Alacer Gold Corp.

Unaudited Interim
Consolidated Financial Statements

September 30, 2018

Alacer Gold Corp.

Consolidated Statements of Financial Position (unaudited)

(expressed in thousands of U.S. dollars)

	Note	As of September 30, 2018	As of December 31, 2017
Assets			
Current assets			
Cash and cash equivalents	4	$ 115,762	$ 202,813
Receivables and other	5	23,211	22,497
Inventories	6	75,285	68,507
		214,258	293,817
Mineral properties and equipment, net	7	946,520	738,202
Deferred tax asset	8	80,248	119,232
Other assets	9	101,382	101,868
Total assets		$ 1,342,408	$ 1,253,119
Liabilities			
Current liabilities			
Trade and other payables	10	$ 55,576	$ 58,633
Borrowings, short-term	12	52,500	-
Current income tax liabilities		2,900	1,432
		110,976	60,065
Borrowings, long-term	12	288,055	242,718
Asset retirement obligation provision	13	49,467	37,938
Other long-term liabilities	14	5,037	4,928
Total liabilities		453,535	345,649
Equity			
Equity attributable to owners of the corporation			
Share capital	15	1,477,586	1,476,265
Reserves		16,751	15,251
Deficit		(784,538)	(763,445)
		709,799	728,071
Non-controlling interest in subsidiary	16	179,074	179,399
Total equity		888,873	907,470
Total liabilities and equity		$ 1,342,408	$ 1,253,119

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

Alacer Gold Corp.

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

(expressed in thousands of U.S. dollars)

	Note	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Revenues					
Gold sales		$ 35,495	$ 49,837	$ 124,177	$ 128,484
Cost of sales					
Production costs		14,211	17,700	50,264	62,783
Depreciation, depletion and amortization		7,726	15,366	29,348	37,005
Total cost of sales		21,937	33,066	79,612	99,788
Mining gross profit		13,558	16,771	44,565	28,696
Other costs					
Exploration and evaluation		1,428	571	4,316	1,603
General and administrative		2,177	2,762	7,666	9,459
Share-based employee compensation costs		302	1,319	3,245	2,942
Foreign exchange (gain) loss		37,722	2,471	68,944	1,207
Share of loss on investments accounted for using the equity method	17	27	1,524	2,522	3,310
Other (gain) loss	18	(4,411)	593	(3,870)	11,173
Profit (loss) before income tax		(23,687)	7,531	(38,258)	(998)
Income tax benefit (expense)	8	(8,645)	30,374	17,352	80,581
Total net profit (loss) and comprehensive profit (loss)		$ (32,332)	$ 37,905	$ (20,906)	$ 79,583
Net profit (loss) and comprehensive profit (loss) attributable to:					
Owners of the corporation	19	$ (27,142)	$ 29,115	$ (20,581)	$ 60,551
Non-controlling interest	16	(5,190)	8,790	(325)	19,032
Total net profit (loss) and comprehensive profit (loss)		$ (32,332)	$ 37,905	$ (20,906)	$ 79,583
Total net profit (loss) per share - Basic	19	$ (0.09)	$ 0.10	$ (0.07)	$ 0.21
Total net profit (loss) per share - Diluted	19	$ (0.09)	$ 0.10	$ (0.07)	$ 0.21

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, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Cash provided by (used in):					
Operating activities					
Total net profit and comprehensive profit		$ (32,332)	$ 37,905	$ (20,906)	$ 79,583
Non-cash items:					
Depreciation, depletion and amortization		7,762	15,393	29,435	37,085
Non-cash related to hedging activities	11	(3,008)	2,411	(5,350)	14,662
Unrealized foreign exchange impacts		38,159	1,558	67,883	7
Share-based employee compensation costs		302	1,319	3,244	2,942
Other non-cash expenses and items not affecting cash		(2,781)	747	(10,307)	522
Income taxes	8	8,645	(30,374)	(17,352)	(80,581)
Net change in non-cash working capital, net of investing activities	20	4,545	3,741	20,949	(4,400)
		21,292	32,700	67,596	49,820
Investing activities					
Mineral properties and equipment		(62,956)	(98,002)	(226,423)	(236,972)
Sulfide ore stockpile		(2,044)	(2,926)	(15,132)	(5,663)
Equity investments		(1,013)	(2,250)	(4,592)	(5,345)
Contract advances and payables		(1,247)	1,219	(5,323)	(13,123)
		(67,260)	(101,959)	(251,470)	(261,103)
Financing activities					
Borrowings		-	-	100,000	130,000
Finance facility costs		(41)	(164)	(178)	(555)
		(41)	(164)	99,822	129,445
Increase (decrease) in cash and cash equivalents		(46,009)	(69,423)	(84,052)	(81,838)
Cash and cash equivalents - beginning balance		162,894	201,452	202,813	214,551
Effect of exchange rates on changes in cash held in foreign currencies		(1,123)	(405)	(2,999)	(1,089)
Cash and cash equivalents – ending balance		$ 115,762	$ 131,624	$ 115,762	$ 131,624
Supplemental cash flow information					
Interest paid		$ 5,376	$ 1,744	$ 12,631	$ 3,795
Income taxes paid		$ 1,451	$ 174	$ 3,965	$ 5,340

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				Non-controlling interest	Total Equity
	Share capital	Reserves	Deficit	Total		
Balance at January 1, 2017	$ 1,474,524	$ 15,353	$ (844,949)	$ 644,928	$ 153,183	$ 798,111
Profit for the period	-	-	60,551	60,551	19,032	79,583
Transactions with owners of the corporation:						
Capital contribution	-	-	-		-	-
Share plans - exercises	1,741	(1,701)	-	40	-	40
Amortization of share-based awards	-	1,133	-	1,133	-	1,133
Total transactions with owners of the corporation	1,741	(568)	-	1,173	-	1,173
Balance at September 30, 2017	$ 1,476,265	$ 14,785	$ (784,398)	$ 706,652	$ 172,215	$ 878,867
Balance at January 1, 2018	$ 1,476,265	$ 15,251	$ (763,445)	$ 728,071	$ 179,399	$ 907,470
Profit for the period	-	-	(20,581)	(20,581)	(325)	(20,906)
Transactions with owners of the corporation:						
Share plans - exercises	1,321	(1,437)	-	(116)	-	(116)
Amortization of share-based awards	-	1,960	-	1,960	-	1,960
Reclassification of share-based awards withholding tax obligation (IFRS 2) - See Note 3	-	977	(512)	465	-	465
Total transactions with owners of the corporation	1,321	1,500	(512)	2,309	-	2,309
Balance at September 30, 2018	$ 1,477,586	$ 16,751	$ (784,538)	$ 709,799	$ 179,074	$ 888,873

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

1. General information

Alacer Gold Corp. (“Alacer” or the “Corporation”) is a leading low-cost gold producer, with an 80% interest in the world-class Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. (“Anagold”), and the remaining 20% owned by Lidya Madencilik Sanayi ve Ticaret A.S. (“Lidya Mining”).

The Corporation 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 three and nine-month periods ended September 30, 2018 are comprised of the Corporation, its subsidiaries, and joint ventures accounted for as equity investment (together referred to as the "Group" or 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, 2017, except for the adoption of new and amended standards as set out below and the addition regarding interest rate swap contracts (see Note 3).

The preparation of unaudited interim financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. In management’s opinion, all adjustments considered necessary for a fair presentation have been included in these unaudited 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, 2017. 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, 2017.

These unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2018.

3. Accounting changes

This note explains the impact of the adoption of IFRS 2 – *Share-based Payment*, IFRS 9 – *Financial Instruments*, and IFRS 15 – *Revenue from Contracts* on the Group's financial statements and discloses the new accounting policies that have been applied starting January 1, 2018, where they are different to those applied in prior periods.

a) Impact on financial statements

With the recent changes to accounting standards IFRS 2 – *Share-based Payment,* IFRS 9 – *Financial Instruments, and* IFRS 15 – *Revenue from Contracts*, all effective January 1, 2018, Management made the following assessments:

i) IFRS 2—Share-based Payments

The Company has adopted the amendments to IFRS 2 on a prospective basis in accordance with the transition provisions of IFRS 2. As such, comparative figures have not been restated.

Restricted Share Units ("RSU") issued to employees require the Company to withhold tax on exercised and settled amounts with the tax authorities. The company's current RSU policy allows a net settlement arrangement. Under the requirements effective through December 31, 2017, the Company divided the transaction into an equity settled and a cash settled component.

Effective January 1, 2018, the IASB amended IFRS 2 to remove this requirement, resulting in the RSU being classified in their entirety as equity-settled share-based payment transactions. As a result, an adjustment was made in Q1 2018 to eliminate the short-term and long-term liabilities of $0.5 million at December 31, 2017 and to increase equity reserves by $1.0 million. The historical mark-to-market adjustments of $0.5 million has been recognized as a change to prior year retained earnings (Deficit).

ii) IFRS 9—Financial Instruments

The Company has adopted IFRS 9 on a retrospective basis in accordance with the transitional provisions of IFRS 9. The adoption of IFRS 9 did not result in any change in the carrying values of any of the Group's financial assets on the transition date; therefore, comparative figures have not been restated.

Financial Assets
As a result of the changes in the entity's accounting policies, certain reclassifications were required to be reflected in the financial statements. IFRS 9 includes a revised model for classifying financial assets, which results in classification according to a financial instrument's contractual cash flow characteristics and the business models under which they are held. Under the IFRS 9 model for classification of financial assets, the Group has classified and measured its financial assets as described below:

- Cash and cash equivalents, marketable equity securities, gold and foreign currency forward sales contracts, and interest rate swap contracts are classified as financial assets at fair value through profit or loss and measured at fair value during their quotational period until the final settlement price is determined. This classification is consistent with the previous classification under IAS 39.
- Trade and non-trade receivables are classified as financial assets measured at amortized cost. Previously under IAS 39, these amounts were classified as loans and receivables.

Financial Liabilities
For financial liabilities, IFRS 9 retains most of the IAS 39 requirements and since the Group does not have any financial liabilities, the adoption of IFRS 9 did not impact the Group's accounting policies for financial liabilities.

Expected Credit Loss Impairment Model
IFRS 9 introduces a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model did not have a significant impact on the Group's financial statements.

iii) IFRS 15—Revenue from Contracts

The company has adopted IFRS 15 on a retrospective basis in accordance with the transitional provisions of IFRS 15. The Company has concluded that there are no significant differences between the point of risks and rewards transfer for its gold under IAS 18 and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

b) Changes to significant accounting policies since year-end

With the recent changes to accounting standards IFRS 9 – *Financial Instruments* and IFRS 15 – *Revenue from Contracts*, both effective January 1, 2018, the Group made policy updates in Q1 as noted below, and in Q2 2018, Management also updated the Financial Assets Policy to include interest rate swap contracts.

i) Financial assets

Routine purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the classification of financial assets determined at initial recognition. Classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group classifies and provides for financial assets as follows:

- Financial assets at fair value through profit or loss include principally the Group's cash and cash equivalents, marketable equity securities, gold and foreign currency forward sales contracts, as well as interest rate swap contracts. A financial asset is classified in this category if it does not meet the criteria for amortized cost of fair value through other comprehensive income, or is a derivative instrument not designated for hedging. Gains and losses arising from changes in fair value are presented in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss) in the period in which they arise.

- Financial assets at fair value through other comprehensive income ("OCI") are financial assets that are held in a business model with an objective that is achieved by both collecting contractual cash flows and selling financial assets, and where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss).

- Financial assets at amortized cost are financial assets with the objective to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes the company's non-trade receivables. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss) and presented in other gains/(losses), together with foreign exchange gains and losses.

At each balance sheet date, on a forward-looking basis, the Group assesses the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii) Revenue recognition

Gold Bullion is sold primarily on the Istanbul Gold Exchange. Under new legislation in Turkey, the Central Bank of the Republic of Turkey has first right of refusal for all gold produced by mining operations in Turkey. The Group recognizes revenue from the sale of gold bullion when control has transferred to the customer. This is generally at the point in time when physical delivery has occurred, the customer has legal title to, physical possession of, and the risks and rewards of ownership of the gold bullion; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold bullion. Delivery of the gold bullion is required before this point and is therefore not accounted for as a separate performance obligation.

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

The sales price is fixed based on the gold spot price determined in USD on the date of delivery. Payment of the transaction price is required concurrently with the delivery of the gold bullion; therefore, no element of financing is deemed present.

c) New accounting standards issued but not yet effective

The following new standard has been issued but is not effective until financial years beginning on or after January 1, 2019 and has not been early adopted. Pronouncements that are not applicable to the Group have been excluded from those described below.

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, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17, *Leases*, and related Interpretations. Under the new standard, the distinctions between operating leases and finance leases are eliminated and replaced by a model where a lease liability and a corresponding right-of-use asset are recognized for all leases.

The adoption of IFRS 16 will result in the recognition of right-of-use assets and corresponding lease liabilities on the balance sheet on January 1, 2019, as well as a decrease in operating expenses and an increase in both depreciation (of the right-of-use asset) and interest expense (unwinding of the discount on the lease liabilities).

Alacer has collected data about existing contracts that may contain right-of-use assets, including service contracts that may contain implied leases. The corporation is quantifying the accounting impact of the adoption.

IFRS 16 is effective from January 1, 2019. Alacer expects to use the modified retrospective approach to implement IFRS 16 and will recognize the impact of the adoption at January 1, 2019.

4. Cash and cash equivalents

	September 30, 2018	December 31, 2017
Cash at banks and on hand	$ 57,428	$ 136,719
Money market funds and other	58,334	66,094
	$ 115,762	$ 202,813

Cash is deposited at banks and financial institutions and earns interest based on market rates. The fair value of cash and cash equivalents approximates the values as disclosed in the table above.

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

5. Receivables and other

	September 30, 2018	December 31, 2017
Consumption taxes recoverable (VAT)	$ 15,493	$ 15,224
Forward sales contract receivable (hedge) (Note 11)	1,883	-
Non-trade receivables	2,090	1,351
Prepaid expenses and advances	3,644	5,574
Other current assets	101	348
	$ 23,211	$ 22,497

6. Inventories

	September 30, 2018	December 31, 2017
Work-in-process	$ 52,715	$ 53,362
Finished goods	95	3,670
Oxide ore stockpiles	2,084	217
Sulfide ore stockpiles	10,562	6,301
Supplies and reagents	9,829	4,957
	$ 75,285	$ 68,507

Work-in-process inventories represent materials that are currently in the process of being actively converted into saleable product. This primarily includes cash operating costs and depreciation related to oxide ore placed on the heap leach pad for processing.

The Corporation's Sulfide ore stockpiles are classified as short-term if expected to be consumed in the next twelve months. Otherwise, Sulfide ore stockpiles are classified as long-term and listed under Other long-term assets (Note 9).

Supplies and reagents are materials, spare parts and consumables used when processing ore to produce gold. Starting Q3 2018, this account also includes inventory procured for the newly constructed sulfide plant.

There were no write-downs of inventory to net realizable value. As of September 30, 2018, a reserve for obsolescence of $1.9 million ($1.8 million - December 31, 2017) is included in the Supplies and reagents balance above.

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

7. Mineral properties and equipment, net

	Mineral properties[1]	Mining plant and equipment	Construction-in-progress[2]	Non-producing properties[2]	Total
Balance at January 1, 2018	$ 71,952	$ 46,621	$ 469,727	$ 149,902	$ 738,202
Additions	-	-	222,867	-	222,867
Transfers	8,277	951	(9,228)	-	-
Disposals / Refunds	-	-	-	-	-
Rehabilitation provision	13,717	-	-	-	13,717
Depreciation, depletion	(18,819)	(9,447)	-	-	(28,266)
Balance at September 30, 2018	$ 75,127	$ 38,125	$ 683,366	$ 149,902	$ 946,520

1 Mineral properties represent assets subject to depreciation including production stage properties, capitalized mine development costs related to current production, and capitalized pre-production stripping.

2 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

a) **Income tax expense -** The following table summarizes activities for income taxes:

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Income tax (benefit) expense:				
Current income tax (benefit) expense	$ 3,249	$ 781	$ 5,165	$ 1,799
Deferred income tax (benefit) expense	5,396	(31,155)	(22,517)	(82,380)
Income tax (benefit) expense	$ 8,645	$ (30,374)	$ (17,352)	$ (80,581)

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 receives incentive tax credits for qualifying expenditures at the Çöpler Gold Mine. Application of these tax credits reduces income tax expense in the current period and offsets current and future cash tax payments.

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

b) Significant components of deferred tax assets and liabilities

	Consolidated statement of financial position on September 30, 2018	December 31, 2017
Deferred income tax assets:		
Incentive tax credits recognized	$ 141,495	$ 145,887
Deferred income tax liabilities	(61,247)	(26,655)
Deferred income tax asset	$ 80,248	$ 119,232

The deferred tax asset balance is comprised of incentive tax credits. The deferred tax liability is comprised of temporary differences primarily related to the revaluation of non-monetary assets on the balance sheet.

9. Other long-term assets

	September 30, 2018	December 31, 2017
Long-term sulfide ore stockpiles	$ 81,724	$ 78,600
Forward sales and swap contract receivable (hedge) (Note 11)	818	-
Equity accounted investments (Note 17)	17,574	18,108
Finance facility costs (Note 12)	-	3,141
Long-term advances and deposits	1,251	1,997
Marketable security investments	15	22
	$ 101,382	$ 101,868

Long-term sulfide ore stockpiles represent sulfide ore that has been extracted from the mine and is not expected to be further processed within twelve months. The Corporation's current sulfide ore stockpile inventories are expected to be consumed in the next twelve months are classified as current assets (Note 6).

10. Trade and other payables

	September 30, 2018	December 31, 2017
Trade payables	$ 34,623	$ 31,289
Accruals	18,385	17,937
Forward sales and swap contracts obligation (hedge) (Note 11)	643	3,291
Withholding taxes	1,714	1,653
Royalties payable	211	4,463
	$ 55,576	$ 58,633

Trade payables include the corporation's obligations to suppliers of goods or services acquired on trade credit. This represents invoices received but not yet paid for, goods delivered, or services already consumed by the company and usually settled within a month. Accruals include estimated amounts for goods or services received but not yet invoiced by the supplier, as well as obligations that build up throughout the year and settled once annually, such as short-term incentive compensation payments.

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

11. Financial Instruments – forward sales contracts

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

Financial instrument classification		**September 30, 2018**		**December 31, 2017**
Gold forward sales contracts - Short-term	$	1,883	$	-
Trade and other receivables (Note 5)	$	1,883	$	-
LIBOR interest rate swap contracts - Long-term		818		-
Other long-term assets (Note 9)	$	818	$	-
Gold forward sales contracts - Short-term	$	-	$	(1,699)
Foreign currency forward sales contracts - Short-term	$	-	$	(1,592)
LIBOR interest rate swap contracts - Short-term		(643)		-
Trade and other payables (Note 10)	$	(643)	$	(3,291)
Net asset (liability)	**$**	**2,058**	**$**	**(3,291)**

The change in the carrying amount of the Corporation's financial instruments, $5.3 million gain for YTD 2018 and $3.0 million gain for Q3 2018 ($14.7 million loss for YTD 2017 and $2.4 million loss for Q3 2017), is recorded as Other (Gain) Loss in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss) (Note 18).

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

a) Gold forward sales contracts

The carrying value of these instruments is the fair value of the 12,200 unsettled gold forward sales contracts as of September 30, 2018. These contracts will settle in Q4 2018, at an average price of $1,350 per ounce.

Quarter Ending	Ounces	Average Fixed Price
Q4 2018	12,200	
Unsettled Gold Forward Sales at September 30, 2018	**12,200**	**$ 1,350**
Forward sales settled during the period Q3 2016 to Q3 2018	212,584	$ 1,283
Gold Forward Sales Program Total	**224,784**	**$ 1,287**

Gold forward sales are settled in cash during the settlement period. Realized gains (losses) are recorded as Other (Gain) Loss in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss) (Note 18).

b) Foreign currency forward sales contracts

In Q3 2018, the Company concluded its foreign currency forward sales program. The following table is a summary of the program:

	TRY	Average FX Rate
Unsettled Foreign Currency Forward Sales:	**-**	**-**
Forward sales settled in 2017	224,687,500	3.7
Forward sales settled in 2018	275,312,500	3.8
Foreign Currency Forward Sales Program Total:	**500,000,000**	**3.8**

Foreign currency forward sales are settled in cash during the settlement period. Realized gains (losses) are recorded as Other (Gain) Loss in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss) (Note 18).

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

c) LIBOR interest rate swap contracts

The carrying value of these instruments is the fair value of the difference between the original variable LIBOR interest rate as compared to a fixed interest rate of 2.86% for settlement during the period from October 2018 to December 2021 on approximately 80% of the forecast outstanding debt balance for the relevant period.

Quarter Ending	Hedged amount of debt (million $)	Hedged Rate	Forward Curve	Gain (Loss) (million $)
Q4 2018	350	2.86%	2.40%	(0.4)
Q1 2019	350	2.86%	2.69%	(0.1)
Q2 2019	275	2.86%	2.74%	(0.1)
Q3 2019	250	2.86%	2.87%	0.0
Q4 2019	225	2.86%	3.02%	0.1
Q1 2020	200	2.86%	3.11%	0.1
Q2 2020	175	2.86%	3.17%	0.1
Q3 2020	150	2.86%	3.20%	0.1
Q4 2020	125	2.86%	3.20%	0.1
Q1 2021	100	2.86%	3.20%	0.1
Q2 2021	75	2.86%	3.20%	0.1
Q3 2021	50	2.86%	3.18%	0.0
Q4 2021	50	2.86%	3.16%	0.0
Weighted average rates of unsettled Interst Rate Swap		2.86%	2.88%	
Total unrealized gain (loss) on unsettled Interst Rate Swap				0.2
Q3 2018	350	2.86%	2.33%	(0.5)
Weighted average rates of settled Interst Rate Swap		2.86%	2.33%	
Total realized gain (loss) on unsettled Interst Rate Swap				(0.5)
Program total for Interst Rate Swap				(0.3)

Interest rate swaps are settled in cash during the settlement period. Realized gains (losses) are recorded as Other (Gain) Loss in the Consolidated Statements of Profit (Loss) and Comprehensive Profit (Loss) (Note 18).

Fair value methodology

In accordance with IFRS 13, a three-level hierarchy was evaluated to determine the applicable fair value accounting methodology to be used for the financial 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 fair values of the gold and foreign exchange forward sales contracts and the LIBOR interest rate swap contracts are determined using forward rates at the balance sheet date.

12. Borrowings

Alacer Gold has a fully drawn $350 million finance facility with a syndicate of lenders (BNP Paribas (Suisse) SA, ING Bank A.S., Societe Generale Corporate & Investment Banking and UniCredit S.P.A.). The facility agreement has no mandatory hedging, has an 8-year term ending in Q4 2023, and has interest rates of LIBOR plus a margin of 3.5% to 3.95%. While no mandatory hedging is required, discretionary hedging to secure the gold price, limit the exposure to TRY volatility and fix the LIBOR rate have been implemented as discussed in Note 11.

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

As of September 30, 2018, the Corporation has fully drawn down $350 million on the finance facility. The portion of the finance facility that is expected to be repaid within twelve months is reflected as current liability. As defined by the Corporation's Significant Accounting Policies, the Finance Facility Costs incurred to establish and finalize the financing facility (including syndicate bank fees, legal and accounting fees, investment and registration fees, and other agency fees) are accounted for as a discount to the loan principal and amortized over the life of the loan. All related interest expense is capitalized in construction-in-progress, since the borrowing is directly attributable to funding the Sulfide Project construction. Capitalized interest amounted to $5.3 million in Q3 2018 ($1.6 million in Q3 2017) and $12.6 million YTD 2018 ($2.8 million in YTD 2017). As of September 30, 2018, the Corporation is in compliance with all aspects of the finance facility.

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

	September 30, 2018	December 31, 2017
Short-term portion of the Finance Facility	$ 52,500	$ -
Long-term portion of the Finance Facility	297,500	250,000
Discounted Finance Facility Costs	(9,445)	(7,282)
	$ 340,555	$ 242,718

The first repayment of principle for the finance facility is expected on March 21, 2019 with final principal repayment on or before December 21, 2023. The repayment schedule is a flat 5% paid quarterly. Mandatory cash sweep conditions on excess cash flows are in place and will escalate repayment, if conditions exist.

13. Asset retirement obligation (ARO)

	September 30, 2018	December 31, 2017
Balance, beginning of period	$ 37,938	$ 27,316
Arising during the period	9,467	3,031
Accreting and unwinding of discount	2,062	7,591
Balance, end of period	$ 49,467	$ 37,938

At the end of each year, the Corporation reviews cost estimates and assumptions used in the valuation of environmental provisions.

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

14. Other long-term liabilities

	September 30, 2018	December 31, 2017
Share-based compensation	2,991	2,956
Long-term employee benefits	2,046	1,972
	$ 5,037	$ 4,928

15. Share capital and share-based payments

a) Share capital

The Corporation has an unlimited number of common shares, without nominal or par value, authorized for issuance and an unlimited number of preferred shares, without nominal or par value, issuable in series. As of September 30, 2018, there have been no transactions involving preferred shares. The following table summarizes activity for common shares:

	Common Shares	
	Number of Shares	$
Balance at December 31, 2017	293,091,028	$ 1,476,265
Shares issued:		
On exercise of share-based awards (Note 15b)	749,060	1,321
Balance at September 30, 2018	293,840,088	$ 1,477,586

b) Share-based payments

i) Restricted share unit (RSU) plan

The Corporation's outstanding RSUs were granted under the 2014 RSU plan or the 2017 RSU Plan (collectively, the "Alacer RSU Plans"). The 2014 Plan will only remain active until all RSUs granted under the plan are vested or terminated. All new RSUs will be granted under the 2017 RSU plan. Each RSU becomes payable as they vest over their lives, typically at three years, are subject to normal performance criteria, and entitles participants to receive one common share of the Corporation. Alternatively, the Corporation, at its discretion, may elect to satisfy all or part of its payment obligation in cash.

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

The following table summarizes RSU activity for the years through September 30:

	2018		2017	
	Number of RSUs	Weighted average price	Number of RSUs	Weighted average price
Outstanding - Beginning of year	2,655,853	$ 1.71	2,655,788	$ 1.89
Granted	1,470,934	1.76	1,753,638	1.62
Vested and redeemed	(749,060)	1.73	(946,145)	1.88
Forfeited	(479,211)	1.73	(807,428)	2.07
Outstanding - September 30	2,898,516	$ 1.72	2,655,853	$ 1.71

ii) Performance share unit (PSU) plan

The Corporation's outstanding PSUs were granted under the 2014 PSU plan or the 2017 PSU Plan (collectively, the "Alacer PSU Plans"). The 2014 Plan will only remain active until all PSUs granted under the plan are vested or terminated. All new PSUs will be granted under the 2017 PSU plan. Each PSU granted entitles the participant, at the end of the applicable performance period (typically three years), to receive a payment in cash for the equivalent value of one Share provided: (i) the participant continues to be employed or engaged by the Corporation or any of its affiliates, and (ii) all other terms and conditions of the grant have been satisfied, including the performance metrics associated with each PSU. The grant of a PSU does not entitle the PSU participant to exercise any voting rights, receive any dividends or exercise any other right which attaches to ownership of Shares in the Corporation.

The following table summarizes PSU activity for the years through September 30:

	2018	2017
	Number of PSUs	Number of PSUs
Outstanding - Beginning of year	2,735,089	2,640,959
Granted	1,518,666	1,320,489
Vested and redeemed	(817,958)	(744,968)
Forfeited		(481,391)
Outstanding - September 30	3,435,797	2,735,089

iii) Deferred share unit (DSU) plan

The Corporation's outstanding DSUs were granted under the 2014 DSU plan or the 2017 DSU Plan (collectively, the "Alacer DSU Plans"). The 2014 Plan will only remain active until all DSUs granted under the plan are vested or terminated. All new DSUs will be granted under the 2017 DSU plan. DSUs are valued based on the share price and settled in cash upon the director's departure from the Corporation.

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

The following table summarizes DSU activity for the years through September 30:

	2018	2017
	Number of DSUs	**Number of DSUs**
Outstanding - Beginning of year	651,020	446,641
Granted	227,558	204,379
Vested and redeemed	-	-
Forfeited	-	-
Outstanding - September 30	878,578	651,020

16. Group entities and transactions with non-controlling interests

		Ownership interest	
Alacer Gold Corp.	**Country of incorporation**	**30-Jun 2018**	**31-Dec 2017**
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 (Note 17)	Turkey	50%	50%
Tunçpınar Madencilik Sanayi Ve Ticaret Anonim Şirketi (Note 17)	Turkey	50%	50%
Polimetal Madencilik Sanayi Ticaret Anonim Şirketi (Note 17)	Turkey	50%	50%

In 2009, the Group and Lidya Mining formalized an agreement to create a strategic relationship which allowed Lidya Mining to acquire up to a 20% interest in Çöpler, through ownership of Anagold stock, and outlined a structure for cooperation and cross-investment to jointly explore and develop other mineral properties in Turkey on a 50/50 basis.

In addition, and in conjunction with the strategic relationship with Lidya Mining, during 2011 the Corporation and Lidya Mining completed two joint ventures on other non-Çöpler Turkish holdings. During 2012 the Corporation and Lidya Mining completed a third non-Çöpler Turkish holding joint venture. The joint venture agreements provide for equal ownership by the Corporation and Lidya Mining. In 2013, the Corporation elected to reduce its ownership in Polimetal from 50% to 20%, but still maintaining its rights to clawback its interest in the Polimetal joint venture to 50% on a project-by-project basis. Starting December 2016, Alacer's interest in the Polimetal joint venture is 50%. (See additional information in Note 17.)

As a 20% shareholder of Anagold, Lidya Mining is responsible for its proportionate share of Anagold's capital and operating costs and will receive the benefit of its proportionate share of revenues and other income. Non-controlling interest represents the 20% interest of Lidya Mining in Anagold, based on investment amounts adjusted for its share of profit or losses.

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

The following table summarizes activities for the periods ended:

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Non-controlling interest, beginning of period	$ 184,264	$ 163,425	$ 179,399	$ 153,183
Share of profit (loss) in Anagold	(5,190)	8,790	(325)	19,032
Non-controlling interest, end of period	$ 179,074	$ 172,215	$ 179,074	$ 172,215

In the second quarter of 2016, the Corporation entered into a related party agreement for construction services for the sulfide process plant with GAP İNŞAAT YATIRIM VE DIŞ TİCARET A.Ş. ("GAP"), an affiliate of our joint venture partner. The current scope of work under the contract is valued at an estimated $142 million of which $138 million has been spent.

17. Investments accounted for using the equity method

The Group has interests in exploration joint ventures (see Note 16) that are accounted for using the equity method. The aggregated financial information on the Kartaltepe Madencilik Sanayi Ticaret Anonim Şirketi, Tunçpınar Madencilik Sanayi Ve Ticaret Anonim Şirketi, and Polimetal Madencilik Sanayi Ticaret Anonim Şirketi joint ventures are as follows:

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Aggregate amount of the Corporation's share of net losses	$ 27	$ 1,524	$ 2,522	$ 3,310

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

	As of September 30, 2018	As of December 31, 2017
Aggregate carrying amount (Note 9)	$ 17,574	$ 18,108

The Corporation has no commitments and contingencies for the joint ventures.

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

18. Other (gain) loss

The following table summarizes activities for the periods ended:

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Finance income, net	$ (756)	$ (555)	$ (1,498)	$ (1,100)
ARO (gain) loss	(1,675)	(81)	(2,188)	(241)
Unrealized (gain) loss on financial instruments (hedge) (Note 11)	(3,008)	2,411	(5,349)	14,662
Realized (gain) loss on financial instruments (hedge)	1,136	(859)	5,854	(2,228)
Write-down of property, plant and equipment assets	-	(62)	-	833
Non-operating transactions	(108)	(261)	(689)	(753)
Total other (gain) loss	$ (4,411)	$ 593	$ (3,870)	$ 11,173

19. Profit (loss) per share

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

Diluted profit (loss) 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) and options. The treasury method, which assumes that outstanding stock options with an average exercise price below the market price of the underlying shares, is exercised and the assumed proceeds are used to repurchase common shares of the Corporation at the average market price of the common shares for the period. The if-converted method assumes that all convertible instruments (until maturity) and options have been converted in determining fully diluted profit (loss) per share if they are in-the-money, except where such conversion would be anti-dilutive. The following table summarizes activities:

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net profit attributable to owners of the Corporation	$ (27,142)	$ 29,115	$ (20,581)	$ 60,551
Weighted average number of shares outstanding – basic	293,840,088	293,091,028	293,804,747	292,975,311
Weighted average number of shares outstanding – diluted	296,738,604	295,746,881	296,703,263	295,631,164
Total net profit (loss) per share – basic	$ (0.09)	$ 0.10	$ (0.07)	$ 0.21
Total net profit (loss) per share – diluted	$ (0.09)	$ 0.10	$ (0.07)	$ 0.21

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

20. Net change in non-cash working capital

The following table summarizes activities, excluding cash and cash equivalents transactions:

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Changes in non-cash working capital accounts:				
Trade and other payables	$ 8,977	$ 30,137	$ (3,057)	$ 57,097
Receivables and other	1,545	3,517	(714)	(4,249)
Inventories	(13,038)	(7,724)	(6,778)	(5,761)
Current income tax liabilities	1,961	402	1,468	(3,385)
Subtotal of non-cash working capital accounts	$ (555)	$ 26,332	$ (9,081)	$ 43,702
Non-cash related to short-term hedging activities	2,547	(2,411)	4,532	(9,582)
Non-cash related to equity investment	(986)	-	5,127	-
Receivables and other related to the Sulfide Project	1,248	(1,219)	5,324	13,123
Trade and other payables related to the Sulfide Project	(2,468)	(18,961)	3,556	(51,643)
Inventory related to sulfide stockpile	4,759	-	11,491	-
Net change in non-cash working capital, net of investing activities	$ 4,545	$ 3,741	$ 20,949	$ (4,400)