazards. Where hazards cannot be eliminated we utilize technology and mechanization of processes to reduce exposure to risk, and finally where risk exposure cannot be removed we ensure we manage those risks with careful administration and monitoring, including the compulsory use of personal protective equipment (PPE).

Figure 5: Mitigation hierarchy of safety processes.



Our procedures include regular assessments of specific safety risks across each part of the mine with daily prestart and toolbox safety briefings. We also have detailed procedures and training modules in place for specific safety risks such as chemical spills and working at height.

We deploy both a top-down and bottom-up approach to safety. On-site management and members of the safety department take time each day to walk around site checking safe working procedures are followed and appropriate PPE is utilized. We also encourage individuals to take responsibility for the safety of themselves and their colleagues.

To promote a culture of safety and risk awareness, safety training is a critical part of the induction process for every employee and contractor. This is reinforced at daily prestart meetings and by regular management and safety department observations. All staff are encouraged to think proactively about safety risks. For example staff involved with the CSEP are provided with an individual safety checklist – which includes ‘Take two’ micro risk assessment and hazard reporting forms.

We strongly encourage a right to refuse (i.e. challenge supervisors if workers believe the appropriate safety measures or equipment is not in place) and have a zero-tolerance policy towards drug and alcohol use and other unsafe behavior on-site.

Safety performance

2017 was a stand-out year for us in terms of safety performance. We achieved our goal of zero LTIs, and drove down our TRIFR for the third consecutive year.

The TRIFR decreased by 42% in 2017, following a 5% reduction in 2016. These results come despite a 97% increase in the total hours worked, increased production, significant construction activities and more people on-site.

We attribute these improvements to the evolving maturity of our safety culture, increased employee risk awareness, field leadership, engagement and intervention by our line managers. The improvement in risk awareness is reflected by a 326%, and 182% increase in the number of serious potential incidents and near misses reported respectively during 2017. Near misses and serious potential incidents are incidents where no personal injury or property damage was sustained but if different timing or

positioning an injury or damage was likely to have occurred. We view near miss and serious potential incident reporting as an early warning system that can help prevent injuries and accidents from occurring.

Any report of a near miss or serious potential incident triggers an investigation and appropriate remedial measures are put in place to ensure no incident or injury will occur in future. Therefore increases in near miss and serious potential injuries reporting should result in a decrease in the number of minor and significant injuries that occur.

These results indicate we have increased maturity in the risk and institutional awareness of our local employees, and leaves us well prepared for the commissioning and operation of the more technical CSEP plant during 2018. The safety standards and records achieved during 2017 will set our baseline safety expectations going forward.

Total Recordable Injury Frequency Rate:

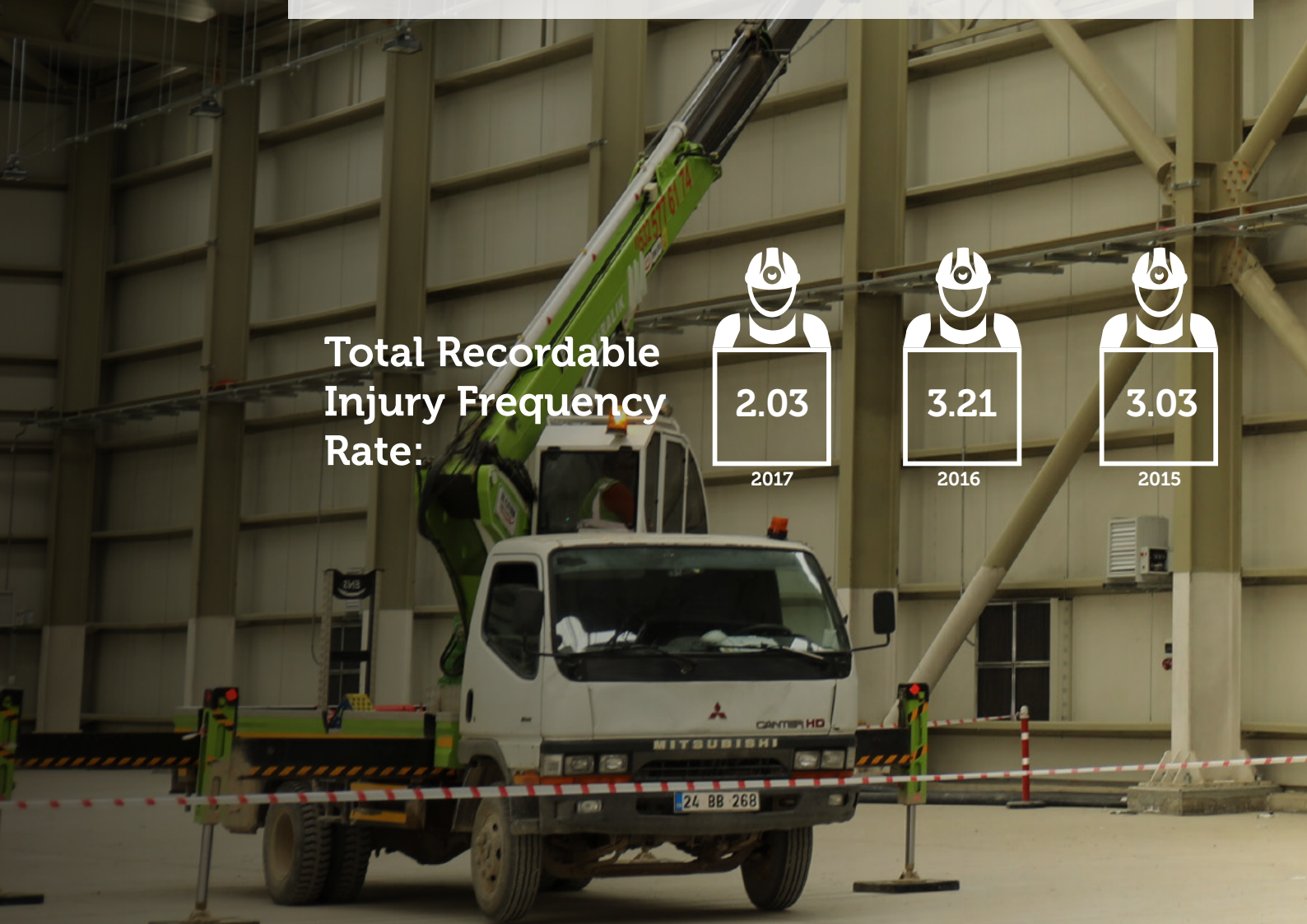
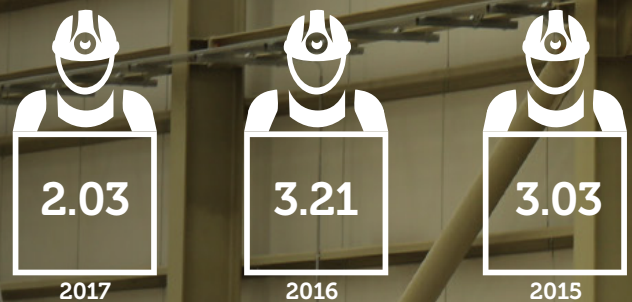


Figure 5: Our safety performance

	2017	2016	2015
Total hours worked	7,739,594	3,919,500	2,963,177
Lost time injury	0	2	0
Restricted work injury	5	6	3
Medical treatment injury	10	30	30
First-aid injury	119	5	6
Total injuries	134	43	39
Total recordable injury frequency rate	2.03	3.21	3.03
Lost time injury frequency rate	0	0.51	0
Serious potential incidents	81	14	10
Serious potential injury frequency rate (SPIFR)	10.47	4.85	3.94



2.2 Prioritizing local employment

Our employment strategy is to employ talented individuals from the communities closest to our Mine and wider Turkey, and provide them with world-class training and genuine opportunities to progress. This strategy enables us to build an efficient and effective workforce, at a competitive cost base, and plays a critical role building strong community relations and a secure environment for our operations.

We have set the following targets at Çöpler Operations for local and national employment:

- 90% of unskilled workers to be drawn from our closest communities affected by our mining operations;
- 80% of semi-skilled workers to be drawn from settlements either directly affected by the mine or adjacent to it; and
- 80% of the skilled workers to be Turkish citizens.

Our performance

As of December 31, 2017 our operations, including the CSEP, directly employ 569 people.

As shown in the pie chart below 47% of our workforce, are drawn from those communities closest or adjacent to our operations, and a further 50% are drawn from Turkey. All our unskilled workers are drawn from Turkey with 83.5% of them from communities closest to operations. While 100% of semi-skilled workers are from locally affected communities. For example during 2017, nine engineers recruited as staff from local community. (Electrical Engineer, Mechanical Engineer, Mechatronic Engineer, Safety Engineer, Mine Engineer.)

As shown in the charts below the bulk of our local employees are employed in the oxide operations and usually in unskilled or semi skilled positions, rather than in skilled positions or on the more technical CSEP. With oxide reserves diminishing and the oxide operations due to wind down within five years, it is increasingly crucial for us to provide additional training to local workers to enable them to potentially transfer to CSEP. For that reason, during 2017 we made significant investments in training as part of our transition planning.

Figure 6: Anagold workforce

Status	2017			2016		
	Local	Nat	Expat	Local	Nat	Expat
Unskilled	100%	0%	0%	100%	0%	0
Semi-skilled	100%	0%	0%	100%	0%	0
Skilled	18.4%	79.2%	2.4%	20.6%	76.2%	3.1
Total labour (in Numbers)	261	233	7	258	170	7
Total labour (in Ratios)	52.1%	46.7%	1.2%	59.3%	39.1%	1.6%

* Contractors and CSEP excluded

Figure 7: Total workforce (including headoffice, excluding contractors Çiftay)

Status	Ankara/HQ			Çöpler			Exploration			Total		
	Local	Nat	Expat	Local	Nat	Expat	Local	Nat	Expat	Local	Nat	Expat
Anagold HC	0	21	1	261	202	5	0	11	0	261	234	6
Operation Contractors	0	0	0	199	714	0	0	40	0	199	754	0
Çöpler Operation	0	21	1	460	916	5	0	51	0	460	988	6
CSEP	0	2	0	387	2078	53	0	0	0	387	2080	53
Total Workforce	0	23	1	847	2994	58	0	51	0	847	3068	59

Figure 8: Çöpler Operation Workforce (including CSEP)



Figure 9: CSEP Workforce (including contractors)

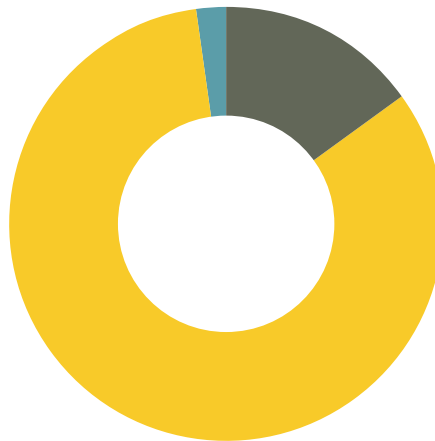
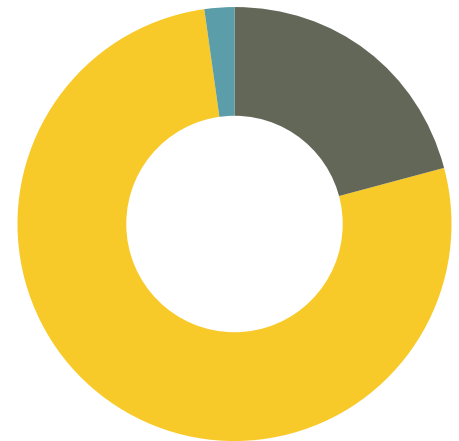


Figure 10: Total workforce (including contractors)



2.3 Training and staff development

A skilled workforce is arguably the biggest asset for any gold mine. Alacer's policy is to constantly invest in training to improve the performance of our employees to ensure we have the necessary skills to meet our business and operational goals.

During 2017, we provided formal training to 569 employees, on a range of topics, from first aid to finance. On average each employee received 5.6 days of formal training, a 5.5% increase on 2016.

With the CSEP due to come online in third quarter 2018, we established an independent training and development department during 2017 to help train locally-based employees for positions at the CSEP, and to ensure our CSEP workers have the requisite skills to start and manage the CSEP. By the time the CSEP is commissioned all CSEP workers will have received between 30 and 70 days training, including 18.5 days of focused safety training.

Some examples of local community training in readiness for the CSEP include:

- Training 82 local community members in process plant operations.
- Training 32 local community members in mechanical maintenance.

Not all community members trained as part of the CSEP transition training will be employed at Çöpler Mine; however our objective is to provide them with a range of skills and recognized certification to increase their overall employment opportunities.

100% (569) of employees at our operations received formal training during 2017.

5.6 days average training for employees, a 5.5% increase on 2016.

\$1,844,000 spent on formal training.

Independent training department established at Çöpler Mine.

"I want Çöpler to become a school of mining for Turkey. A place where everyone local and non-local wants to work, to gain experience and to see what good looks like."

Burhanettin Sahin, General Manager Çöpler mine

2.4 Industrial relations

We encourage freedom of association throughout Alacer, and there are no restrictions on union representation at our operations. At our mine approximately 55% of the workforce are union members, and 59% have collective agreements.

Trade unions and worker representatives are invited to attend on-site Health Safety and Environment (HSE) Committee meetings, and we believe regular transparent communications are critical to good industrial relations. We have enjoyed positive industrial relations without any industrial action since operations commenced.

2.5 Gender diversity

At Alacer we value diversity, we believe that by building a workforce from a range of backgrounds with differing values and experiences deepens our internal problem solving skills and encourages innovation, and thereby contributes to overall strength as an organization.

Our approach to developing a diverse workforce is set out in our publicly available Diversity Policy. This policy commits us to providing an environment in which all employees are treated with fairness and respect, and have equal access to opportunities - regardless of race, gender, sexual orientation and/or religious beliefs. The policy does not set out quotas, instead we have specific and measurable objectives in place to ensure that candidate pools for any position available throughout the company (including for the Board of Directors), are made up of a diverse range of qualified candidates.

As at December 31, 2017, one of Alacer's five non-executive directors is a woman. Approximately 75% of employees at Alacer's head office (excluding the Executive Team) are women. Currently there are no women on the five person Executive Team. Overall 11% of all employees (including Corporate Offices) are women, and women have pay equity with men in similar positions.

At our operations we actively encourage women to apply for roles with us. However attracting women from local communities in Turkey to mining can be difficult for cultural reasons. At the Çöpler Mine we directly employ 40 women (excluding contractors and the CSEP), while our contractors provide employment to a further 115 women.

We recognize the challenges we have in attracting local women to our workforce and therefore seek to support women in our local communities through other gender-focused initiatives, such as the establishment of a women’s copper etching collective in Çöpler village. The collective has 26 members and a buyer outside Turkey and has been featured on national and regional television. Alongside traditional copper etching methods we also provide members of the collective with training in basic accounting and marketing. Other women-focused initiatives we have supported include demonstration greenhouses to grow produce such as tomatoes and cucumbers for local, national and ultimately international markets.

Girls received almost 50% of the academic scholarships we awarded to local high school and university students in 2017.

Figure 11: Anagold Gender Diversity (Contractors & CSEP Excluded)

Status	2017			2016		
	Local	Nat	Expat	Local	Nat	Expat
Unskilled	10	0	0	8	0	0
Semi-skilled	1	29	0	3	18	0
Skilled	11	29	0	11	18	0
Total	40			29		
Ratio	7.98%			6.67%		



Chapter 3:

Building strong local communities

+\$1.6 million of community investment in 2017

+\$51m goods and services procured from our nearest local suppliers in 2017

+\$15.8m taxes and royalties paid to the Turkish government in 2017

3.1 Community relations

Building strong relations with the communities closest to our operations is critical to the on-going success of our company. Our local communities provide us with talented workers, competent and cost-effective suppliers and help deliver a safe and secure environment for our operations. In return we seek to use our operations to catalyze sustainable development in education, infrastructure development, agriculture and women-focused initiatives.

Our approach to community relations is one of constant and open communication to build mutual respect and understanding between the community and the Mine. At Çöpler Mine we have a comprehensive community relations policy and a range of specialist plans and procedures in place 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, plans and procedures set out and guide our community relations activities. All policies comply with the requirements of Turkish law and align with international best practice including the IFC Performance Standards.

The overarching aims of our community relations activities at Çöpler Mine are firstly to maximize the number of beneficiaries from settlements closest to our operations and secondly to foster sustainable long-term economic growth independent of the Mine. Our community development spending is filtered through four identified priorities:

- Improving access to education and academic opportunities for local communities;
- Creating long-term sustainable economic development for local communities;
- Improving local infrastructure;
- Enhancing women's economic participation.

On-site responsibility for community relations at Çöpler Mine sits with our dedicated External Affairs department, and all requests for community development funds are submitted to the External Affairs department and assessed against a standardized evaluation criteria, before being forwarded to the General Manager of Çöpler Mine for approval. All requests are also assessed by the compliance committee against the requirements of the FCPA prior to approval and final sign-off.

Our performance

During 2017, members of the External Affairs department continued to regularly engage with a range of community representatives, including local elders, Mukhtars, political and union leaders. 892 community engagements.

We invested more than \$1.5 million in community development projects during 2017.

This includes, 114 academic scholarships with a total value of \$112,000 to local high school, vocational high school and university students. We have also established ten demonstration greenhouses through the villages of Çöpler,

Bağıştaş and Boyalık, and provided technical training in watering, pesticide and fertilizer use, pruning, harvesting and maintenance against disease. The greenhouses will grow tomatoes and cucumbers initially for sale to local communities and mine caterers, but the ultimate intention is to sell such produce nationwide and for export.

During 2017 we worked to finalize plans for a social development fund for Çöpler Mine, which will be rolled out in 2018.

Examples of community investment projects in 2017

İliç	Çöpler	Bağıştaş	Sabırlı	Yakuplu	Erzincan
<p>Financial support to expand the capacity of a seed processing facility run by the İliç Chamber of Commerce.</p> <p>Donations and financial support to İliç youth sports club.</p>	<p>Construction of a new water depot and the rehabilitation and replacement of sewage pipes for Çöpler village.</p>	<p>Contributing to the cost of interlocking paving stones to improve key roads.</p>	<p>Financial contributions to the Sabırlı road enlargement project.</p>	<p>Construction of two water ponds and rehabilitation of the cemetery.</p>	<p>Sponsorship of the Erzincan sports club.</p>



Case study

Sowing seeds of economic growth

The communities closest to our Çöpler Mine are heavily dependent on the mine as a source of employment and economic opportunities. During 2017 we worked to increase the focus of our community development programs to support sustainable development projects that help to diversify local economies and reduce dependency on the mine.

For example, in 2017 we worked with the İliç Chamber of Agriculture to support some of the region's traditional economic activities such as agriculture and horticulture, and provided \$60,000 to expand a local seed processing facility.

İliç Chamber of Agriculture already operated a small seed processing facility. However, it had limited capacity, which did not meet the needs of the local community.

This meant most local farmers needed to take their seeds and products to processing facilities in the towns Divriği and Refahiye, both towns are about 80 kilometers from İliç.

The expanded facility at İliç has reduced the need for local farmers to travel to other districts to process their produce, and created significant benefits for local farmers both in terms of reduced travel costs and time saving. This means they have more time to focus on farming.

3.2 Our supply chain

One of our most important contributions to local community development is our preferential procurement policy, which commits us to sourcing goods and services from local companies and contractors as far as practicably possible when they have the requisite skills and experience. Where skills are lacking we work with and train local suppliers to build capacity. All suppliers must respect our sustainability-related policies, and follow a set of minimum standards of responsible business conduct. All contracts contain anti-bribery and other sustainability provisions. This practice not only helps to foster a diverse and thriving local economy around our operations, it also helps to raise sustainability standards in the local region and beyond.

At Çöpler operations 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.

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

Our performance

During 2017 more than \$11 million worth of goods and services were procured from the communities closest to the Mine. This swells to over \$51 million if the CSEP is included.

Case study

Elçiler Catering – a recipe for success

Elçiler Catering are the caterers for the Çöpler Mine. They are a local company and both founding partners grew up in the village of Sabırlı near the Mine.

Founding Partner Bilal Ayhan explains, “We began as a housekeeping company in 1998 and worked in other parts of Turkey. We were a successful business and had completed projects throughout Turkey in both housekeeping and catering when Çöpler commenced operations. When we learned of the Mine, we were excited and determined to win a contract with them. It is the region where we grew up and where our parents are, it is good to have opportunities here.”

He continues, “When we started at Çöpler all our certificates and standards were audited to ensure we met requirements. Our company now employs 160 people, and 70 of those people are locals. We see how Çöpler prioritizes work for local communities and it is a policy we have adopted for our business too. We would like to employ more locals, but at the moment there is no unemployment. Because of the CSEP construction everyone has a job.”

The scale of Elçiler’s work is considerable, as Ayhan explains, “We now serve more than 2,500 meals a day on-site, so Çöpler is our big client. But we are able to survive if the Mine closes, we have completed more than 30 catering contracts throughout Turkey – including catering for the construction of the Bağıştaş hydro station. Our dream is to run 20 national contracts. Anagold and Çöpler are a respected business in Turkey and having a reference from Çöpler helps us to win more contracts. The quality requirements and commercial standards we’ve had to meet for Çöpler have helped us to improve our business, and we are confident we can achieve our dream.”

“As a local, it is hard to believe how much Çöpler has changed with the Mine. Ten years ago there were maybe ten cars in İliç, now every household has 1 or 2 cars, and the cars that used to be the best cars in the village, are now the worst. It is also very clear that the team here have good community relations experience, the communication is open and transparent, and the company is teaching locals and helping them to gain more experience and knowledge. We feel positive about the future here.”



Chapter 4:

Building robust environmental management practice

Zero recordable environmental incidents during 2017

Çöpler Mine certified to **ISO14001 (2015)** during 2017

Environmental and Social Management Plan compiled for Çöpler Mine

“Ensuring we are responsible environmental stewards is not only in our commercial interest and it is also important to our communities. We work hard to ensure that our natural capital is managed to world-class standards.”

Can Serdar Hastürk – Chief of Environment – Operations & Sustainability

At Alacer we believe that responsible management of the environment is not just in the best interests of our communities but also in our commercial interests. By working to ensure we use water and energy as efficiently as possible we are able to deliver valuable cost savings. While ensuring local water, air quality and biodiversity are protected helps to ensure the strong relationships with our communities necessary to ensure our social license to operate. Being careful environmental stewards therefore is integral to the way we operate.

Environmental issues are integrated throughout every stage of the mine lifecycle, from exploration to extraction, construction to closure. For example, as part of project feasibility studies we conduct an in-depth EIA to understand the environmental risks associated with that project. Should a

project move to construction and operation, the results of the EIA are used to develop an environmental management system (EMS). During 2017 we also compiled an Environmental and Social Management Plan (ESMP) to ensure compliance with IFC Performance Standards and the Equator Principles, this will be reviewed and updated annually.

The Çöpler Mine has an EMS in place to identify and manage environmental risks in accordance with both Turkish legislation and IFC Performance Standards. During 2017, the Çöpler EMS was ISO 14001: 2015 Environmental Management certified for the next three years. ISO (International Organization for Standardization) 14001: 2015 is an international standard that specifies the requirements for an effective EMS best practice standard, and is externally audited for compliance.

4.1 Environmental incidents

One of the key ways we manage our impact on the environment, is to monitor, manage and mitigate the impacts of any incident that may occur as a result of our activities - even when they are minor and contained within the mine site. All environmental risks are assessed on a risk matrix to determine the consequence of any environmental incident that may occur, and attributed a score of 1-5 based on severity of consequence. The goal is to have zero reportable (level two and above) incidents.

As seen in figure 12, during 2017 the overall number of environmental incidents occurring at Çöpler Mine increased from 35 in 2016, to 43 in 2017. However all recorded incidents were level one and the goal

of zero reportable incidents was achieved. It should also be noted that we regard level one incident reporting as a positive development as they can act as an early warning mechanism and, when promptly attended to, can prevent more serious incidents occurring. After all incidents a corrective action report is prepared and action taken to ensure more significant incidents do not occur. As shown in the chart below almost half of all environmental incidents occurring at the Çöpler Mine during 2017 were small and localized spills of hydrocarbons or chemicals.

Figure 12: Environmental incidents by level of classification severity

	2017	2016	2015
Level 1	43	34	42
Level 2	0	1	2
Level 3	0	0	0
Level 4	0	0	0
Level 5	0	0	0
Total	43	35	44

Level 1: Localized impact within mine site boundaries that does not cause disruption to operations.

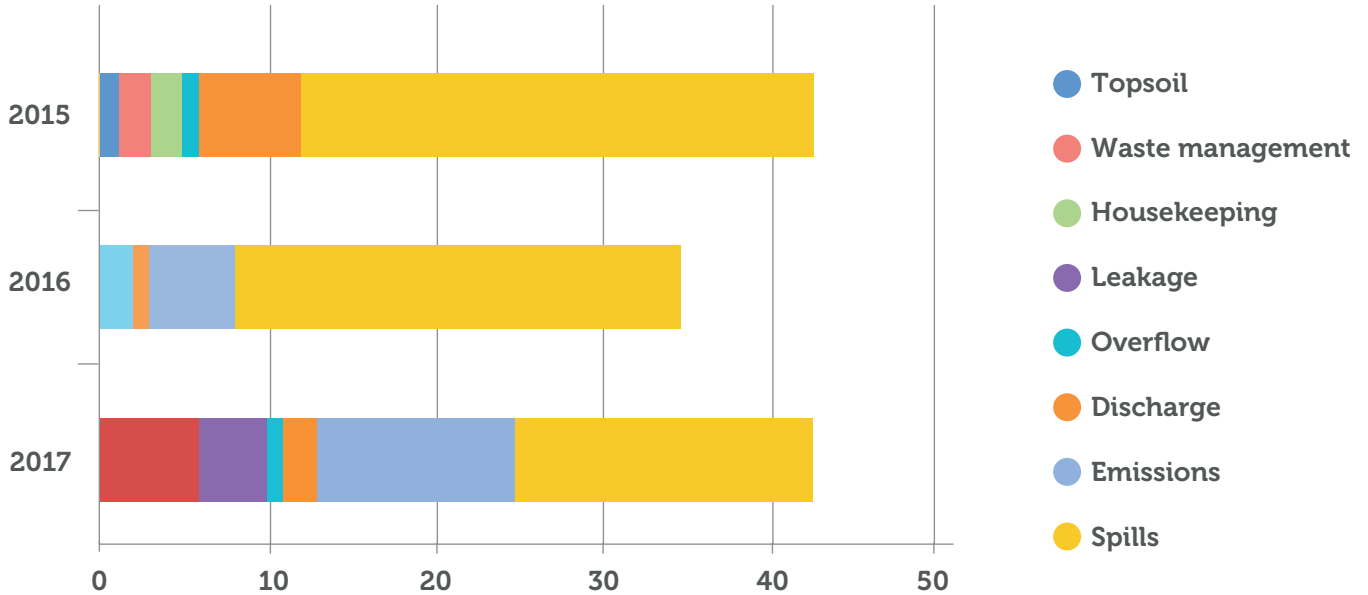
Level 2: Confined and short-term impact area within the mine site. Reportable to external authorities but no penalties are applicable.

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 extensive area that may last 12 months or more, partial shutdown of operations.

Level 5: Major incident resulting in loss/suspension of operating license.

Figure 13: Environmental incidents by level of classification severity



4.2 Energy and emissions

Our Çöpler Mine relies on a steady, secure supply of electricity to operate efficiently and effectively and security of supply is the main driver of our energy policy at Çöpler. Wherever practicably possible we seek to identify and implement energy-efficiency measures to reduce overall power draw, and to create long-term cost savings for Alacer.

As shown in Figure 14, there was a 12.5% increase in total electricity use at our Mine in 2017, this is largely due to increased production in 2017. Once CSEP construction is completed we expect our electricity draw to increase further due to the process requirements.

Energy efficiency at Çöpler Mine improved by 20% during 2017 to 353.5 kWh/ounce of ore mined. This is also largely attributable to the increase in gold production during 2017. We expect our overall energy efficiency per ounce of ore mined to decrease in 2018 once the CSEP becomes operational. This is because processing of sulfide ore is more energy intensive than oxide ore on heap leach operations.

Figure 14: Annual electricity use kWh

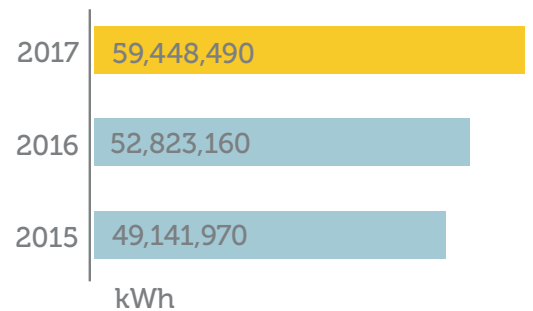
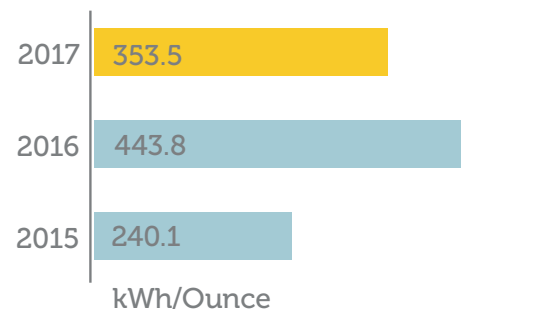


Figure 15: Energy efficiency per ounce of gold produced (kWh)

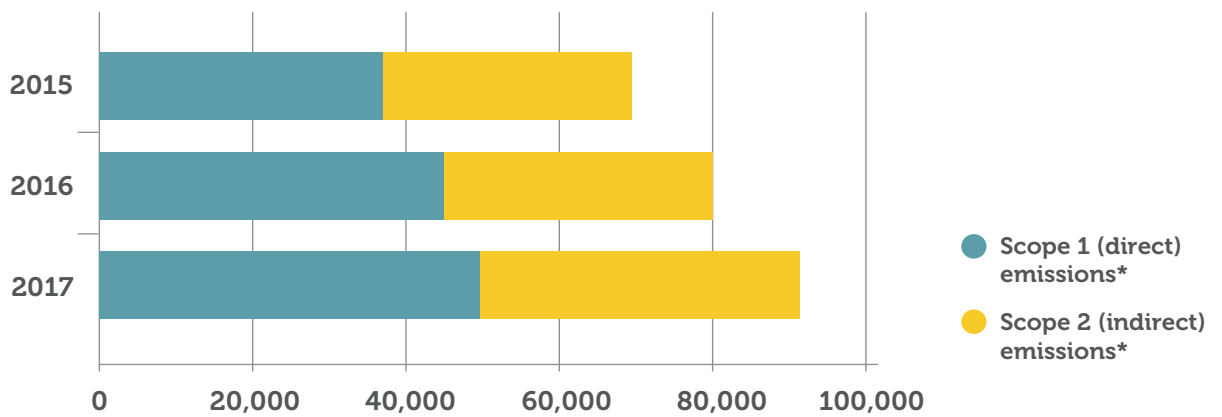


The bulk of Çöpler Mine's electricity is supplied by the nearby Bağıstaş hydro station, which is part of the Turkish national grid and connected to the Mine by a direct overhead line. The hydro station generates more than three times the power required by Çöpler operations. Hydropower is a very clean way to generate electricity and electricity generation accounts for less than half of our total greenhouse gas emissions. The bulk of our emissions are from the direct mining operations such as emissions from the haul trucks, excavators and drills.

As shown in figure 16 below our total emissions increased 14.3% during 2017, this is largely attributable to our increased electricity draw for the CSEP construction, with indirect emissions (scope 2) increasing 18.6% over 2016; increased mining activity and production also contributed.

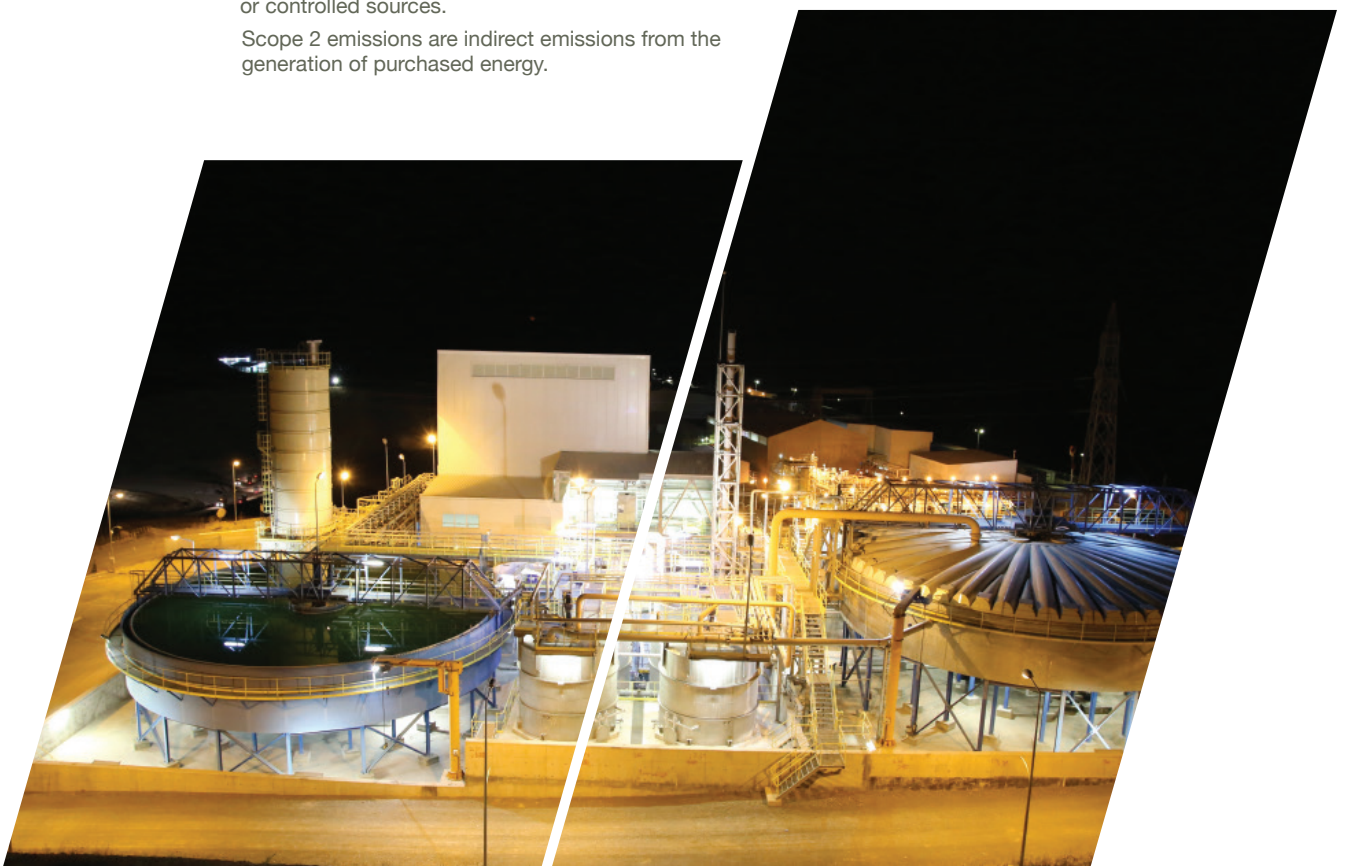
Despite the increase in emissions produced, our emissions intensity per ounce of gold produced improved during 2017. We expect our overall emissions intensity per ounce of gold produced to increase in 2018 with the start up of the CSEP.

Figure 16: 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.



4.3 Managing water risk

The World Economic Forum’s Global Risks Report 2018, identified water crises as one of the top five global risks in terms of potential impact in 2018, and it is no surprise that efficient use of water and sound management of water pollution were identified by stakeholders as two of the most important risks facing our business.

The Çöpler Mine is located in a high desert region near the Euphrates River in Eastern Turkey. While water is readily available, we endeavor to use water as efficiently as possible and carefully monitor all water discharged by our operations. All water used by the Çöpler Mine is governed by strict permitting rules regarding abstraction and discharge under Turkish regulations. Our aim is to stay well within our permitted limits. As a part of this, a Surface Water Management Plan is also being implemented on-site at Çöpler. This plan includes the construction of diversion channels around operations. These channels will divert clean water around mining operations and back into the water catchment. The diversion will prevent clean water runoff from entering the mine site where potentially negative impacts (such as contamination) could take place.

Our performance

All the water abstracted for the Çöpler Mine is groundwater. During 2017 we abstracted a total of 945,349 m³ which represents a 7% increase on 2016. This is largely due to increased production and the needs of the CSEP construction.

Our water use efficiency increased by 1.8% during 2017. Çöpler’s heap leach operations utilize closed-loop cycles that maximize the recycling of process water wherever possible. This helps to minimize the quantity of water we need to abstract and the amount of water we discharge back into the environment. We regularly monitor the quality and quantity of surface and ground water on and offsite, to ensure our activities do not negatively impact supply for other users.

Figure 17: Total fresh water offtake at Çöpler (m³)

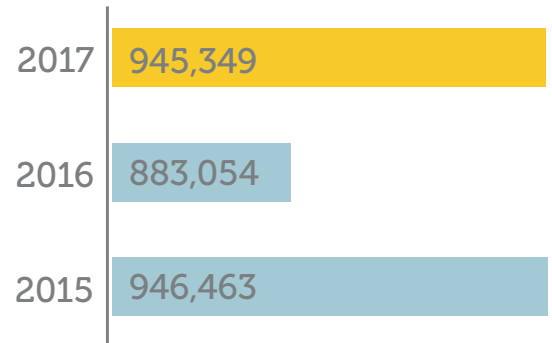
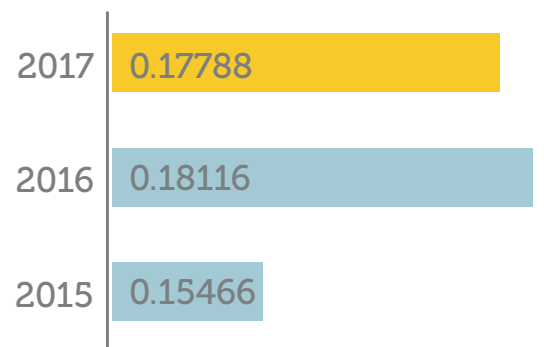


Figure 18: Total water use efficiency m³/tonnes ore mined



4.4 Waste management

The process of extracting gold from the ground creates both hazardous and non-hazardous waste. Ensuring all waste is responsibly dealt with is crucial to ensuring the health of the local environment and our impacted communities. The Çöpler Mine has a detailed waste management plan which sets out how all waste is disposed of, and our goal is to maximize the proportion of waste sent for recycling.

At the Çöpler Mine, the largest waste product by volume is waste rock. All waste rock dumps and stores at Çöpler are carefully engineered to ensure maximum structural stability and meet the requirements of Turkish national regulations and international best practice.

When the CSEP becomes operational in the third quarter of 2018, the tailings produced by the CSEP processing plant will be disposed of in a carefully designed and constructed tailings storage facility (TSF). Our TSF has been designed to meet the best in class requirements for Class-I (hazardous) waste, though all tailings sent there will be Class-II (non-hazardous).

4.5 Hazardous waste

We take extra care to ensure the relatively small volume of hazardous waste emanating from the Çöpler Mine is handled and disposed of in the appropriate manner and in line with international best practice standards. For example, the transportation, storage and use of cyanide is aligned with Turkish national regulations and we require all our cyanide suppliers to be certified to the International Cyanide Code. During 2018 we are working towards International Cyanide Code certification for the Çöpler Mine.

Overall during 2017, 91% of all hazardous waste from the Çöpler Mine was recycled, up from 82% in 2016. While the volume of scraps sent for recycling increased by 13%.

Figure 19: Waste produced and managed by the Çöpler Mine (tonnes)

Type of waste		2017	2016	2015
Waste rock		28,765,583	28,846,108	24,833,830
Hazardous waste		652	324	252
Recycled	Hazardous	595	270	158
	Recyclable scraps	441	388	875
Waste to disposal	Hazardous	57	54	93
	Domestic	Unknown	Unknown	Unknown

4.6 Biodiversity

Carefully managing and maintaining the range of flora and fauna on or near our operations and exploration activity is an important part of our commitment to responsible environmental stewardship. Baseline biodiversity studies are taken as part of the EIA process at the feasibility stage of any project or expansion. These studies record the full range of biodiversity present on-site, and are used to draw up Biodiversity Action Plans.

No habitats of endangered or protected species are impacted by Çöpler operations.

The Çöpler Mine and the newly constructed TSF each have detailed Biodiversity Action Plans in place. These plans detail the various flora, fauna and habitats present on-site. This information will be used to help restore the ecosystems of these sites to their original condition (or as close as possible) by the time of Mine closure. During 2017 as part of site rehabilitation and closure planning we planted more than 2,000 trees on-site at Çöpler. All trees planted were indigenous to the region.

During 2017 we introduced a Greenfield Procedure at Çöpler Mine. The procedure means any activity that takes place in Greenfield areas (areas not impacted by mining activities) must be approved by the environmental department prior to commencement. The environmental department must be given adequate notice of activities, to allow the environmental department to conduct surveys for any endemic, protected or vulnerable species in the area. If any endemic, protected or vulnerable species are identified in the area, specialists are consulted to help either relocate them or develop a management plan. No activity can start without approval and sign off from the environmental department.

4.7 Air quality

Mining operations tend to generate significant amounts of dust, which can be problematic for local communities.

In order to monitor and manage dust at Çöpler Mine and for local communities, we have built a network of monitoring stations and control points across the site and throughout the local communities. These monitoring stations record levels of airborne particulate matter and dust fall out, the results of which are reported to the relevant national authorities. During 2017, we also began reporting these results to local communities too.

Water trucks are used across site and throughout communities to help suppress dust on the most heavily used roads. These trucks can be called to immediate action if dust levels are particularly high. During the third quarter of 2017, we began trialing a dust suppressant onsite roads; however, trials were put on hold over winter and will resume in spring 2018. During 2018 we will install a reticulation spray system to help control dust on embankments.



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



ALACER GOLD

Alacer Gold GRI Content Index 2017

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 Corp
	102-2 Activities, brands, products, and services	Gold mining
	102-3 Location of headquarters	Denver, Colorado
	102-4 Location of operations	One operating mine and extensive exploration activity in Turkey
	102-5 Ownership and legal form	Alacer is a Canadian corporation incorporated in the Yukon territory. With a primary listing on the TSX, and a secondary listing on the ASX.
	102-6 Markets served	See scope and boundary of this report , p.7
	102-7 Scale of the organization	For total number of people see 'Our workforce table' p.23 * Total operations - see scope and boundary of this report, p.7, Total Capitalisation for 2017 was \$910m.
	102-8 Information on employees and other workers	See p23 - 25
	102-9 Supply chain	p.30
	102-10 Significant changes to the organization and its supply chain	No significant changes during 2017
	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.12-14
	102-13 Membership of associations	The only association to which Alacer holds member is the NACD.
	Strategy	
	102-14 Statement from senior decision-maker	See Foreword p.3
	Ethics and integrity	
102-16 Values, principles, standards, and norms of behavior	p.12-13	
Governance		
102-18 Governance structure	See Figure 1, p.12	
Stakeholder engagement		
102-40 List of stakeholder groups	p.16	
102-41 Collective bargaining agreements	p.16	
102-42 Identifying and selecting stakeholders	p.16	

	102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised	p.16-17 Topics by stakeholder: Shareholders - Environmental compliance and governance practices for how we responded see Chapter one p12-18, and chapter 4 p.32-38. Community & Suppliers - Local economic development , local supply and local employment for how we responded seeChapter 3 p28-31, Government - Environmental management & Community development for how we responded see chapter 3 p.28 -31 and chapter 4 p.32-38.
	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/first-quarter-2018-financial-statements.pdf?sfvrsn=4 page 19.
	102-46 Defining report content and topic Boundaries	See scope and boundary of this report , p.7
	102-47 List of material topics	p.17
	102-48 Restatements of information	TRIFR rates for 2015 & 2016 restated.
	102-49 Changes in reporting	
	102-50 Reporting period	No significant changes during 2017. 01 January - 31 December 2017.
	102-51 Date of most recent report	First sustainability report published September 2017.
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Geoff Smith, Head of HSSER Anagold, geoff.smith@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 as appendix to the sustainability report
	102-56 External assurance	This report has not been externally assured. External assurance is being considered for future reports.

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 200 Economic Standard Series		
Infrastructure investment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.28-29
	103-2 The management approach and its components	p.28-29
	103-3 Evaluation of the management approach	p.28-29
GRI 203: Indirect Economic Impacts 2016	203-1 Significant indirect economic impacts	p.28-31
Bribery and Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.12-15
	103-2 The management approach and its components	p.12-15
	103-3 Evaluation of the management approach	p.12-15
GRI 205: Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	p.13-15 & p.25

Local Supply Chains		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.30-31
	103-2 The management approach and its components	p.30-31
	103-3 Evaluation of the management approach	p.30-31
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	p. 8, with further discussion on p.30
GRI 300 Environmental Standards Series		
Waste Management including water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.32-38
	103-2 The management approach and its components	p.32-38
	103-3 Evaluation of the management approach	p.32-38
GRI 306: Effluents and Waste 2016	306-2: Waste by type and disposal method	p.37
	306-3 Significant spills	p.32-33
Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.38
	103-2 The management approach and its components	p.38
	103-3 Evaluation of the management approach	p.38
GRI 304: Biodiversity 2016	304-4:IUCN Red List species and national conservation list species with habitats in areas affected by operations	No IUCN Red list species or national consercation list species with habitats in areas affected by operations.
Water efficiency		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.32-36
	103-2 The management approach and its components	p.32-36
	103-3 Evaluation of the management approach	p.32-36
GRI 303: Water 2018	303-1 Water withdrawal by source	p.36
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.32-38
	103-2 The management approach and its components	p.32-38
	103-3 Evaluation of the management approach	p.32-38
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	p.32-33
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.19-20
	103-2 The management approach and its components	p.19-20
	103-3 Evaluation of the management approach	p.19-20
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
Local Communities including community grievance resolution		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.13,16, 28-29
	103-2 The management approach and its components	p.13,16, 28-29
	103-3 Evaluation of the management approach	p.13,16, 28-29
GRI 413: Local Communitites 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p.13,16, 28-29