



Delivering Sustainable Value

Alacer Gold
Sustainability Report 2019



ALACER GOLD

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FOREWORD

It is with great pleasure that I share with you Alacer's sustainability report for 2019, our fourth report aligned with GRI Standards. 2019 was a year of significant growth for Alacer and most notably it was our first full year of sulfide operations. In just one year, we have more than doubled our gold production profile. That this was done smoothly and with an excellent environment and safety record is a credit to the skills and dedication of our team.

Similarly, 2019 was the first full year of our Social Development Fund. The fund now helps almost 40 local entrepreneurs to grow their businesses, from producing organic dairy products to marble name plates. The fund has been a resounding success with a further 340 applications being reviewed.

Unfortunately, on the safety front we did not meet the high standards we expect of ourselves, and suffered one lost-time injury. Our first in over three years and more than 22 million man hours without incident. The injury occurred when a truck tipped over during unloading and injured the driver. Knowing one of our colleagues was hurt while on site does not sit comfortably with anyone at Alacer.

As our business grows, so too does our impact. We are now one of the largest mining companies in Turkey, and we recognize the increased responsibility this brings. Each and every day, we make decisions that could directly impact our environment and our employees, our communities, and our host governments. These decisions must not be driven by financial considerations only. And from water to waste we remain committed to managing our impacts to the highest standard. In 2019, we undertook a full external review and gap analysis of our sustainability policies to ensure that not only are they fit for purpose, but that they enshrine strong governance and management of the environment and social issues as a core value for Alacer.

As we look forward, in 2020 we have many new initiatives underway to support our approach as a responsible and sustainable gold mining company.

Rodney P. Antal
President, Chief Executive Officer and Director



Rodney P. Antal

SUSTAINABILITY HIGHLIGHTS 2019

Surpassed **22M** man hours and over **1,000** days lost-time injury (LTI) free in Q3 2019

1 LTI, LTIFR of **0.21** and TRIFR of **2.57**

+\$1M spent on employee training in 2019

5.5 days average training per employee

+\$1.3Bn total procurement spend in Turkey since 2015; during 2019 we procured \$25M of goods and services from suppliers within the communities closest to our operation

32 projects supported and **\$420,000** invested in social and community development programs and also in local entrepreneurship via our SDF

142 academic scholarships provided to local high school and university students in 2019
50% of scholarships awarded to women

Zero reportable environmental incidents

More than **\$6M** to be invested over the next 3 years in >300 targeted traineeships to increase the percentage of employees from our neighboring communities

ABOUT ALACER AND THIS REPORT

Alacer is a leading low-cost intermediate gold producer whose 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 stakeholders. Sustainability is of growing importance to all stakeholders and Alacer is committed to honest and open disclosure and continuous improvement of our sustainability practices. Our approach to sustainability is underpinned by the principle of collective responsibility and a belief that every employee must contribute to our sustainability performance.

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. The Çöpler Gold Mine is currently processing both oxide and sulfide ore through two producing plants. In addition to its core operating assets, 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 have been successful as evidenced by the discovery of Çakmaktepe, the Ardich deposit, and the Çöpler Saddle (“The Saddle”) prospect. The Company’s focus is to continue to grow oxide and sulfide resources to extend production from both the oxide and sulfide producing plants. In the other regions of Turkey, targeted exploration work continues at a number of highly prospective exploration targets.

The successful commissioning of the sulfide plant and the exploration successes have provided the business with a number of exceptional growth and development opportunities. An updated Çöpler District Technical Report is planned to be issued in 2020, updating the performance expectations of the installed assets and defining the growth and development pathways.

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. Alacer owns 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”).

Scope and boundary of this report

This report sets out how we manage sustainability in our business and our achievements in 2019. The report is produced to be ‘In Accordance – Core’ with GRI Standards. Unless otherwise noted, the data in this report covers the Çöpler Gold Mine in Turkey and relates to the reporting period January 01, 2019 - December 31, 2019. Our most recent sustainability report was published in March 2019. This report is our fourth Sustainability Report produced in accordance with the GRI sustainability reporting standards.

Sustainability is of growing importance to all stakeholders, whether they are local communities, local and national governments, our shareholders, or our employees. We are committed to honest and open disclosure of our performance. The disclosures we make in this report are an important mechanism for monitoring and improving our sustainability performance. 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 2019

	2019	2018	2017	Performance	Target for 2020
Gold Produced					
	391,213	170,866	168,163	●	Our target production for 2020 is 310,000 to 360,000 ounces.
Safety					
Total Recordable Injury Frequency Rate (TRIFR)	2.57	1.66	1.94	●	The 2020 target is to remain below 2.05 incidents per million hours worked.
Lost-time injury Frequency Rate (LTIFR)	0.21	0	0	●	Zero lost time injuries across our business.
Environment					
Reportable Environmental Incidents	0	0	0	●	Zero reportable – Level 3 or above - environmental incidents.
Community					
Grievance Resolution	80%	89%	92%	●	To resolve 100% of grievances registered through our Grievance Mechanism.
Local Procurement Spend	6.6%	6.7%	6.7%	●	6% of total procurement spend with suppliers from communities closest to the Çöpler Mine.
Human resources					
Average hours training	5.5 days	17.6 days**	5.6 days	●	To provide enough formal training to ensure we have the full range of skills required to run a world-class mining company.
% of Locals Employed*	Unskilled: 84% from impacted communities, 16% from affected communities Semi-skilled: 96% from impacted communities, 4% from affected communities Skilled: 97.5% Turkish nationals	Unskilled: 58% from zone 1, 42% from zone 2*** Semi-skilled: 100% from zones 1 and 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	●	For 2020: - Maintain 24 month moving average of unskilled workers of 70% and 30% impacted and affected communities respectively - 80% of semi-skilled from impacted and affected communities - 90% of skilled employees from Turkey

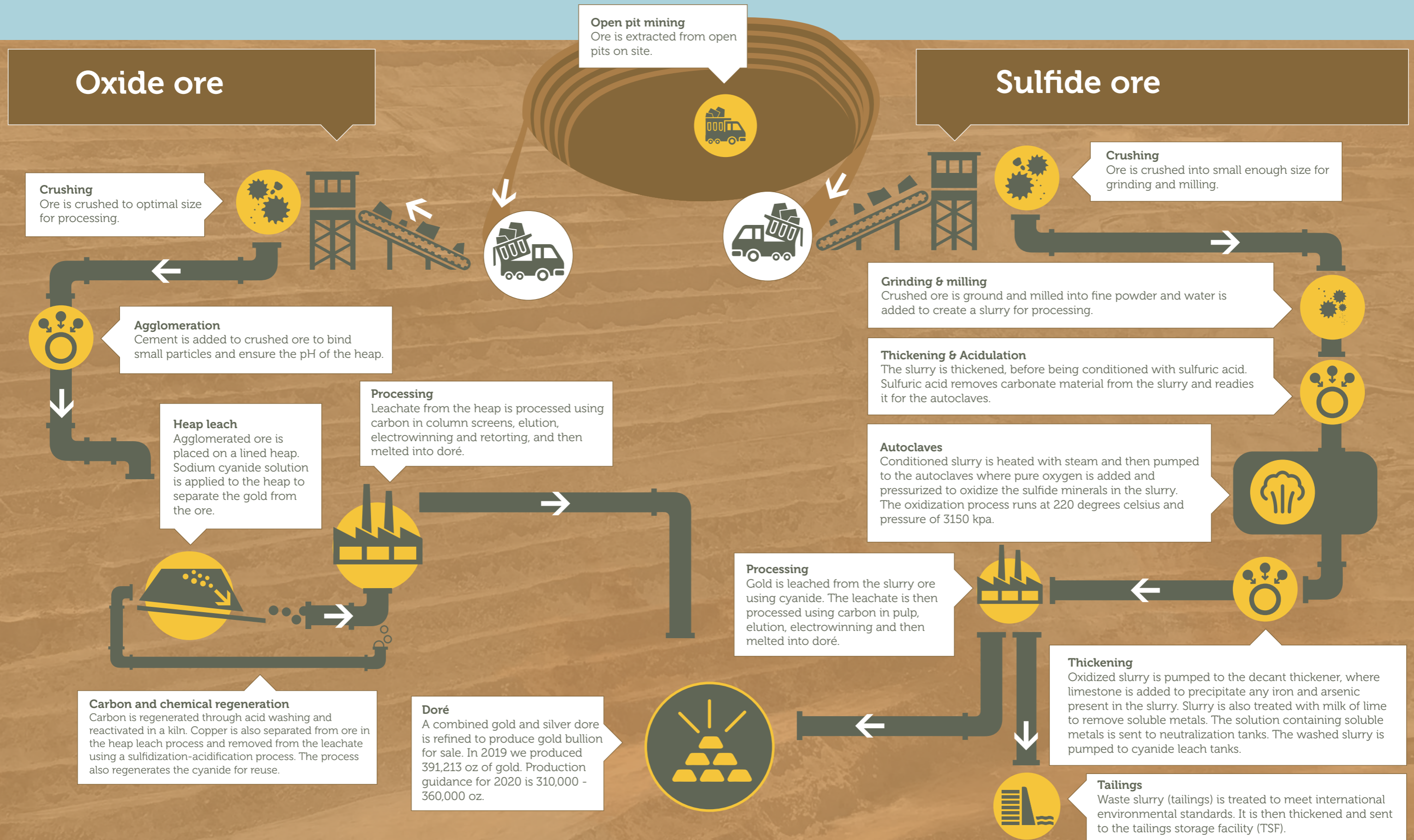
* According to the "Community Benefits Distribution Standard" which was developed in 2019, impacted communities covers the communities Çöpler, Sabırlı, Yakuplu, Bağıştaş, Ortatepe, Çaltı and 4 neighborhoods in İliç district center influenced and impacted by Çöpler Mine; affected communities covers the other villages of İliç and other districts of Erzincan including city center.

** The larger number of training days in 2018 is the result of operational readiness programs for the CSEP projects and upskilling employees to transfer from the oxide plant to the new sulfide plant.

*** Reporting definitions for local employment were updated during 2020, to impacted and affected communities.

- Green light - on target
- Orange light - positive trend
- Red light - not achieved

OUR MINING PROCESS



Chapter 1: BUILDING STRONG GOVERNANCE OF SUSTAINABILITY

SUSTAINABILITY STARTS AT THE TOP

At Alacer, ultimate responsibility for the implementation of our sustainability policies and performance against any associated Key Performance Indicators (KPIs) rests with our Board of Directors. The Board is supported by a dedicated Environmental, Health, Safety and Sustainability (EHS&S) Committee. The EHS&S Committee oversees, monitors and reviews our practice and performance in areas of safety, health, stakeholder

relationships, environmental management and other sustainability issues. The committee consists of three Board members:

- Alan Krusi (Chair)
- Edward Dowling
- Kay Priestly

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.

“Alacer is committed to not only having the highest sustainability standards, but also the plans, procedures, metrics and targets in place to ensure our commitments are met every single day.”

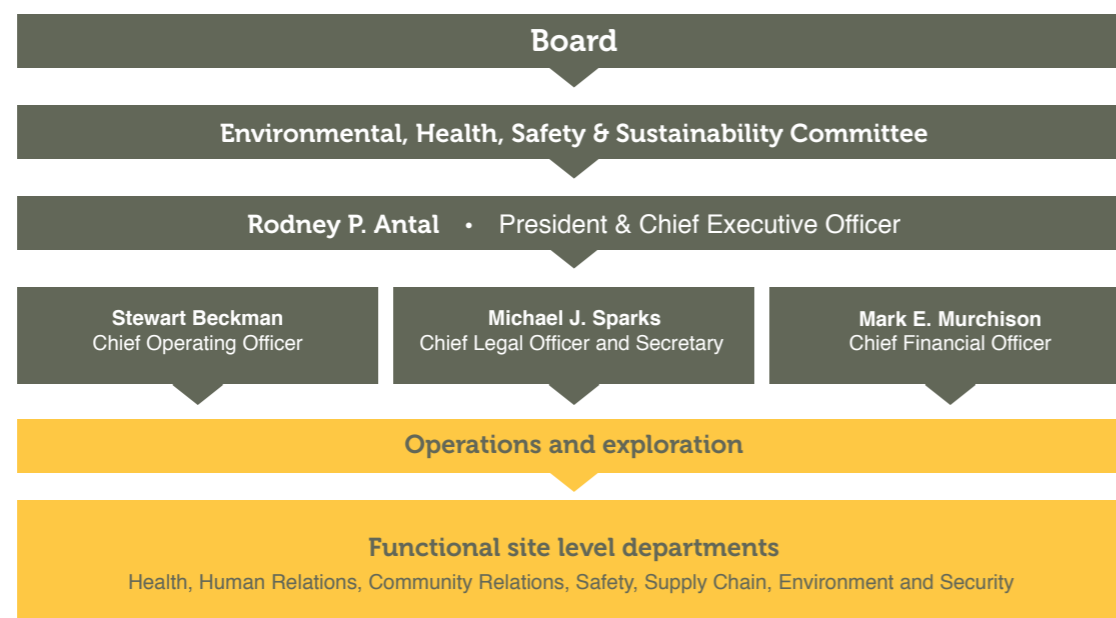
Rod Antal, CEO and President

Sustainability is also a key responsibility for group level executives and site teams. Our approach to sustainability is underpinned by the principle of collective responsibility and a belief that every employee must contribute to our sustainability performance – particularly on issues of health and safety and reporting of incidents. To reflect our commitment to sustainability, 20% of the annual short-term incentive plan is linked to the achievement of group EHS&S targets across all levels of the business.

Our priorities for 2020 include:

- Roll out and implementation of updated policies.
- Improving our carbon disclosures including participating in the CDP (formerly Carbon Disclosure Project) water and climate investor surveys.
- Investigating the potential for solar power at the Çöpler Mine.
- Gap assessing against the International Cyanide Management Code (ICMC) standard with an intent to commit Alacer, including the Çöpler Mine, to the certification process.

Figure 1: Board level oversight



OUR SUSTAINABILITY GOVERNANCE FRAMEWORK

The bedrock of our sustainability governance is a set of policies that not only meet or exceed the requirements of our host country legislation, but also align with the expectations of ICMM (International Council of Mining & Metals) guidance and International Finance Corporation (IFC) Performance Standards, and the World Gold Council. Our approach to policy development is to identify the most stringent standards and integrate them into Company policy.

On the ground, policies are supplemented by site-specific environmental and safety standards, management plans and procedures that are specifically tailored to the unique environmental and social challenges and permitting regulations of the site. These plans are certified to the requirements of international standards including ISO14001: 2015 and ISO45001.

This report details how these policies, procedures and systems are implemented, monitored and managed, as well as our performance against any associated KPIs.

Our policies are available on our website, on site and in our offices. They are provided in both English and Turkish. Policies are also taught to all employees and contractors as part of induction training. During 2019 we undertook an exercise to benchmark our

sustainability policies against those of industry, and we are currently updating policies to reflect current industry best practice. Updated policies require Board approval and will be implemented during 2020.

Figure 2: Sustainability governance framework infographic

- Reporting:** By transparently reporting on our sustainability performance, acknowledging areas for improvement, and holding ourselves accountable for the results, we build trust with stakeholders.

- Targets:** Setting clear targets drives improvement and challenges us to continually better ourselves. It also helps stakeholders to understand and assess our performance on the issues that matter most to them.

- Metrics and indicators:** Enable us to track our performance and manage any issues that arise.

- Systems:** High quality effective management ensures the correct processes are followed, enables collaboration and drives a consistent approach to risk management across the business.

- Plans and procedures:** Detail how policies are implemented on the ground and tailored to the unique characteristics of the site or project.

- Policies:** Set out our vision for and commitment to sustainability and good governance across all operations.

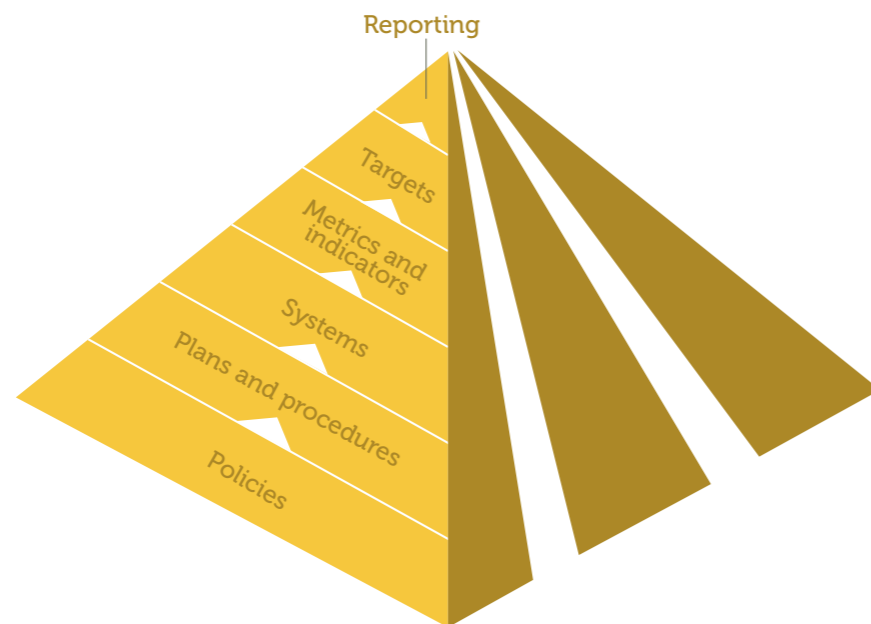
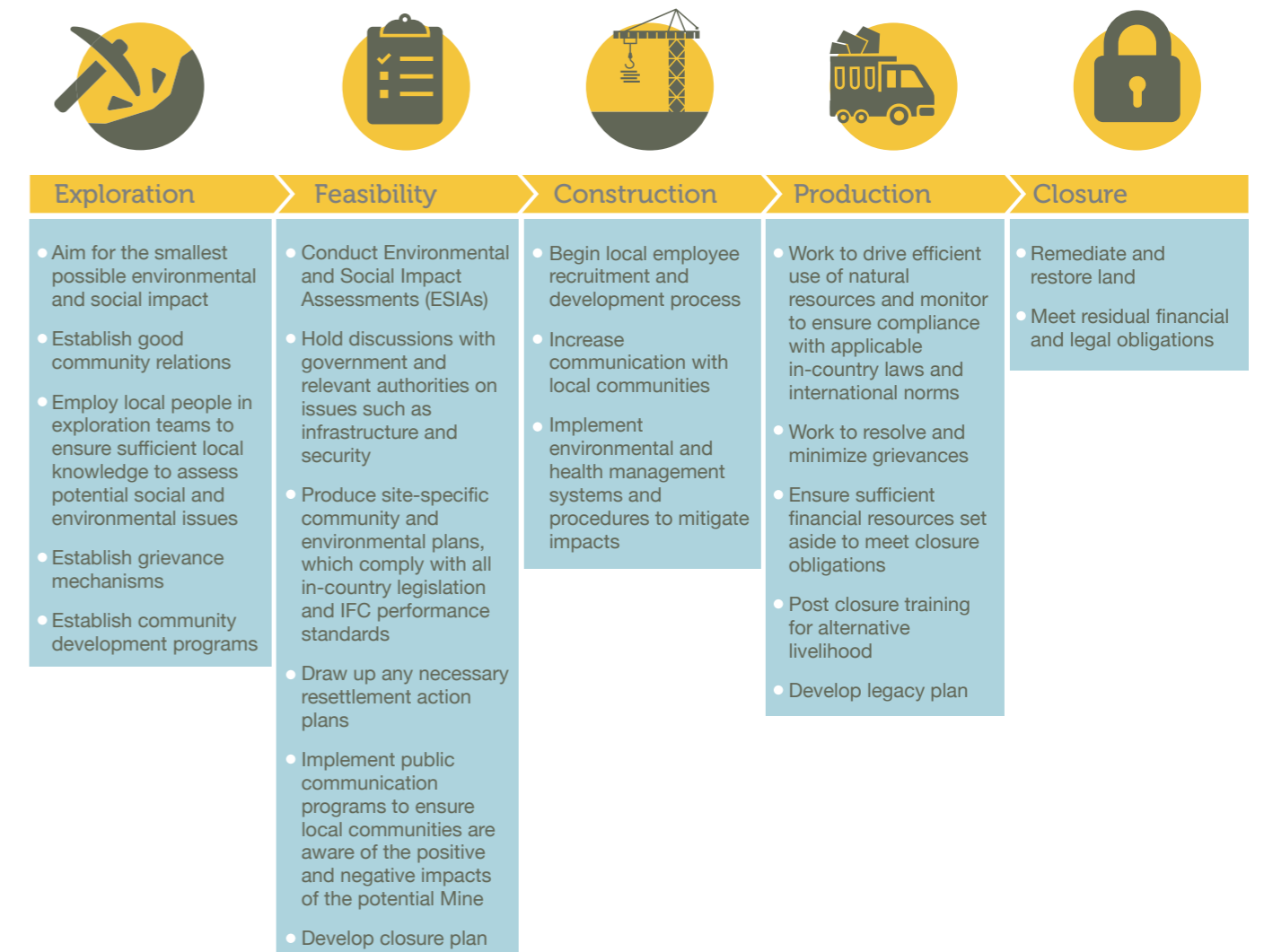


Figure 3: Sustainability at every part of the Mine life cycle



STAKEHOLDER ENGAGEMENT

Establishing and maintaining transparent and honest two-way dialogue with all our stakeholders is critical to our business, and integral to our governance of sustainability. At the Çöpler Mine, we have a wide-ranging stakeholder engagement program (SEP) which sets out the ways in which we engage with our stakeholders and ensures regular communication with stakeholder groups throughout the year.

Some of the elements included in the Çöpler Mine 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;
- Inviting trade union representatives to visit and attend meetings on site;
- Community grievance mechanism;
- Attendance at industry and investor conferences; and
- Investor roadshows.

At the Çöpler Mine during 2019, we held 1,574 stakeholder consultations. These included meetings with shareholders, analysts, local communities, authorities, contractors, government representatives and trade union officials. Some of the key topics discussed included the SDF, exploration activities, cyanide awareness, local procurement and contracting opportunities and job creation.



MATERIALITY ASSESSMENT – DEFINING WHAT MATTERS MOST

As part of both our stakeholder engagement practices and our commitment to report in line with GRI Standards, Alacer conducted a materiality assessment survey in November 2019.

This process involved surveying a sample of internal and external stakeholders, on a range of 30 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.

Priority issues identified include:

- Local and national employment
- Local economic development
- Doing business in an ethical manner
- Health and safety
- Purchasing from local suppliers
- Revenue transparency
- Employee training and development
- Environmental compliance

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

Figure 4: Materiality scattergraph



DOING BUSINESS IN AN ETHICAL MANNER

Making sure we are good corporate citizens is not only the right thing to do, it is also good business. The standards of behavior we expect are set out in our Code of Conduct and include:

- Compliance with all relevant laws and regulations wherever we do business
- Respect for local culture and customs

We have zero tolerance for bribery and corruption of any kind. The Code of Conduct applies to all employees, contractors and third-party vendors and our Board. Violations of the Code of Conduct are investigated and disciplinary action taken, up to and including termination of employment or contract.

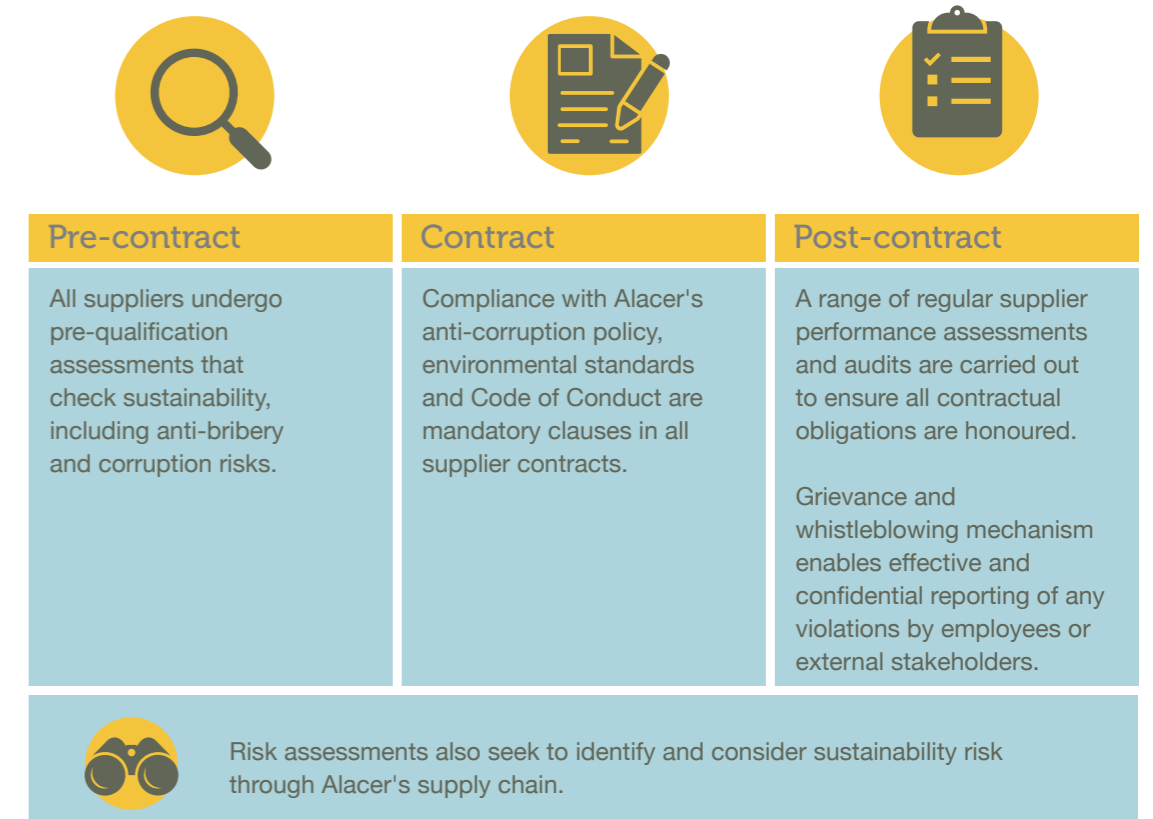
RESPONSIBLE SUPPLY CHAINS

We expect all our suppliers to respect our policies and Code of Conduct. Our supply contracts include anti-bribery and corruption clauses. Before any supply contract is signed, we conduct several pre-qualification checks, including anti-bribery and corruption risks.

Once a supply agreement is in place, we monitor supply performance regularly against a range of KPIs. We conduct several formal supplier audits each year. Formal audits utilize a combination of desk research, face-to-face meetings and visits to supplier sites and factories to review policies, practices and procedures to ensure they meet our standards and comply with policy. During 2019 we conducted more than 200 formal supplier audits.

We encourage all major suppliers to be certified to industry best practice standards such as the International Cyanide Management Code, and evidence of health and safety management plans must also be provided.

Figure 5: Integrating sustainability concerns into our supply chain



PRODUCT STEWARDSHIP

We do not purchase any gold from artisanal or small-scale miners. The doré we produce is transported to the Istanbul Gold Refinery (IGR). Part of our agreement with IGR requires them to have a responsible gold policy in place. The IGR transform the doré into gold bullion, which is then sold either to the Turkey Central Bank or to the market. Once sold the onward distribution of the gold is the responsibility of the purchasers.

RESOLVING GRIEVANCES

Our grievance mechanism is an important part of our local stakeholder engagement program and our overall governance of sustainability. It also provides valuable insight into the performance of community development and relations work.

Our community grievance mechanism has been developed to meet the requirements of both Turkish regulations and the IFC Performance Standards. The mechanism is designed to be widely accessible and there are access points available throughout each of our five closest affected communities. There is also a dedicated access point for suppliers.

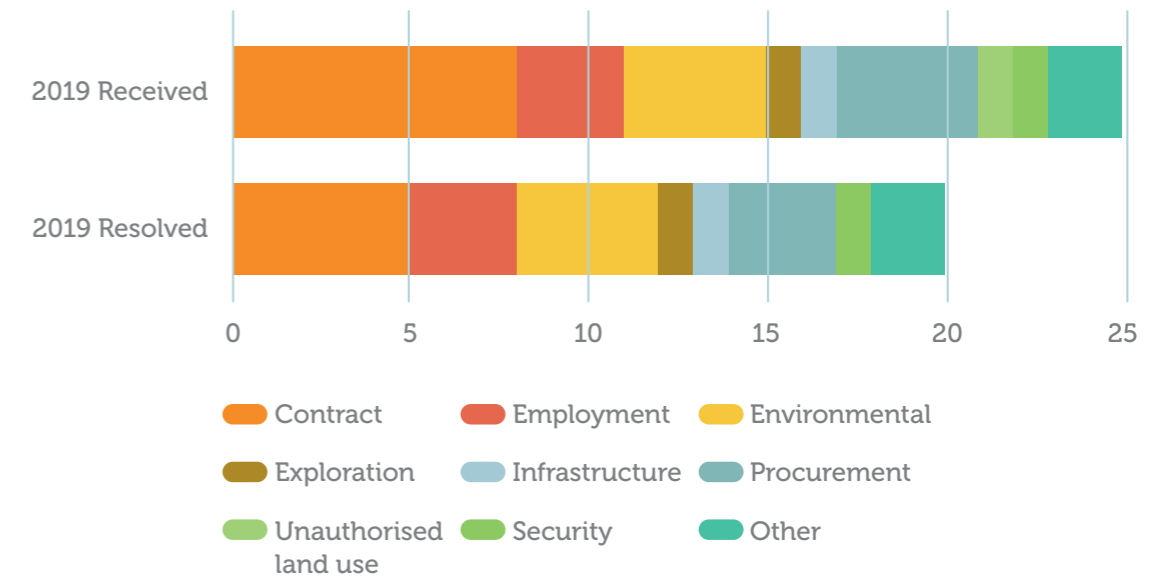
We commit to responding to all grievances within seven days and aim to have every grievance resolved within 30 days of receipt. As shown in the table below, 25 grievances were received during 2019. The majority of these grievances related to supplier contracts.

As at December 31, 2019, 80% of all grievances registered in 2019 had been successfully resolved. All except one of the outstanding grievances from 2018, was also closed out during 2019.

Figure 6: Grievances 2019

Community grievances	2019		2018	
	Received	Resolved	Received	Resolved
Çöpler	2	2	6	5
İliç	16	12	7	6
Other İliç villages	0	0	5	5
Contractors	1	1	0	0
Bağıtaş	0	0	1	1
Sabırlı	1	1	1	1
Yakuplu	3	2	6	6
Kabataş	0	0	1	1
Kemaliye	1	1	0	0
Other provinces	1	1	0	0
Total	25	20 (80%)	27	26 (96%)

Figure 7: Grievances received and resolved by type



RESPECTING HUMAN RIGHTS

We are committed to respecting and upholding the human rights of people affected by our operations. This commitment is outlined in our Community Relations Policy, which states that we will:

- Respect and uphold the 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 a component on the Voluntary Principles on Security and Human Rights. All private security staff at the Çöpler Mine are also carefully vetted and trained to ensure that their practices and behaviors align with the expectations of the Voluntary Principles on Human Rights and Security, as well as strict National regulations pertaining to provision of security services.

We will implement a standalone Human Rights Policy in 2020 to reflect the seriousness with which we take human rights and to reaffirm our commitment to respect them wherever we operate.



Chapter 2: DELIVERING A SAFE AND SKILLED WORKPLACE

0.21 LTIFR

2.57 TRIFR

SAFE PRODUCTION

The health and safety of our workforce and communities is, and always will be, our top priority. With heavy machinery in operation, large volumes of material moved, hazardous chemicals in use and regular blasting on site, mining has a wide and frequent range of safety risks to be managed. However, we believe that it is possible to manage these risks so that everyone returns home safely at the end of each day.

Our Health and Safety Policy is guided by two key goals. First, to eliminate fatalities and serious injuries from our operations, and second, to continually reduce the number of minor injuries occurring on site. To fulfill these goals on the ground we implement:

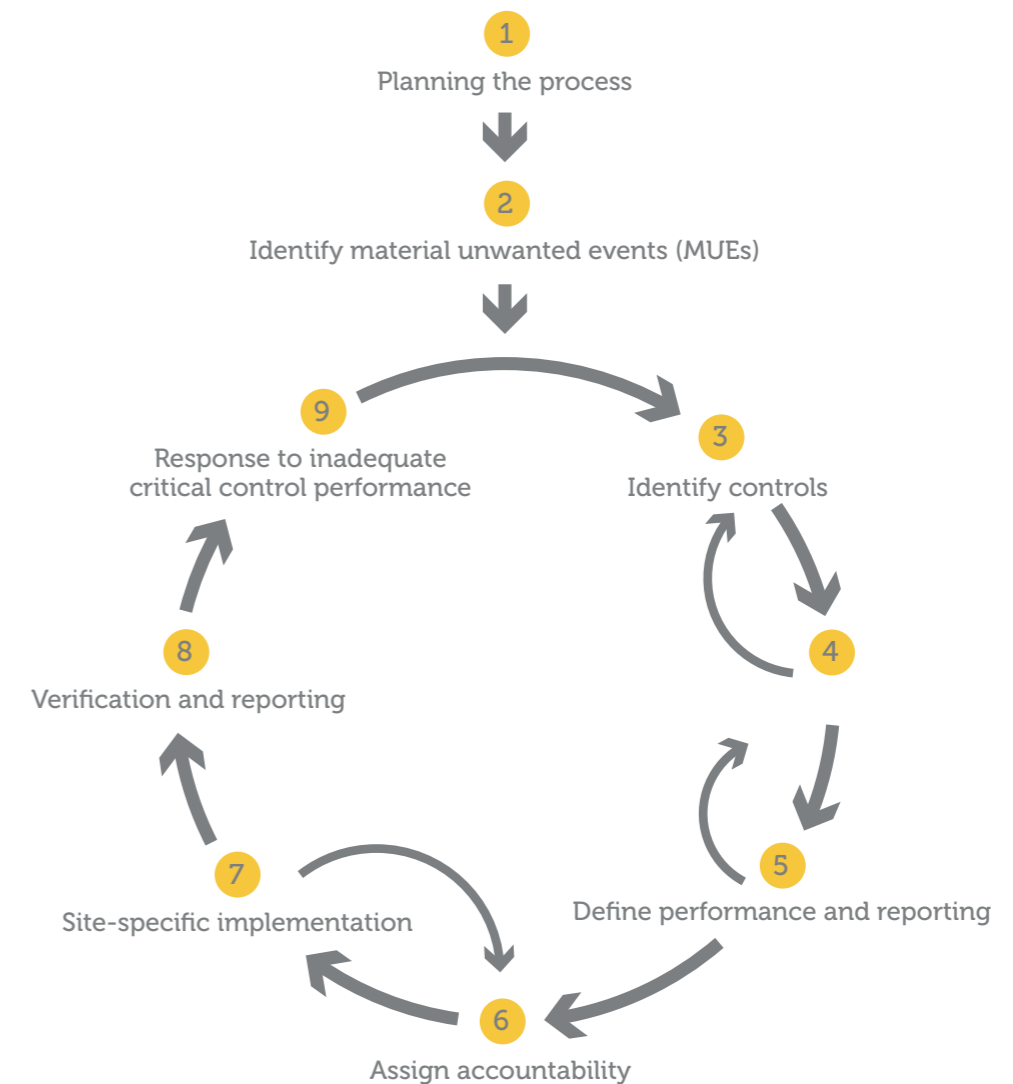
- **Robust systems and plans:** The Çöpler Mine has a safety management plan and system aligned with international best practice standard ISO45001 in place.
- **Risk assessments and control:** We regularly assess specific safety risks across each part of the Mine. In 2019 we continued the development of our existing risk management program applying leading practice guidance to our risk management and control methodology to ensure best outcomes. We improved our systems and support to provide better on-the-job tools, recording and reporting information.



“Our people are the cornerstone of our business success and it is their skill, effort and dedication that is the engine behind our impressive results. It is critical that they feel respected, are equipped with the skills to do their job to the highest level and be safe in their work.”

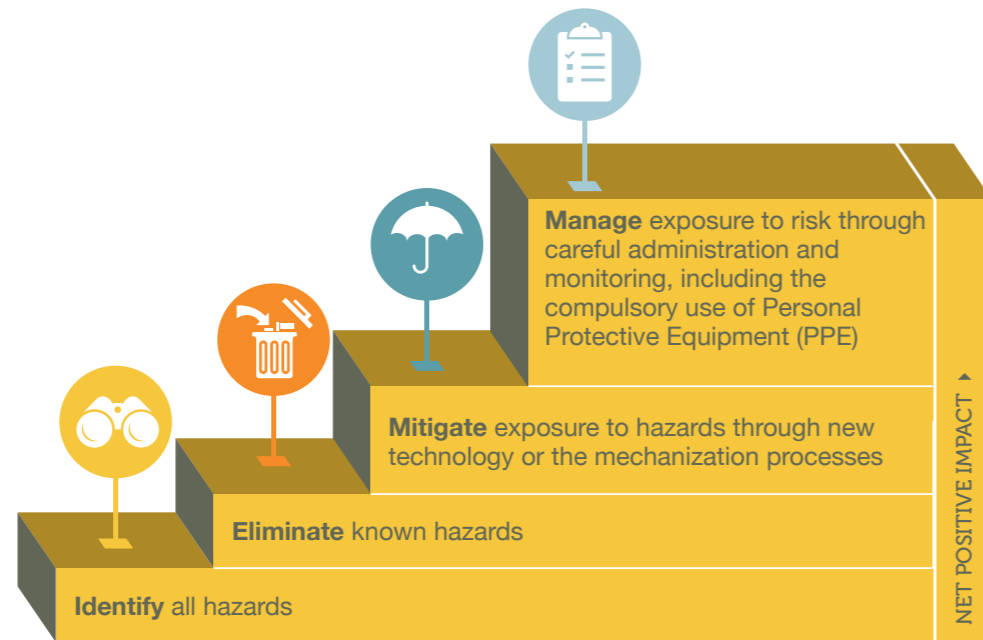
Stewart Beckman, COO

Figure 8: Applied Model taken from ICMM Critical Control Management Guide



- **Risk mitigation hierarchy of controls:** As shown in Figure 9 follows four key steps.

Figure 9: Sustainability at all stages of the Mine life cycle



- **Employee engagement:** We encourage our staff to think proactively about safety risks and to take responsibility for both the safety of themselves and their colleagues. We also encourage a right to refuse work on the grounds of safety. That means all our workers are empowered to challenge their supervisors if they believe the appropriate safety measures or equipment are not in place. We hold daily prestart and toolbox meetings which include safety briefings to reinforce risk awareness and the importance of safe working procedures.
- **Training:** Safety training is a critical part of the induction training for all employees and contractors, and regular additional job-specific safety training is provided – including use of chemicals, spills, working at height and hot work.

We also have a zero-tolerance policy towards drugs and alcohol use and unsafe behavior on site.

TAKING A BEST PRACTICE APPROACH TO RISK MANAGEMENT

During 2019 we continued improvement of our existing risk management program using ICMC Critical Control guidance and updating our bowtie method and analysis at the Çöpler Mine. Bowtie is an industry leading risk evaluation method that analyzes and demonstrates causal relationships in high-risk scenarios.

The Bowtie method provides a visual summary of all the plausible accident scenarios that could exist for a certain hazard and the control measures that should then be implemented to control each. Bowtie provides us with a pragmatic and structured approach to risk management and focuses on catastrophic and high-risk hazards. This is especially important for the operation of a pressure oxidation (POX) plant where an incident could lead to multiple injuries or fatalities.

Applying our improved methodology to date, we have complete studies for the following aspects of our operations:

- POX plant;
- Working at heights; and
- Confined spaces.

These updated studies have on average 120 controls per study of which 30 are considered critical control. For each study, an assessment, control datasheet and a checklist for employees and contractors operating in these situations are produced. A detailed risk review plan has been established and embedded into the operation business plan and a formal reporting and conformance verification process has been established to monitor the progress.



SAFETY PERFORMANCE

We measure our safety performance by tracking a range of leading and lagging safety indicators. In contrast to many of our peers and industry, the safety statistics we report also include our exploration activities. All significant incidents are investigated and, based on findings, corrective action plans are developed to prevent recurrence. Details of incidents are reported to executive leadership and the Board of Directors.

While our safety performance in 2019 was strong by industry standards, it did not meet the high standards we expect and, in August, after nearly 3 years and 22 million hours, a lost-time injury occurred.

The incident occurred when a haul truck tipped over during unloading, resulting in a broken collar bone for the driver. Post incident hazard awareness and refresher training was conducted with truck drivers and engineering improvements were made with alarm systems and maintenance. Additional administrative improvements were made with pre-start checks, risk assessments and procedural improvements.

Similarly, our total recordable injury frequency rate (TRIFR) increased during 2019, mostly as a result of a significant increase in exploration. We have redoubled our efforts to drive these trends down.

EMERGENCY PREPAREDNESS

Ensuring we are adequately prepared for an emergency is a key part of our commitment to providing a safe working environment. The Çöpler Mine has a well-trained and equipped on site emergency response team in place. This includes three dedicated personnel and 86 trained workers.

A minimum of 20 trained emergency response workers are on site at any one time. This means first response cover and assistance is available anywhere on site at any time. We carry out mock drills throughout the year to make sure all workers know what to do in the event of an emergency. We aim for a three-minute emergency response time.

During 2019, the Çöpler Mine signed a protocol with the Sub-governor of Iliç to assist the District in dealing with emergencies such as traffic incidents and fires.



Total Recordable Injury Frequency Rate:



Figure 10: Our safety performance

	2019	2018	2017
Total hours worked	4,662,085	10,832,418	7,739,594
Lost time injuries	1	0	0
Restricted work injury	8	5	5
Medical treatment injury	3	13	10
First aid injury	49	129	119
Total injuries	61	147	134
Total recordable injury frequency rate	2.57	1.66	1.94
Lost-time injury frequency rate	0.21	0	0
Serious potential incidents	14	40	81
Serious potential injury frequency rate (SPIFR)	3.22	3.69	10.47

TRAINING AND STAFF DEVELOPMENT

5.5 days average training for employees +\$1M spent of employee training in 2019

Our success as a business is underpinned by the skill, commitment and dedication of our workforce. Making sure we have a highly skilled and well-trained workforce is a crucial part of our human resources strategy.

Our approach to the development of our people is to strategically and continuously invest in staff training to ensure we meet our business and operational needs both now and in the future. The development opportunities we provide include technical skill development, leadership and business literacy skills, procedures and standards, and career development for our people. We have a specialized training center with a capacity of 150 trainees on site at the Çöpler Mine.

During 2019 we updated our matrix of all positions on site and analyzed the skills requirements for each role, against the current staff competencies. This work is being used to create individual and department development and succession plans.

In 2019, we spent more than \$1M on employee development programs. On average our employees received approximately 5.5 days of formal skills development training.

In addition to the training provided to our existing employees, we carry out training and capability development programs for our neighboring community. Training is directed to future roles with our company, while other training is focused on general skills development to enable people to seek gainful employment in other industries and locations throughout Turkey to broaden the economy and skills base in the Iliç District. The mining skills development program employed 79 community members in 2019.

Skills development is also an important part of our wider efforts to contribute to the local community. In 2019, Project Cycle Management (PCM) training was given to 214 community members to prepare improved Social Development Fund applications, and projects funded by the Social Development Fund provided technical training to specific sectors such as farmers.

During 2020 we will begin a new initiative to further enhance the local skills base and increase the number of employees and contractor employees drawn from our neighboring communities. The initiative includes a \$6M investment for the establishment >300 comprehensive traineeships run over three to five years.



‘Investing in the skills development of our local communities contributes to the on-going development of our local community and Turkey at large.’

Geoff Day, Country Manager

INDUSTRIAL RELATIONS

We believe that transparent communication with workers and unions is critical to the effective running of our operations. Our workforce has no restrictions on union representation, and we respect the rights of freedom of association and collective bargaining. We invite union and worker representatives to attend the site level EHS&S committee meetings.

Approximately 60% of the workforce at the Çöpler Mine are union members and have collective agreements in place. There were no instances of industrial action in 2019, and we have enjoyed positive industrial relations since operations commenced.

DIVERSITY AND INCLUSION

A talented and diverse workforce can be a key competitive advantage for a business. Our workforce is made up of people drawn from a wide range of backgrounds with a broad set of skills, values and experiences. We value this diversity and the organizational strength, deeper problem-solving ability and opportunity for innovation that it brings to our business.

Our approach to diversity is outlined in our publicly available Diversity Policy.

The Policy commits us to provide:

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

We do not set diversity or gender quotas for our workforce. Instead we appoint people based on merit and 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.

We recognize attracting women into mining is a global and industry-wide challenge. It is compounded in culturally conservative Eastern Turkey where the Çöpler Mine is located. We actively encourage local women to apply for jobs at the Mine, and our ambition is to increase the number of women employed at the Mine year on year.

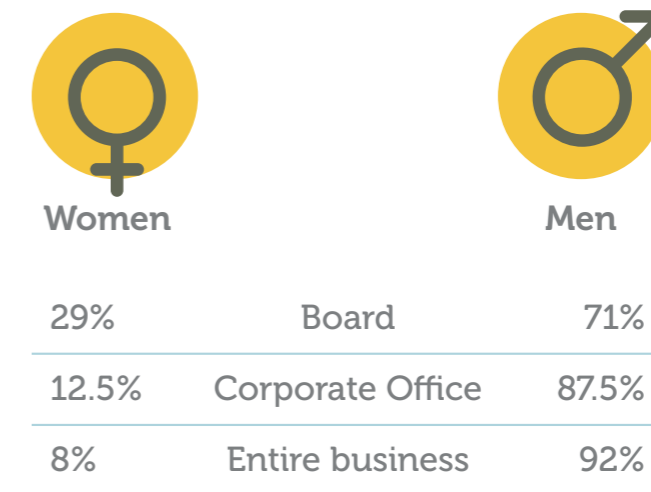
We ensure women have pay equity with men in similar positions and have adopted family friendly working policies. These policies include:

- Managing shift schedules so that breast-feeding mothers and mothers of young children do not work night shifts.
- Redeployment of pregnant women to alternate roles during their pregnancy. We also hold their original positions open for them during redeployment and maternity leave.

We also support several gender-focused initiatives that provide skills and economic independence for local women, and through the Social Development Fund, 31% of projects funded by the SDF in 2019 were women-led projects.

Two of Alacer's six non-executive directors are women. Approximately 32% of employees at Alacer's head office are women. Overall, approximately 10% of all employees across the business are women.

Figure 11: Sustainability at all stages of the Mine life cycle



PROVIDING SUPPORT AND CAREER PROGRESSION FOR LOCAL WOMEN

Gülten Güler Uludağ has been working at the Çöpler Mine in the administrative department since 2015. She grew up in Çöpler village and was one of two women promoted to a team leader role at the Çöpler Mine in 2019.

Gülten explains, "I work hard and have been rewarded with training and recognition for my efforts. Any new job comes with its challenges, but I am well supported by my managers and team."

It was not easy when I started working at the Mine. At first many people in the community judged me and I was criticized

for wanting to work at the Mine. But I was determined and Anagold has been very supportive. Together we challenged their assumptions and now they are more accepting of women working at the Mine. Local women have now also started working on the night shift!"



Chapter 3: SUSTAINABLE COMMUNITY DEVELOPMENT

Taxes: \$40M in taxes paid

Jobs: 51% of workers from impacted and affected communities of the Çöpler Mine and 97% from Turkey

Local procurement: \$25M spent with local suppliers and \$309M with national suppliers in 2019

Community investment: 32 business projects funded by SDF in 2019

>\$2.6M in community development initiatives.

To successfully explore for, develop and operate a Mine we must do so in a manner that delivers social and economic benefits to the local community and country. We do this through the jobs we create, the goods and services we procure, the investments we make in community programs and infrastructure, and taxes and royalties we pay to national and local governments.

Considered together our total direct economic contribution for 2019 was \$413M.

Figure 12: Economic value statement (\$000)



¹ Please note that the basis for preparation and disclosure of this information may differ from methodologies used for other purposes, such as our ESTMA report. Some totals may not sum due to rounding. Payments to Government includes taxes, royalties, licence fees and payment to local communities as part of land use agreements.

² Data include scholarships, all donations and commitments, SDF and scholarships.



PAYMENTS TO GOVERNMENT

We are committed to being a good corporate citizen. Paying all required taxes, licence fees and royalties and reporting these payments in a transparent and accountable manner is a key part of this commitment.

Our approach to taxation and tax planning is to comply in a responsible manner with the laws and practices of all jurisdictions in which we operate. The taxes we pay

are determined by the relevant national, provincial and regional authorities, and as shown in the table below we paid a total of \$9.1M to the Turkish authorities in 2019. 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.

Figure 13: Payments to government

Payee	Taxes (i)	Royalties (ii)	Fees (iii)	Production entitlements (iv)	Bonuses (v)	Dividends (vi)	Infrastructure improvement payments (vii)
Turkish state government	\$ 5.2M	\$ 1.5M	\$ 0.3M	\$ -	\$ -	\$ -	\$ -
Turkish Provincial and Municipal Authorities	\$ -	\$ 0.1M	\$ 1.3M	\$ -	\$ -	\$ -	\$ 0.8M
Total	\$ 5.2M	\$ 1.5M	\$ 1.6M	\$ -	\$ -	\$ -	\$ 0.8M

* Unaudited data subject to change - ESTMA report expected to be published by the end of April 2020.

- (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 deductions that may be taken. Royalties paid in kind are also reported under this category. For the year ended December 31, 2019, 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, 2019, there were no production entitlement payments to a payee.
- (v) Signing, discovery, production and any other type of bonuses paid to a payee are reported under this category. For the year ended December 31 2019, there were no reportable bonus payments to a 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, 2019, 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 and bridges, a water treatment facility and other community development initiatives.

PRIORITIZING LOCAL EMPLOYMENT

Hiring workers from the communities nearest our Mine is one of the most important contributions we make to social and economic development. It is also an important pillar of our human capital strategy, as it:

- Contributes to strong community relations and a secure operating environment for our Mine;
- Helps to develop the skills of our local communities, which ultimately reduces dependency on the Mine; and
- Delivers a stable and effective workforce while maintaining a competitive cost base.

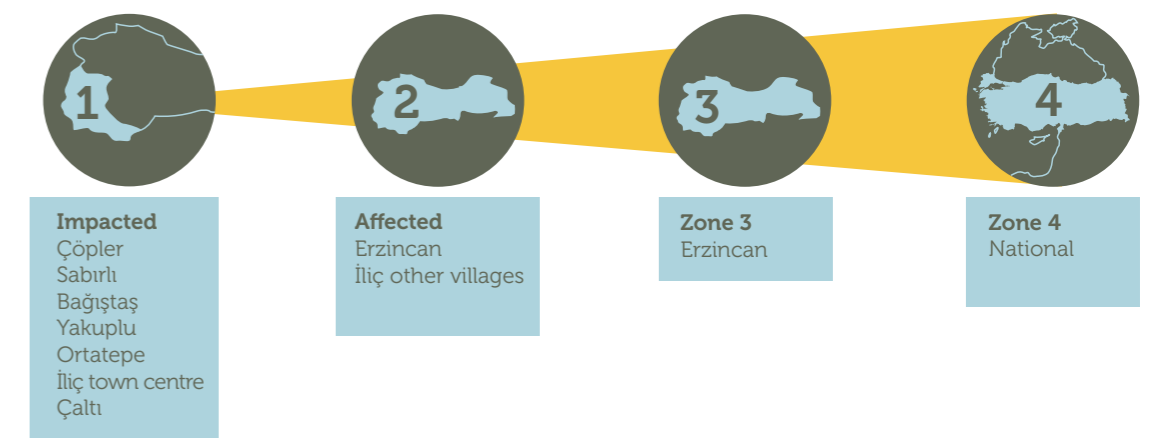
As shown in figure 14, our approach to recruitment is to first look to our local communities. If we are unable to find people with the appropriate skills from the local community, we seek to recruit from the wider region, followed by nationals, before finally looking internationally.

Our commitment to employing and developing local and national workers is reflected by the targets we have set for the Çöpler Mine:

- 90% of unskilled workers to be drawn from our communities impacted and affected by our mining operations
- 80% of semi-skilled worker to be drawn from impacted and affected communities
- 80% of skilled workers to be Turkish citizens

We also encourage our suppliers to employ local workers whenever possible.

Figure 14: Employment prioritization



OUR PERFORMANCE

As at December 31, 2019 we employed 639 people, with an overall total workforce including contractors of 1,905.

As shown in the chart below 42% of our current workforce (including contractors) are drawn from those impacted and affected communities of our operations, and a further 57% are Turkish. All our unskilled workers are drawn from the communities

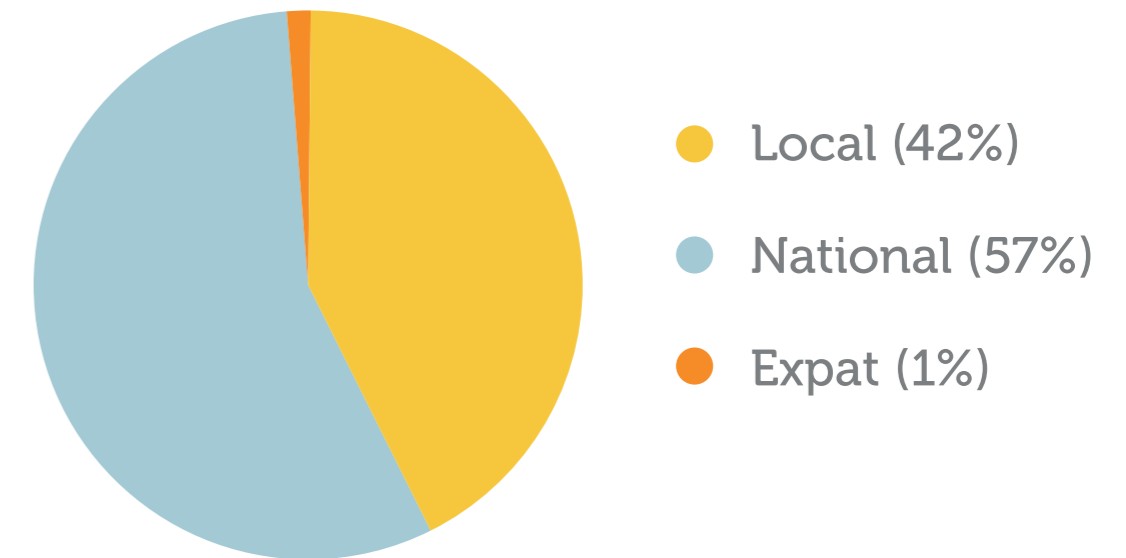
closest to our operations, and all our semi-skilled workers are from our locally affected communities.

In 2019, we had 16 skilled international employees who are expected to share knowledge, pass on skills and mentor the local workforce, so greater responsibility for the running of the Mine can transition to the local and national workers.

Figure 15

	Ankara / HQ			Çöpler			Exploration			Total		
	Local	National	Expat	Local	National	Expat	Local	National	Expat	Local	National	Expat
Anagold Total (men + women)	0	21	1	310	254	15	17	21	0	327	296	16
Men	0	13	1	286	229	13	17	18	0	303	260	14
Women	0	8	0	24	25	2	0	3	0	24	36	2
Operation contractors Total (men + women)	0	0	0	461	654	0	23	128	0	484	782	0
Men	0	0	0	397	652	0	23	126	0	420	778	0
Women	0	0	0	64	2	0	0	2	0	64	4	0
Total workforce	0	21	1	771	908	15	40	149	0	811	1078	16

Figure 16: Total workforce



LOCAL SUPPLY CHAIN

Excellent supply chain management is critical to the effective running of the Çöpler Mine. It can also be a catalyst to spark entrepreneurship, stimulate local economies and facilitate economic development in our local community.

Our approach to supply chain management is guided by two key goals: first and foremost, we must ensure a steady and secure supply of the high-quality products, materials and services to allow the Çöpler Mine to continue operations without interruption.

Alongside this we have a preferential procurement policy in place, and we seek to use our purchasing power to grow local

businesses, provide additional employment opportunities for local people and to diversify the economy. Where supplier skills are lacking, we work with suppliers to build capacity, by providing training and mentoring.

Our commitment to sourcing from local suppliers is reflected by a target of at least 6% of our procurement spend to be with businesses from the towns and villages closest to the Mine and wider district. During 2019, we purchased \$25M of goods and services from the impacted and affected communities of the Çöpler Mine, and a further \$309M from Turkish suppliers.

INVESTING IN COMMUNITY DEVELOPMENT

By working with local communities to invest in education, health, local economic development, infrastructure improvements and capacity development programs we can help to address societal challenges. We can also catalyze long-term socio-economic development for the community and minimize dependency on the Mine during operations and upon closure.

Our commitment to contribute to the development of our local communities is set out in our Community Relations Policy, which has two clear goals: 1) to maximize the number of beneficiaries from the Mine affected settlements and 2) to foster long-term economic growth that is not dependent on the Mine.

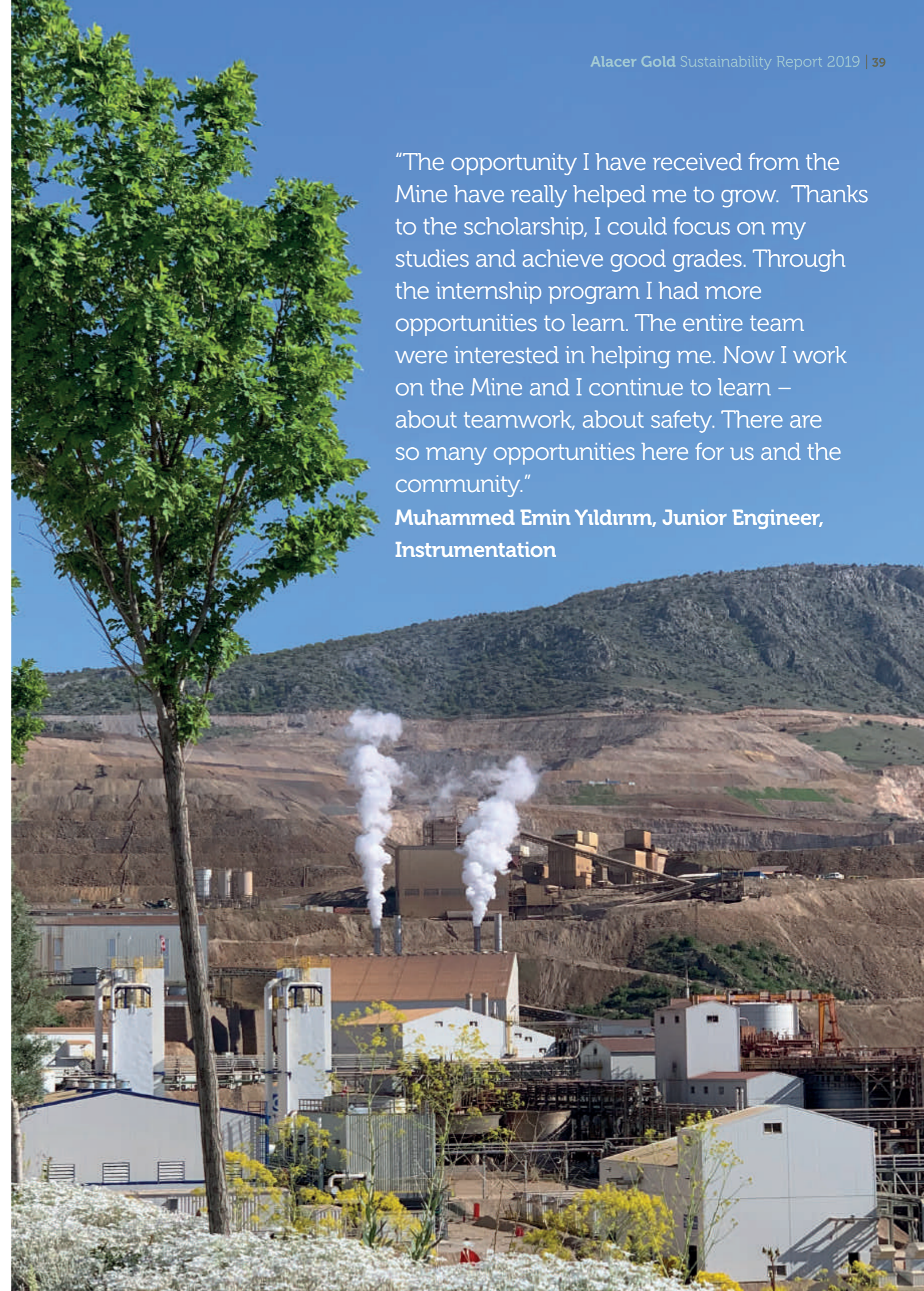
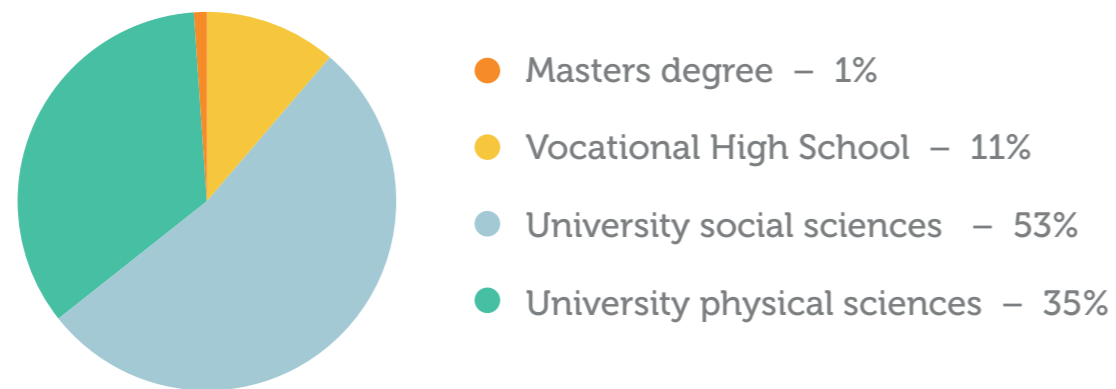
Each year we contribute to the development of our local communities by making direct investments in community infrastructure and social programs.

This spend is dedicated to 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; and
- Enhancing women’s economic participation.

For example, in 2019 we provided 142 scholarships to local community members. These ranged from providing scholarships to vocational high school students to support for a Master’s degree. Scholarships were awarded equally between men and women.

Figure 17: Scholarships supported in 2019



“The opportunity I have received from the Mine have really helped me to grow. Thanks to the scholarship, I could focus on my studies and achieve good grades. Through the internship program I had more opportunities to learn. The entire team were interested in helping me. Now I work on the Mine and I continue to learn – about teamwork, about safety. There are so many opportunities here for us and the community.”

Muhammed Emin Yıldırım, Junior Engineer, Instrumentation

INVESTING IN SUSTAINABLE DEVELOPMENT: THE ÇÖPLER MINE SDF

Alongside the direct investments we make, we also invest in the local community at the Çöpler Mine through our Social Development Fund (SDF). Launched in 2018, the SDF is an innovative partnership between the Mine and the community.

It aims to provide financial support to local entrepreneurs so they can set up or grow their own businesses that are not tied to the Mine as well as investing in a wide-range of social and community development projects. Projects are selected based on a set of development priorities agreed in consultation with the community and aligned with local government development plans and priorities. The priorities are reviewed and updated on a three-year basis.

The SDF is funded from contributions by the Company of \$2 for every ounce of gold produced by the Çöpler Mine, which links the benefits we share with the community to operational success. This investment is ringfenced solely to fund community projects. No money from the SDF is used for the management, monitoring and evaluation of projects.

Funding for SDF applicants is designed to encourage an entrepreneurial and/or community development mindset, and involves two phases, as follows:

- Submission of a concept paper, outlining the idea, the project objective, an estimated budget, and key deliverables. Concept papers are reviewed and screened by an independent third-party assessor. Successful applicants are invited to participate in the:
- Formal application phase, all applicants receive project cycle management training, are supported to refine their project idea and submit a formal application – including a business plan. To avoid this program being seen as a hand-out, we expect all applicants to contribute to the cost of implementation of their projects.*

The 2019 application round received 386 concept papers, of which 218 were invited to the application phase.

“We are proud of the SDF. It took time and dedication from the team to promote it, explain the opportunities and the application process. The work the team does is phenomenal. We now see previous applicants come back with stronger applications and gain funding. It hasn’t always been easy but seeing growing businesses and the entrepreneurial mindset of the community is very rewarding.”

Başak Çetin, Manager, Internal & External Communications

* All SDF applications are reviewed on a case-by-case basis and 100% of funding is provided for disadvantaged members of our community.

CARVING A PATH TO PROFIT

Kasım Çelik is a master marble carver. He cuts and designs marble he buys from Istanbul into business name plaques, tomb stones, house numbers and creative panels for mosques. In 2019 he received funding from the SDF to set up a proud new workshop in the industrial area of Iliç and to purchase a semi-automated marble cutter.

Kasım explains “I have been working with marble for the last 6 years. By hand it would take me a day at least to carve my engravings. With the new machine, I set up the computer on the automated cutter, load the design and press start. Engraving designs now only takes not much more than 10 minutes. This has revolutionized my business. I am able to take on more orders and deliver these to my clients in record time. I have two men that work for me; I had been training one employee for the last 3 years to hand engrave and now I am teaching them both to use the machine. I hope to use the

profits from our increased orders to purchase a fully automated engraving machine and a polishing machine, which will take the business to another level again.”

He continues, “The follow up and support from the SDF team has been very helpful. It has taught me how to really think as a businessman and how to plan my business. Such support was not available before. The SDF is going to be really helpful for people’s businesses and our community.”



CASH COWS

Meral Solak, is a local Muhtar and lives in the nearby village of Kayacık. Meral received funding to support the modernization of her dairy farm. She has 14 cows that she milks to produce yoghurt, ayran and butter. Her products are so popular she sells them as far as Istanbul and can charge 25% more than her competitors.

Meral explains, “I used the funding to erect a fence around my property, so now my cows don’t disturb my neighbours and enter their orchards. I also modernized the shed I house my

cows in and I have a proper floor so tidying their pen doesn’t take me as long. Which is a relief. I installed a CCTV camera to monitor the cows. Which is very important when they are pregnant! I need to make sure they don’t fall over and I come down during birth to help so they don’t lose the calf. My sons are away at University and sometimes they log into the camera so they can check up on me. In the future I would like to employ another woman to help me and perhaps in time replace some of the older cows. I don’t want to grow the business too much, I can provide well for my family, and the renovations save me time, so I can also focus on my job as Muhtar and helping the community.”



Chapter 4: RESPONSIBLE ENVIRONMENTAL STEWARDS

Zero Reportable Environmental Incidents

224 Workplace inspections in a year

Effective Dust Management

3,905 trees were planted

“By making sure that local water, air quality and biodiversity are protected we help to build and maintain the strong relationships with our communities.”

Can Serdar Hastürk, Manager, Environment

At Alacer, from exploration to extraction, being responsible stewards of the environment is integral to the way we operate.

We know that responsible management of the environment is not just in the best interest of our communities but also in our commercial interest. By working to ensure we use water and energy as efficiently as possible we can deliver valuable cost savings to the business.

We integrate environmental considerations into every stage of the Mine lifecycle, and we focus on minimizing and mitigating our impacts on water, land, air quality, climate, and biodiversity.

Our commitment to responsible environmental management is set out in our Environmental Policy, and we comply with in-country legislation, the IFC Performance Standards, and the Equator Principles. The Çöpler Mine’s Environmental Management System (EMS) is certified to the international ISO14001: 2015 standard.

The latest ISO14001: 2015 external audit completed successfully in December 2019.

ENVIRONMENTAL INCIDENTS

One way we monitor our environmental performance is by tracking the number of environmental incidents that occur as a result of our activities, even when they are minor and are contained within the Mine site. We use a risk matrix to assess our environmental risks and determine the consequence of a negative environmental incident that may occur. As set out below, environmental risks are rated on a one-to-five scale of consequence. As follows:

- Level 1:** Localized impact within an existing disturbance that does not cause disruption to operations. Non reportable to external authorities and no penalties are applicable.
- Level 2:** Confined and produce a short-term impact area within the Mine site. Non reportable to external authorities and 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 the Çöpler Mine is to have zero reportable (level two or above) incidents each year.

Figure 18: Environmental incidents by level of classification severity

	2019	2018	2017
Level 1	29	18	43
Level 2	4	3	-
Level 3	-	-	-
Level 4	-	-	-
Level 5	-	-	-
Total	33	21	43

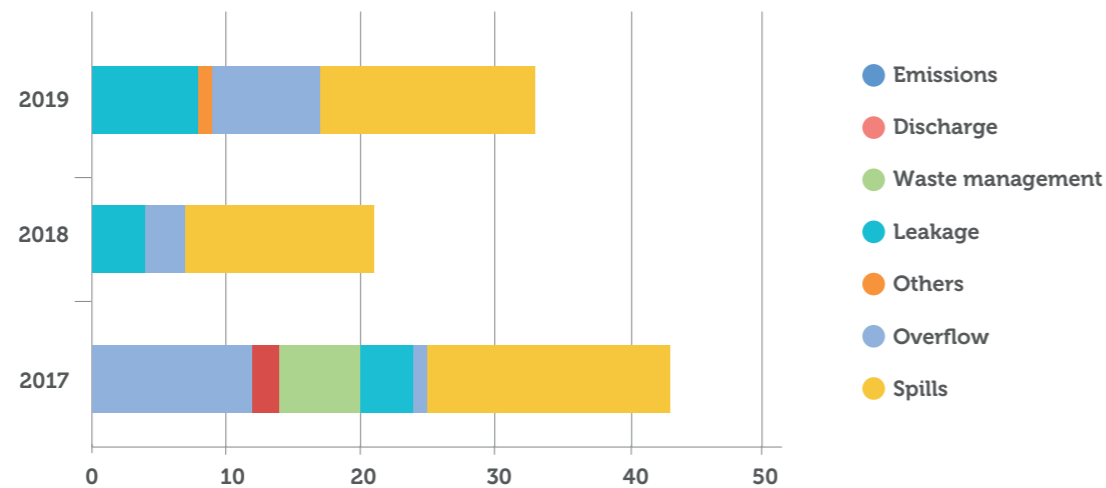
PERFORMANCE

As seen in Figure 19, during 2019 the overall number of environmental incidents occurring at the Çöpler Mine increased from 21 in 2018 to 33 in 2019. All recorded incidents in 2019 were either level one or two and we achieved our target of zero reportable incidents. It should be noted that incidents for 2018 are restated in this report as three incidents were reclassified to level two following internal review. All incidents in 2018 remain below the reportable level. Investigations are

carried out following any level two or above incident to determine cause, and a corrective action report is prepared, and action taken with the goal to prevent recurrence. Investigations are also carried out for repeated level one incidents.

As shown in the chart below almost half of all environmental incidents occurring at the Çöpler Mine during 2019 were small and localized spills.

Figure 19: Environmental incidents by level of classification severity



MANAGING WATER RISK

Our operations rely on access to a ready supply of fresh water. With populations growing and climate change impacting the predictability of water supplies, ensuring we use water efficiently is extremely important.

Our Çöpler Mine is in a high desert region in Eastern Turkey near the culturally significant Euphrates River. All water used by the Çöpler Mine is governed by strict permitting rules regarding abstraction and discharge under Turkish regulations. Our approach to water management is to use water as efficiently as possible and to only draw as much needed and allowed within our permitted limits. All water we abstract is groundwater. Water used on site is recycled and reused in our process plant. We do not discharge water to the environment.

PERFORMANCE

During 2019 we abstracted a total of 3,948,443m³, which represents nearly a 99% increase on 2018. This increase is because 2019 was the first full year of operations for the sulfide plant. Also the design of the tailing storage facility (TSF) was such that, on start-up, there was a delay of four months to be able to use recycled water from the TSF. Total water use remains within our permitted limits. We plan to use our 2019 performance as a baseline for our total water use and water efficiency. During 2020 we will set targets against this baseline.

The Çöpler Mine does not discharge any process water back into the environment. We utilize closed loop cycles to maximize the recycling of process water. This helps to minimize the quantity of water we need to abstract and eliminates the need to discharge back into the environment.

Even though we do not discharge water to the environment, we regularly monitor the quality of groundwater and surface water on and off site, to ensure our activities do not negatively impact water supply for other users.

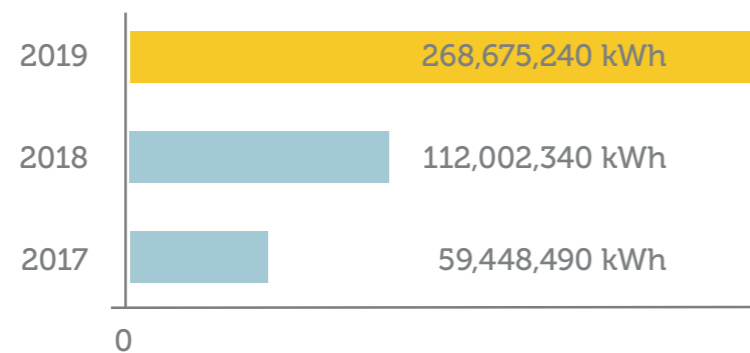


ENERGY AND CLIMATE CHANGE

From the pit to the plant, mining is an energy intensive industry, and we understand the link between our energy use and climate. We also recognize the need to act on climate change and we are committed to reducing greenhouse gas (GHG) emissions by improving electricity efficiency, implementing low-carbon technologies and using clean energy sources.

All the electricity the Çöpler Mine uses is drawn from the Turkish national grid. Approximately 41% of Turkey's national grid capacity comes from hydropower stations. As shown in Figure 21, our total electricity use increased from 112,002,340 kWh in 2018 to 268,675,240 kWh during 2019. This is because it was the first full year of operations of our sulfide plant. The treatment of sulfide ore requires a more energy and CO2 intensive process than the oxide ore process that was previously the only ore treated at the Çöpler Mine. We plan to use 2019 as our baseline year for electricity use and efficiency, and to set targets. During 2019 our energy intensity rate was 24.34 kWh per tonne of ore processed.

Figure 21: Electricity Consumption (kWh)



In 2019, our direct emissions were 124,699 tonnes of CO2-e or 49% of our total emissions during the year. Despite our increased power consumption with the new process, emissions intensity per ounce of gold produced decreased during 2019 to 0.65 tonnes CO2-e per ounce of gold produced.

2019 sets an initial baseline for our carbon emissions and emissions intensity. During 2020 we will work to optimize our plant, which will provide a more accurate baseline of our emissions. We plan to set a range of targets against this baseline including: total

electricity use, electricity efficiency, total scope 1 and 2 emissions, emissions intensity to optimize plant performance, reduce our emissions and drive valuable long-term cost savings.

As part of our commitment to utilize clean energy sources, during 2020 we plan to investigate the potential to introduce solar power into the Çöpler Mine's energy mix.

We are committed to transparent disclosure of our impacts, and as part of this we plan to respond to the CDP carbon questionnaire in 2020.

Figure 22: Scope 1 & 2 Emissions tonnes CO2-e

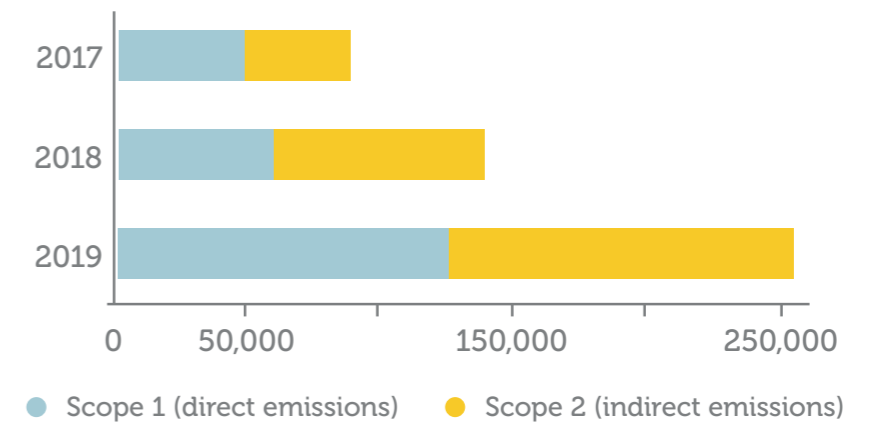
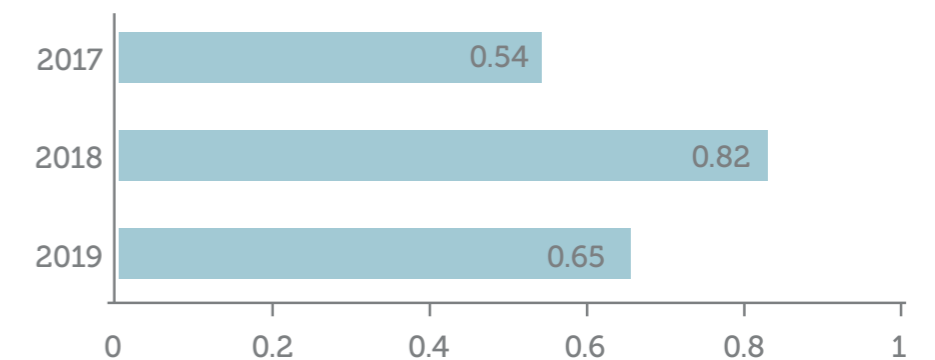


Figure 23: Emissions intensity per ounce of gold produced – tonnes CO2-e/ ounces produced



RESPONSIBLE TAILINGS AND DAM MANAGEMENT

Extracting gold from ore requires the use of chemicals reagents including cyanide. Tailings are a slurry of remnant crushed ore which has been mixed with water and reagents which are neutralized before storage. Tailings are our most significant source of process waste. Tailings produced by the Çöpler Mine are classified as Class II non-hazardous.

All our tailings are sent to a carefully engineered TSF. Critically aware of the importance of sound TSF design and management, we have clear procedures in place to ensure that all parts of the TSF life cycle from construction to closure align with international best practice standards.

The TSF at the Çöpler Mine is a downstream mass filled dam. It became fully operational during the final quarter of 2018 with the startup of the sulfide plant. The technical specifications for the construction of the Çöpler Mine TSF conforms with both Turkish national requirements and accepted good practice standards for tailings facilities, including:

- World Bank Standards
- Canadian Dam Association Safety guidelines
- ICOLD (International Commission on Large Dams) Bulletins
- Turkish Hydraulic Works' Technical Codes
- Mining Association of Canada (MAC) Guide to the Management of Tailings Facilities.

The Çöpler Mine TSF has been designed to withstand significant earthquakes up to a magnitude of 7.5 on the Richter scale. Modelling showed that even in the most severe seismic event, the wall of the TSF will heave with minimal risk of altering facility location or strength. There are no communities living directly downstream of the Çöpler Mine TSF.

We use a combination of technology, regular inspections, external oversight and audits to monitor the Çöpler Mine TSF.



Technology

We use vibrating wire piezometers, embankment crest prisms and accelerographs to monitor embankment settlement, movement and stability.



Inspection

The Çöpler Mine TSF is inspected daily for signs of stress or damage by members of the construction team and Mine geology (Geotech) department. Details of each inspection are recorded in daily tailings logs, which are reviewed by the process manager. Members of our Health, Safety and Environment departments also inspect the TSF monthly. The groundwater quality and surface water quality are also monitored at upstream and downstream monitoring locations at the TSF.



Annual inspections

We also have annual site inspections of our TSF including all of the internal monitoring reports by external, internationally recognized tailings dam specialists who provide a further level of monitoring and compliance governance.



External oversight

An authorized hydraulic structures inspection company is on site 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.



Audit

Official external audits are conducted on a fortnightly basis by the Erzincan Provincial Environmental Directorate.

In addition to stability designs and monitoring, we also have three groundwater monitoring wells in place both above and below the Çöpler Mine TSF, to monitor for signs of groundwater contamination. It was designed to meet the best in class requirements for Class-I (hazardous) waste, even though all tailings are classified Class-II (non-hazardous). During 2019 we also responded to the Church of England led Investor Mining and Tailings Safety Initiative.



WASTE MANAGEMENT

The process of removing ore from the ground and extracting gold creates significant hazardous and non-hazardous waste, which must be appropriately dealt with over the long- and the short-term. Ensuring all waste is responsibly dealt with is crucial to protecting the health of the local environment and our neighboring communities.

To ensure that all waste, whether hazardous or non-hazardous, is reduced and dealt with in a safe and responsible manner, we have a detailed and comprehensive waste management plan at the Çöpler Mine. This is underpinned by our goal to reduce the amount of waste generated and to maximize the proportion of waste sent for recycling.

As shown in figure 24, the bulk of the waste created at the Çöpler Mine is waste rock. All 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, maximum structural stability and management of any potentially acid forming materials are conducted appropriately by mine operations and thus meet the requirements of Turkish national regulations, industrial best practices and the IFC Performance Standards.

Figure 24: Waste disposal 2019

	Waste Type	2019	2018
	Tailings deposited (tonne)	1,776,189	222,693
	Waste Rock (tonne)	14,042,597	24,175,386
	Total Hazardous Waste (kg)	1,093,980	941,383
Recycling	Hazardous (kg)	930,487	887,610
	Recycling waste (kg)	812,032	629,394
Disposal	Hazardous (kg)	163,493	53,773
	Domestic Waste	Unknown	Unknown

RESPONSIBLE CYANIDE MANAGEMENT

The use of cyanide is a critical part of the gold mining process. However if not handled correctly, cyanide can have significant impacts on both environmental and human health. Our use of cyanide at the Çöpler Mine is governed both by the requirements of Turkish national laws and regulations, and aligned with industrial best practice. We require all employees and contractors who handle, transport or dispose of cyanide to undertake specialized training in cyanide handling.



BIODIVERSITY

The size, scale and location of mining operations means they can have a negative impact on local biodiversity. Potential impacts include reductions in water quality or quantity, impacts on protected species and areas and habitat fragmentation. Failure to manage these risks and minimize our impacts on biodiversity could affect our social license to operate and reputation.

Our aim is to restore sites (both operational and exploratory) and repair any damage done to the extent practicable. To do this, we make detailed records of the full range of biodiversity present as part of feasibility studies of any project or expansion. These

studies form the basis for a Biodiversity Action Plan (BAP). The BAP sets out how impacted ecosystems are to be restored to their original state (or as close as possible) at the time of closure.

Both the Çöpler Mine, its associated TSF and our prospects have Biodiversity Action Plans in place. We also conduct biodiversity monitoring studies each quarter with experts from Gazi and Hacettepe Universities.

AIR QUALITY

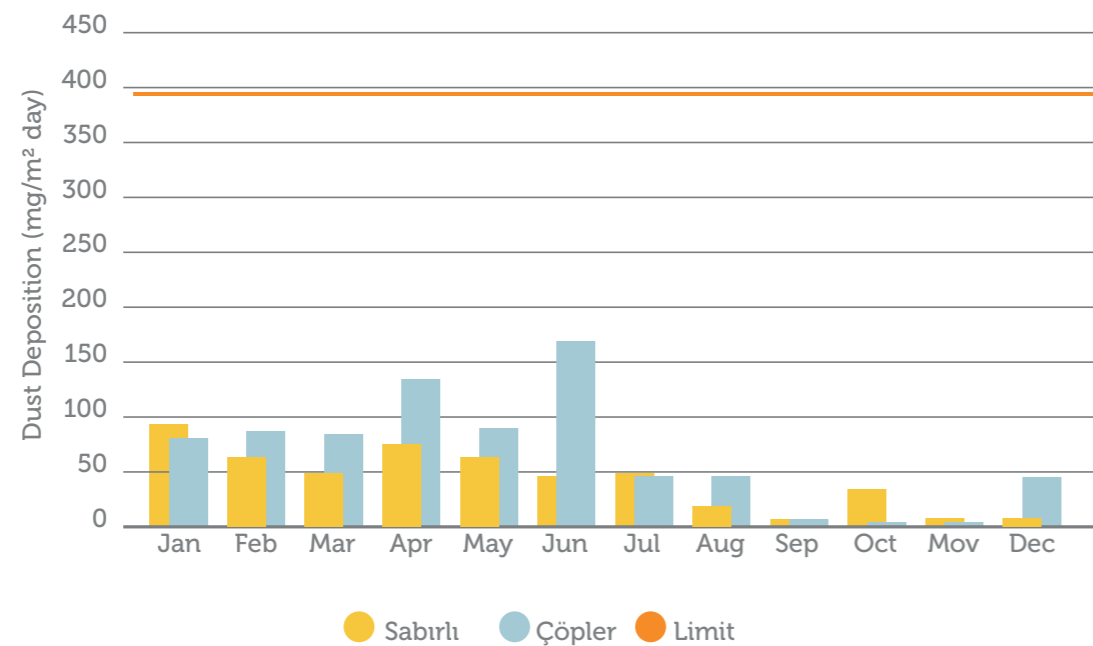
There is a potential for dust to be generated across many parts of the Mine operations, including blasting, crushing and milling, and the movement of large vehicles on haul roads. Dust management is a key focus across all facets of our operations. Air quality and the presence of dust is an important factor for our local communities and workers.

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 the Çöpler Mine to minimize the levels of dust in the air and ensure they fall within Turkish and IFC guideline limits.

We have several 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 a lignosulfonate mixture on the most heavily used roads and the haul road. This has proved very effective and its use will be expanded in 2020.

Figure 25: Monthly Dust Deposition - 2019



“Dust can be an irritant and cause health problems for workers. Beyond the gates it can disturb local communities and leads to grievances. We work hard to keep dust to a minimum by spraying water and dust suppressants on our haul and access roads.”

Burhanettin Şahin, General Manager, Çöpler Mine

In 2019 the 12,000m² access road to site was asphalted in order to reduce the dust impact to the local community. Qualitative feedback on this initiative has been good.

We use milk of lime on site to help thicken the tailings slurry and pH adjustment prior to deposition on our TSF. Milk of lime is delivered to site via trucks from different vendors and pumped into storage silos via a hose. The original design for the loading point did not function as effectively as we hoped, which meant lime dust was spilt, causing irritating dust on site and lost product. During 2019 we worked to improve the design of the lime loading point including the positioning of the connection hoses, to help reduce the dust on site.



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 2019

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 CHESSE Depository Interests ("CDIs") trade.
	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 'Workforce Table' p.36 Total operations - see scope and boundary of this report, p.7 Net revenues and total capitalisation - see https://www.alacergold.com/docs/default-source/Regulatory-Filings/alacer-2019-q4-financial-statements-final.pdf?sfvrsn=4
	102-8 Information on employees and other workers	p.36
	102-9 Supply chain	p.37
	102-10 Significant changes to the organization and its supply chain	No significant changes during 2019.
	102-11 Precautionary Principle or approach	We apply the precautionary principle by conducting full environmental and social impact assessments (ESIAs) before any project commences, through our risk assessments on site, which includes sustainability risk, and through our Board-level strategic planning.
	102-12 External initiatives	p.12 - 15
	102-13 Membership of associations	The only association to which Alacer holds a membership 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.12 - 15
	Governance	
	102-18 Governance structure	See Figure 1: Board-level oversight, p.12
	Stakeholder engagement	
	102-40 List of stakeholder groups	p.16
	102-41 Collective bargaining agreements	p.30
	102-42 Identifying and selecting stakeholders	p.16
	102-43 Approach to stakeholder engagement	p.16
	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: https://www.alacergold.com/docs/default-source/Regulatory-Filings/alacer-2019-q4-financial-statements-final.pdf?sfvrsn=4
	102-46 Defining report content and topic Boundaries	p.7 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 2019 we changed our emissions calculation methodology from stoichiometric calculation to emissions factor methodology.
	102-50 Reporting period	01 January - 31 December 2019
102-51 Date of most recent report	26 March 2019	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	Geoff Day - Country Manager - geoff.day@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	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.17 - 18
	103-2 The management approach and its components	p.18 - 19
	103-3 Evaluation of the management approach	p.18 - 19
GRI 205: Anti corruption 2016	205-2 Communication and training about anti-corruption policies and procedures"	p.18 and p.28 - Alacer's anti-bribery and corruption policies are held within the Code of Conduct and these policies are taught to all employees as part fo the induction training, and all employees receive regular refresher trainings. Anti-bribery and corruption provisions are also included in all supply agreements.
Market Presence including local and national employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.36 - 37
	103-2 The management approach and its components	p.36 - 37
	103-3 Evaluation of the management approach	p.36 - 37
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	p.36 - 37
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.32 - 41
	103-2 The management approach and its components	p.32 - 41
	103-3 Evaluation of the management approach	p.32 - 41
GRI 203: Inidrect Economic Impacts 2016	203-1 Infrastructure investments and services supported	p.32 - 41
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.32 - 33 and p.37
	103-2 The management approach and its components	p.37
	103-3 Evaluation of the management approach	p.37
GRI 204: Procurement Practices 2016	204-1 Portion of spending on local suppliers	p.32 and p.37
GRI 300 Environmental Standards Series		
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.42 - 44
	103-2 The management approach and its components	p.42 - 44
	103-3 Evaluation of the management approach	p.42 - 44
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	p.42 - 44
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.22 - 27
	103-2 The management approach and its components	p.22 - 26
	103-3 Evaluation of the management approach	p.22 - 26
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.27
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p.28
	103-2 The management approach and its components	p.28
	103-3 Evaluation of the management approach	p.28
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p.28