

**Alacer Gold Corp.**  
**Unaudited Interim**  
**Consolidated Financial Statements**

**September 30, 2016**

# Alacer Gold Corp.

## Consolidated Statements of Financial Position (unaudited)

(expressed in thousands of U.S. dollars)

	Note	As of September 30, 2016	As of December 31, 2015
<b>Assets</b>			
Current assets			
Cash and cash equivalents	4	\$ 253,867	\$ 360,745
Receivables and other	5	17,357	11,552
Inventories	6	60,930	57,748
		<u>332,154</u>	<u>430,045</u>
Mineral properties and equipment, net	7	396,446	325,358
Deferred tax asset	8	39,894	776
Other assets	9	85,455	59,439
<b>Total assets</b>		<u>\$ 853,949</u>	<u>\$ 815,618</u>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	10	\$ 31,715	\$ 23,767
Current income tax liabilities		2,352	2,407
		<u>34,067</u>	<u>26,174</u>
Asset retirement obligation	13	22,191	21,231
Other long-term liabilities	14	9,230	3,962
<b>Total liabilities</b>		<u>65,488</u>	<u>51,367</u>
<b>Equity</b>			
Equity attributable to owners of the corporation			
Share capital	15	1,474,361	1,473,183
Reserves		15,041	14,760
Deficit		(836,792)	(851,155)
		<u>652,610</u>	<u>636,788</u>
Non-controlling interest in subsidiary	17	135,851	127,463
<b>Total equity</b>		<u>788,461</u>	<u>764,251</u>
<b>Total liabilities and equity</b>		<u>\$ 853,949</u>	<u>\$ 815,618</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Alacer Gold Corp.

## Consolidated Statements of Profit and Comprehensive Profit (unaudited)

(expressed in thousands of U.S. dollars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2016	2015	2016	2015
<b>Revenues</b>					
Gold sales		\$ 28,005	\$ 60,260	\$ 103,575	\$ 186,214
<b>Cost of sales</b>					
Production costs		18,045	27,756	61,736	71,128
Depreciation, depletion and amortization		7,026	11,587	27,572	36,135
Total cost of sales		<u>25,071</u>	<u>39,343</u>	<u>89,308</u>	<u>107,263</u>
Mining gross profit		2,934	20,917	14,267	78,951
<b>Other costs</b>					
Exploration and evaluation		531	450	1,731	1,513
General and administrative		3,450	2,899	8,145	8,475
Share-based employee compensation costs		1,992	732	6,058	3,999
Foreign exchange (gain) loss		2,209	(386)	2,662	4,255
Share of loss on investments accounted for using the equity method	18	3,272	1,553	7,608	3,339
Other (gain) loss	19	<u>(1,063)</u>	<u>(612)</u>	<u>3,114</u>	<u>(357)</u>
Profit (loss) before income tax		(7,457)	16,281	(15,051)	57,727
Income tax (benefit) expense	8	<u>(10,093)</u>	<u>5,135</u>	<u>(37,802)</u>	<u>5,559</u>
<b>Total net profit and comprehensive profit</b>		<u>2,636</u>	<u>\$ 11,146</u>	<u>22,751</u>	<u>\$ 52,168</u>
Net profit and comprehensive profit attributable to:					
Owners of the corporation	20	\$ 77	\$ 7,356	\$ 14,363	\$ 36,628
Non-controlling interest	17	2,559	3,790	8,388	15,540
Total net profit and comprehensive profit		<u>\$ 2,636</u>	<u>\$ 11,146</u>	<u>\$ 22,751</u>	<u>\$ 52,168</u>
Total net profit per share - Basic	20	\$ 0.00	\$ 0.03	\$ 0.05	\$ 0.13
Total net profit per share - Diluted	20	\$ 0.00	\$ 0.03	\$ 0.05	\$ 0.13

*The accompanying notes are an integral part of these consolidated financial statements.*

# Alacer Gold Corp.

## Consolidated Statements of Cash Flows (unaudited)

(expressed in thousands of U.S. dollars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2016	2015	2016	2015
<b>Cash provided by (used in):</b>					
<b>Operating activities</b>					
Total net profit and comprehensive profit		\$ 2,636	\$ 11,146	\$ 22,751	\$ 52,168
Non-cash items:					
Depreciation, depletion and amortization		7,112	11,766	27,839	36,682
Unrealized (gain) loss on financial instruments (hedge)	19	(1,376)	-	7,521	-
Unrealized foreign exchange impacts		1,496	(2,463)	1,531	1,437
Share-based employee compensation costs		1,992	732	6,058	3,999
Other non-cash expenses and items not affecting cash		(756)	2,409	(2,815)	7,059
Deferred taxes	8	(11,722)	(1,296)	(40,024)	(2,212)
Net change in non-cash working capital	21	2,486	10,452	4,795	(18,403)
		<u>1,868</u>	<u>32,746</u>	<u>27,656</u>	<u>80,730</u>
<b>Investing activities</b>					
Mineral properties and equipment		(43,698)	(16,076)	(98,050)	(44,615)
Sulfide ore stockpile		(4,223)	(2,139)	(18,143)	(7,201)
Equity investments		(5,601)	-	(10,662)	(2,548)
Contract advances and payables, net		(3,740)	(959)	(3,282)	(1,031)
		<u>(57,262)</u>	<u>(19,174)</u>	<u>(130,137)</u>	<u>(55,395)</u>
<b>Financing activities</b>					
Finance facility costs		(1,713)	(734)	(3,345)	(1,638)
		<u>(1,713)</u>	<u>(734)</u>	<u>(3,345)</u>	<u>(1,638)</u>
Increase (decrease) in cash and cash equivalents		(57,107)	12,838	(105,826)	23,697
Cash and cash equivalents - beginning balance		311,395	356,585	360,745	346,615
Effect of exchange rates on changes in cash held in foreign currencies		(421)	(586)	(1,052)	(1,475)
<b>Cash and cash equivalents – ending balance</b>		<u>\$ 253,867</u>	<u>\$ 368,837</u>	<u>\$ 253,867</u>	<u>\$ 368,837</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Alacer Gold Corp.

## Consolidated Statements of Changes in Equity (unaudited)

(expressed in thousands of U.S. dollars)

	Attributable to owners of the Corporation			Total	Non-controlling interest	Total Equity
	Share capital	Reserves	Deficit			
<b>Balance at January 1, 2015</b>	\$ 1,471,303	\$ 13,655	\$ (897,786)	\$ 587,172	\$ 108,465	\$ 695,637
Profit for the period	-	-	36,628	36,628	15,540	52,168
Transactions with owners of the corporation:						
Share plans - exercises	853	(1,291)	-	(438)	-	(438)
Amortization of share-based awards	-	2,527	-	2,527	-	2,527
Recognition of liability portion of share-based awards	-	420	-	420	-	420
Total transactions with owners of the corporation	853	1,656	-	2,509	-	2,509
<b>Balance at September 30, 2015</b>	<u>\$ 1,472,156</u>	<u>\$ 15,311</u>	<u>\$ (861,158)</u>	<u>\$ 626,309</u>	<u>\$ 124,005</u>	<u>\$ 750,314</u>
<b>Balance at January 1, 2016</b>	\$ 1,473,183	\$ 14,760	\$ (851,155)	\$ 636,788	\$ 127,463	\$ 764,251
Profit for the period	-	-	14,363	14,363	8,388	22,751
Transactions with owners of the corporation:						
Share plans - exercises	1,178	(1,178)	-	-	-	-
Amortization of share-based awards	-	1,459	-	1,459	-	1,459
Recognition of liability portion of share-based awards	-	-	-	-	-	-
Total transactions with owners of the corporation	1,178	281	-	1,459	-	1,459
<b>Balance at September 30, 2016</b>	<u>\$ 1,474,361</u>	<u>\$ 15,041</u>	<u>\$ (836,792)</u>	<u>\$ 652,610</u>	<u>\$ 135,851</u>	<u>\$ 788,461</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

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(expressed in thousands of U.S. dollars, unless otherwise stated)

## 1. General information

Alacer Gold Corp. ("Alacer" or the "Corporation") is an intermediate gold mining company with an 80% interest in the Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. ("Anagold") owned 80% by Alacer and 20% by Lidya Madencilik Sanayi ve Ticaret A.S. ("Lidya Mining").

The Corporation is incorporated under the laws of the Yukon Territory, Canada. The address of its registered office is 3081 Third Avenue, Whitehorse, Yukon, Y1A 4Z7. Corporate administrative services are provided by Alacer Management Corp.

These unaudited interim consolidated financial statements of the Corporation as of and for the period ended September 30, 2016 are comprised of the Corporation and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Corporation is the ultimate parent.

## 2. Basis of presentation

These unaudited interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The accounting policies applied in these unaudited interim consolidated financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended December 31, 2015. There have been no changes from the accounting policies applied in the December 31, 2015 financial statements.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. In management's opinion, all adjustments considered necessary for a fair presentation have been included in these interim financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The significant judgments made by management applied in the preparation of these unaudited interim consolidated financial statements are consistent with those applied and disclosed in the Group's audited consolidated financial statements for the year ended December 31, 2015. For a description of the Group's critical accounting estimates and assumptions, please refer to the Group's audited consolidated financial statements and related notes for the year ended December 31, 2015.

Certain comparative amounts in the financial statements and in the footnotes to these financial statements have been changed to conform to the presentation of the current year financial statements and footnote disclosure.

These unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on October 26, 2016.

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

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(expressed in thousands of U.S. dollars, unless otherwise stated)

## 3. Accounting Changes

### a) New accounting standards issued but not yet effective

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective until financial years beginning January 1, 2017 or after and have not been early adopted. Pronouncements that are not applicable to the Group have been excluded from those described below.

#### i) Accounting standards effective on or after January 1, 2017:

- A. The International Accounting Standards Board (“IASB”) has issued a new standard for the recognition of revenue, IFRS 15 – *Revenue from Contracts*. This standard will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach, entities recognize transitional adjustments in retained earnings on the date of initial application (i.e. January 1, 2018), without restating the comparative period. Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application. The standard is effective for annual reporting periods beginning on or after January 1, 2018. Early adoption is permitted. The Corporation is currently evaluating the impact that the adoption will have on its results of operations, financial position and disclosures.
- B. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Corporation continues to monitor and assess the impact of this standard.
- C. In January 2016, the IASB issued IFRS 16 – *Leases* which establishes the principles that an entity should use to determine the recognition, measurement, presentation and disclosure of leases for both parties to a contract: the customer (‘lessee’) and the supplier (‘lessor’). IFRS 16 replaces the previous leases Standard, IAS 17, *Leases*, and related Interpretations. IFRS 16 is effective from January 1, 2019 though a company can choose to apply IFRS 16 before that date but only in conjunction with IFRS 15 *Revenue from Contracts with Customers*. The Company is currently assessing the impact of this standard.

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

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## 4. Cash and cash equivalents

	<b>30-Sep 2016</b>	<b>31-Dec 2015</b>
Cash at banks and on hand	\$ 23,361	\$ 15,748
Money market funds and other	230,506	344,997
	<u>\$ 253,867</u>	<u>\$ 360,745</u>

Cash is deposited at banks and financial institutions and earns interest based on market rates.

## 5. Receivables and other

	<b>30-Sep 2016</b>	<b>31-Dec 2015</b>
Consumption taxes recoverable (VAT)	\$ 6,924	\$ 8,263
Non-trade receivables	3,106	1,484
Prepaid expenses and advances	7,228	1,775
Other current assets	99	30
	<u>\$ 17,357</u>	<u>\$ 11,552</u>

## 6. Inventories

	<b>30-Sep 2016</b>	<b>31-Dec 2015</b>
Work-in-process	\$ 50,071	\$ 48,625
Finished goods	2,713	106
Oxide ore stockpiles	1,436	1,256
Supplies and other	6,710	7,761
	<u>\$ 60,930</u>	<u>\$ 57,748</u>

There were no write-downs of inventory to net realizable value in 2015 or 2016. A reserve for obsolescence of \$2.0 million (2015 - \$0.9 million) is included in the Supplies and other balance above. The Corporation's sulfide ore stockpiles are classified as a non-current asset, as shown in note 9.



# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

## 7. Mineral properties and equipment, net

	Mineral properties <sup>1</sup>	Mining plant and equipment	Construction-in-progress <sup>2</sup>	Non-producing properties <sup>2</sup>	Total
<b>Balance at January 1, 2016</b>	\$ 114,519	\$ 80,625	\$ 18,007	\$ 112,207	\$ 325,358
Additions	-	-	61,429	37,868	99,297
Transfers	3,755	3,333	(7,088)	-	-
Disposals	-	(628)	-	-	(628)
Rehabilitation provision	893	-	-	-	893
Depreciation, depletion	(16,019)	(12,455)	-	-	(28,474)
<b>Balance at September 30, 2016</b>	\$ 103,148	\$ 70,875	\$ 72,348	\$ 150,075	\$ 396,446

<sup>1</sup> Mineral properties represents assets subject to depreciation including production stage properties, capitalized mine development costs related to current production, and capitalized pre-production stripping.

<sup>2</sup> Construction-in-progress and Non-producing properties are not subject to depreciation. Construction-in-progress includes the Sulfide Project costs incurred following construction approval and sustaining capital expenditures. Non-producing properties includes the Sulfide Project costs incurred prior to construction approval and other capitalized mine development costs not yet in production.

## 8. Income taxes

The following table summarizes activity for the periods ended:

	For the three months ended		For the nine months ended	
	30-Sep-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015
Current income tax expense	\$ 1,629	\$ 6,431	\$ 2,222	\$ 7,771
Deferred income tax (benefit)	(11,722)	(1,296)	(40,024)	(2,212)
Income tax (benefit) expense	\$ (10,093)	\$ 5,135	\$ (37,802)	\$ 5,559

On an interim basis, income tax expense is recognized based on Management's estimate of the corporate annual income tax rate expected for the full year applied to the pre-tax income (loss) of the interim period.

The Corporation has received approval for its third incentive certificate under which it receives incentive tax credits for qualifying expenditures at the Çöpler Gold Mine including the Sulfide Project and Heap Leach Pad expansion. Application of these tax credits reduces accounting income tax expense in the current period and offsets current and future cash tax payments.

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

The deferred tax asset balance is comprised of incentive tax credits and the deferred tax liability is comprised of temporary differences related to taxable income, as summarized below.

	<b>Consolidated statement of financial position</b>	
	<b>30-Sep-2016</b>	<b>31-Dec-2015</b>
Deferred income tax assets:		
Incentive tax credits recognized	\$ 56,536	\$ 20,420
Deferred income tax liabilities	(16,642)	(19,644)
<b>Deferred income tax asset</b>	<b>\$ 39,894</b>	<b>\$ 776</b>

## 9. Other assets

	<b>30-Sep 2016</b>	<b>31-Dec 2015</b>
Inventory (sulfide ore stockpiles)	\$ 65,762	\$ 45,817
Equity accounted investments (Note 18)	6,466	3,413
Finance facility costs (Note 12)	10,019	7,299
Long-term advances and other	3,147	2,819
Marketable security investments	61	91
	<b>\$ 85,455</b>	<b>\$ 59,439</b>

## 10. Trade and other payables

	<b>30-Sep 2016</b>	<b>31-Dec 2015</b>
Trade payables and accruals	\$ 25,673	\$ 19,201
Forward sales contract obligation (Hedge)	3,723	-
Withholding taxes	562	1,518
Royalties payable	1,757	3,048
	<b>\$ 31,715</b>	<b>\$ 23,767</b>

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

## 11. Financial Instruments – forward sales contracts (Hedging)

The following table is a summary of the carrying amounts of the Corporation's financial instruments that are recognized in the interim consolidated statements of financial position:

	Financial instrument classification	30-Sep 2016
Trade and other payables	Forward sales contract - Short-term	\$ 3,723
Other long-term liabilities	Forward sales contract - Long-term	\$ 3,798
		<u>\$ 7,521</u>

The carrying values of all financial liabilities approximate the fair value of 151,771 unsettled forward gold sales contracts as of September 30, 2016.

Forward Sales Hedge Position	Ounces
Unsettled Forward Sales at June 30, 2016	160,000
Forward sales added in Q3 2016	15,000
Forward sales settled in Q3 2016	<u>(23,229)</u>
<b>Unsettled Forward Sales at September 30, 2016</b>	<b>151,771</b>
Forward sales added subsequent to September 30, 2016	<u>10,393</u>
Unsettled Forward Sales at an average of \$1,280	<u>162,164</u>

Forward gold sales are settled in cash during the settlement period. Realized and unrealized gains (losses) are recorded as Other Costs in the Consolidated Statement of Profit (Loss) and Comprehensive Profit (Loss). [See note 19]

### Fair value methodology

In accordance with IAS 39, a three level hierarchy was evaluated to determine the applicable fair value accounting methodology to be used for the hedge instrument. Level 2 of the hierarchy is applicable and therefore, the Corporation calculates fair value of financial instruments utilizing observable market data and other inputs. The observable market data utilized is the London AM Fix and the forward gold curve.

## 12. Borrowings

On June 16, 2016, the Corporation signed a \$350 million project finance facility with a syndicate of lenders (BNP Paribas (Suisse) SA, ING Bank A.S., Societe Generale Corporate & Investment Banking and UniCredit Bank Austria AG). The facility has no mandatory hedging, has an 8-year term and interest rates of LIBOR plus 3.5% to 3.95%. Advances under the facility are subject to customary conditions precedent including execution of security documentation and a minimum of \$220 million capital spend at Çöpler. As of September 30, 2016, the Corporation has no outstanding debt balances that are owed for credit facilities or debt arrangements.

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

## 13. Asset retirement obligation

	<b>30-Sep</b>	<b>31-Dec</b>
	<b>2016</b>	<b>2015</b>
<b>Balance, beginning of period</b>	\$ 21,231	\$ 18,860
Arising during the period	893	2,162
Unwinding of discount	67	209
<b>Balance, end of period</b>	<u>\$ 22,191</u>	<u>\$ 21,231</u>

Activity for the period includes accretion of the environmental liability as well as recurring additions for new disturbances.

## 14. Other long-term liabilities

	<b>30-Sep</b>	<b>31-Dec</b>
	<b>2016</b>	<b>2015</b>
Forward sales contract obligation (Hedge)	\$ 3,798	\$ -
Share-based compensation	3,649	2,200
Other provisions	1,783	1,762
	<u>\$ 9,230</u>	<u>\$ 3,962</u>

## 15. Share capital and share-based payments

### a) Share capital

	<b>Common Shares</b>	
	<b>Number of</b>	<b>\$</b>
	<b>Shares</b>	
<b>Balance at December 31, 2015</b>	291,401,496	\$ 1,473,183
Shares issued:		
On exercise of share-based awards	15b 640,762	1,178
<b>Balance at September 30, 2016</b>	<u>292,042,258</u>	<u>\$ 1,474,361</u>

### b) Share-based payments

#### i) Restricted share unit plan

## Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

	<u>2016</u>	
	<b>Number of RSUs</b>	<b>Weighted average price</b>
<b>Outstanding - Beginning of year</b>	3,130,184	\$ 1.91
Granted	1,438,326	1.86
Vested and redeemed	(640,762)	1.91
Forfeited	(1,115,575)	2.05
<b>Balance at September 30, 2016</b>	<u>2,812,173</u>	<u>\$ 1.90</u>

ii) Performance share unit plan

Performance share units are valued based on the period-ending share price and settled in cash and therefore not included in diluted earnings per share calculation.

	<u>2016</u>
	<b>Number of PSUs</b>
<b>Outstanding - Beginning of year</b>	1,931,875
Granted	1,009,769
Vested and redeemed	(252,446)
Forfeited	(48,239)
<b>Balance at September 30, 2016</b>	<u>2,640,959</u>

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

### iii) Deferred share unit plan

Deferred share units are valued based on the period-ending share price and settled in cash and therefore not included in diluted earnings per share calculation.

	<u>2016</u>
	<b>Number of DSUs</b>
<b>Outstanding - Beginning of year</b>	202,625
Granted	244,016
Vested and redeemed	-
Forfeited	-
<b>Balance at September 30, 2016</b>	<u>446,641</u>

## 16. Group entities

<u>Alacer Gold Corp.</u>	<u>Country of incorporation</u>	<u>Ownership interest</u>	
		<u>30-Sept 2016</u>	<u>31-Dec 2015</u>
Alacer Management Corp.	USA	100%	100%
Alacer Gold Holdings Corp. S.à.r.l.	Luxembourg	100%	100%
Alacer Gold Corp. S.à.r.l.	Luxembourg	100%	100%
Alacer Gold Madencilik Anonim Şirketi	Turkey	100%	100%
Anagold Madencilik Sanayi Ve Ticaret Anonim Şirketi	Turkey	80%	80%
Kartaltepe Madencilik Sanayi Ticaret Anonim Şirketi	Turkey	50%	50%
Tunçpınar Madencilik Sanayi Ve Ticaret Anonim Şirketi	Turkey	50%	50%
Polimetal Madencilik Sanayi Ticaret Anonim Şirketi	Turkey	20%	20%

## 17. Non-controlling interest

Non-controlling interest represents the interest of Lidya Mining in Anagold, based on investment amounts adjusted for its share of profit or losses. Lidya Mining is entitled to receive dividend payments equaling its share of legally declarable dividends from Anagold. There were no dividend payments made to Lidya Mining in 2015 or 2016 related to Anagold's 2014 and 2015 earnings, respectively, due to expected future capital expenditure commitments, including the Sulfide Project.

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

The following table summarizes activity for the periods ended:

	For the three months		For the nine months	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
<b>Non-controlling interest, beginning of period</b>	\$ 133,292	\$ 120,215	\$ 127,463	\$ 108,465
Share of profit in Anagold	2,559	3,790	8,388	15,540
<b>Non-controlling interest, end of period</b>	<u>\$ 135,851</u>	<u>\$ 124,005</u>	<u>\$ 135,851</u>	<u>\$ 124,005</u>

In the second quarter of 2016, the Corporation entered into a new related party agreement for the construction of the sulfide process plant with an affiliate of our joint venture partner, GAP İNŞAAT YATIRIM VE DIŞ TİCARET A.Ş. ("GAP"). The current scope of work under the contract is valued at \$89 million, of which year-to-date transactions total \$10 million.

## 18. Investments accounted for using the equity method

The Group has interests in exploration joint ventures that are accounted for using the equity method. The aggregated financial information on these joint ventures are as follows:

	For the three months ended		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Aggregate amount of the Corporation's share of net losses	\$ 3,272	\$ 1,553	\$ 7,608	\$ 3,339

The aggregate amount of the Corporation's share of net losses is the current reporting period's expenditures of the joint ventures.

	30-Sep 2016	31-Dec 2015
Aggregate carrying amount (Note 9)	\$ 6,466	\$ 3,413

The aggregate carrying amount represents the contributions to joint ventures offset by the expenditures of the joint ventures.

# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

## 19. Other (gain) loss

	For the three months ended		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Finance (income) expense, net	\$ (284)	\$ 5	\$ (864)	\$ 53
Unrealized (gain) loss on financial instruments (hedge)	(1,376)	-	7,521	-
Realized loss on financial instruments (hedge)	984	-	984	-
Gain on settlement of Australian tax matter	-	-	(4,444)	-
Write-down of property, plant and equipment assets	2	-	47	1,122
Non-operating transactions	(389)	(617)	(130)	(1,532)
<b>Total other (gain) loss</b>	<b>\$ (1,063)</b>	<b>\$ (612)</b>	<b>\$ 3,114</b>	<b>\$ (357)</b>

## 20. Profit per share

Basic profit per share is calculated by dividing the profit attributable to equity holders of the Corporation by the weighted average number of ordinary shares outstanding during the period.

Diluted profit per share is calculated using the treasury method, except the if-converted method is used in assessing the dilution impact of convertible instruments (until maturity). The if-converted method assumes that all convertible instruments (until maturity) have been converted in determining fully diluted profit per share if they are in-the-money, except where such conversion would be anti-dilutive.

The following table summarizes activity for the three months ended:

	For the three months ended		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net profit attributable to owners of the Corporation	\$ 77	\$ 7,356	\$ 14,363	\$ 36,628
Weighted average number of shares outstanding – basic	291,973,144	290,970,713	291,929,058	290,923,010
Weighted average number of shares outstanding – diluted	294,785,317	294,869,101	294,741,231	294,821,398
Total net profit per share – basic	\$ 0.00	\$ 0.03	\$ 0.05	\$ 0.13
Total net profit per share – diluted	\$ 0.00	\$ 0.03	\$ 0.05	\$ 0.13



# Alacer Gold Corp.

Notes to Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2016 and 2015

(expressed in thousands of U.S. dollars, unless otherwise stated)

## 21. Supplemental cash flow information

The following table summarizes activity, excluding cash and cash equivalents transactions, for the period:

	For the three months ended		For the nine months ended	
	30-Sep-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015
Changes in non-cash working capital accounts:				
Trade and other payables	\$ 443	\$ 3,546	\$ 7,125	\$ (3,100)
Receivables and other	3,827	4,696	(1,699)	(1,419)
Inventories	(3,327)	(1,455)	(575)	(17,656)
Current income tax liabilities	1,543	3,665	(56)	3,772
	<u>\$ 2,486</u>	<u>\$ 10,452</u>	<u>\$ 4,795</u>	<u>\$ (18,403)</u>
Interest paid, net	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ 374	\$ 1,677	\$ 4,896	\$ 3,691