MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Three and Six Month Periods Ended June 30, 2014

The following management discussion and analysis ("MD&A") is as of July 28, 2014 and relates to the financial condition and results of operations of Alacer Gold Corp. and its subsidiaries ("Alacer Gold" or the "Corporation"), as of June 30, 2014. The MD&A supplements and complements the Corporation's unaudited interim consolidated financial statements for the three and six month periods ended June 30, 2014 (the "consolidated financial statements") and related notes. Other relevant documents to be read with this MD&A include the Corporation's audited annual consolidated financial statements for the year ended December 31, 2013, the MD&A for the year ended December 31, 2013, and the Annual Information Form for the year ended December 31, 2013. Comparison is provided to the three and six month periods ended June 30, 2013. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from Management's expectations. Readers are encouraged to read the Cautionary Statements included with this MD&A and to consult the Corporation's consolidated financial statements and related notes, which are available on the Corporation's web site at www.alacergold.com and on SEDAR at www.sedar.com. The June 30, 2014 consolidated financial statements and MD&A are presented in U.S. Dollars ("USD") and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This discussion addresses matters the Corporation considers important for an understanding of our financial condition and results of operations as of and for the three and six month periods ended June 30, 2014.

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Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Alacer Gold, certain statements contained in this MD&A constitute forward-looking information, future oriented financial information, or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may be contained in this document and other public filings of Alacer Gold. Forward-looking information often relates to statements concerning Alacer Gold's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

Forward-looking information includes statements concerning, among other things, preliminary cost reporting in this MD&A; production, cost and capital expenditure guidance; development plans for processing sulfide ore at Çöpler; amount of contained ounces in sulfide ore; results of any gold reconciliations; ability to discover additional oxide gold ore, the generation of free cash flow and payment of dividends; matters relating to proposed exploration, communications with local stakeholders and community relations; negotiations of joint ventures, negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates; the development approach, the timing and amount of future production, timing of studies, announcements and analysis, the timing of construction and development of proposed mines and process facilities; capital and operating expenditures; economic conditions; availability of sufficient financing; exploration plans; receipt of regulatory approvals and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, regulatory and political matters that may influence or be influenced by future events or conditions.

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any other of Alacer Gold's filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders and community and governmental relations; status of negotiations of joint ventures; weather conditions at Alacer Gold's operations, commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and final receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer Gold; the timing and amount of future production and ability to meet production, cost and capital expenditure targets; timing and ability to produce studies and analysis; capital and operating expenditures; economic conditions; availability of sufficient financing; the ultimate ability to mine, process and sell mineral products on economically favorable terms and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, regulatory and political factors that may influence future events or conditions.

While we consider these factors and assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in Alacer Gold's filings at www.sedar.com and other unforeseen events or circumstances. Other than as required by law, Alacer Gold does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Non-IFRS Measures

This MD&A contains the following non-IFRS financial performance measures with no standardized definitions under IFRS: Cash Operating Costs/ounce; Total Cash Costs/ounce; All-in Sustaining Costs/ounce; All-in Costs/ounce and Adjusted Net Profit. For further information and detailed reconciliations, see the "Non-IFRS Measures" section of this MD&A.

Mineral Reserves and Mineral Resources

All Mineral Reserves and Mineral Resources referenced in this MD&A and the Corporation's other public filings are estimated in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and Canadian Institute of Mining, Metallurgy and Petroleum standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. While terms associated with various categories of "Mineral Reserve" or "Mineral Resource" are recognized and required by Canadian regulations, they may not have equivalent meanings in other jurisdictions outside Canada and no comparison should be made or inferred. Actual recoveries of mineral products may differ from those estimated in the Mineral Reserves and Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher confidence category. Investors are cautioned not to assume that all or any part of the Mineral Resources that are not Mineral Reserves will ever be converted into Proven Mineral Reserves or Probable Mineral Reserves.

The information in this MD&A which relates to exploration results is based on, and fairly represents, information and supporting documentation prepared by James Francis, BSc (Hons) Geology and MSc Mining Geology, MAusIMM, MAIG, who is a full-time employee of Alacer Gold. Mr. Francis has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and a qualified person pursuant to "National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators". Mr. Francis consents to the inclusion in this MD&A of the matters based on this information in the form and context in which it appears.

Dr. Parker and Mr. Seibel (in relation to the Mineral Resource estimates) and Mr. Swanson (in relation to the Mineral Reserves estimates) have provided their consents to the inclusion of the matters based on this information in Alacer Gold's announcement dated June 16, 2014, entitled "Alacer Gold Announces Results of Ongoing Resource Reconciliation Study for the Çöpler Gold Mine" (the "R&R Announcement").

Alacer Gold confirms that it is not aware of any new information or data that materially affects the information included in the R&R Announcement and, in the case of Mineral Resources or Mineral Reserves, all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Basis for production targets and forecast financial information

The production targets and forecast financial information in this MD&A are based on the estimates of Mineral Resources and Mineral Reserves included in the R&R Announcement and repeated in the Technical Report. The production targets are underpinned solely by Probable Mineral Reserves, and are based on Alacer's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. All forecast information in this MD&A have been derived from the production targets set out in the Technical Report and Alacer confirms that such information continues to apply and has not materially changed.

Additional Information and Risk Factors

Additional information relating to the Corporation, including risk factors that may adversely affect or prevent Alacer Gold from carrying out all or portions of its business strategy are discussed in the Corporation's Annual Information Form and other filings available on SEDAR at www.sedar.com.

Overview

Alacer Gold is a leading intermediate gold mining company with an 80% interest in the world-class Çöpler Gold Mine in Turkey. During 2014, Çöpler is forecast to produce 160,000 to 180,000 attributable ounces at All-in Costs of $730 to $780 per ounce. Çöpler's oxide ore is currently being processed in a conventional crush, agglomeration, heap-leach and gold recovery circuit.

The Corporation has numerous high-potential exploration projects in Turkey in joint venture with our Turkish partner, Lidya Mining.

The Corporation's primary focus is to maximize portfolio value, maximize free cash flow, minimize project and operational risk, and create value for shareholders.

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

Q2 2014 Highlights

Strategic

- The Corporation announced the positive results of the Definitive Feasibility Study (the "DFS") for the processing of sulfide ore through whole ore pressure oxidation at the Çöpler Gold Mine.
- The Corporation announced updated Mineral Resources and Mineral Reserves estimates for the Çöpler Gold Mine, as a result of the initial outcomes from the ongoing resource reconciliation study (the "Reconciliation Study"), which increased Çöpler's Measured Mineral Resources and Indicated Mineral Resources to 7.80 million ounces of contained gold and Mineral Reserves to 3.84 million ounces of contained gold. On July 29, 2014, the Corporation filed the related NI 43-101 technical report (the "Technical Report").
- A supplemental Environmental Impact Assessment ("EIA") was filed in April 2014 as the first stage of the permitting process for the Çöpler sulfide project.
- The following changes to the Corporation's Board of Directors were announced:
  - Mr. Thomas R. Bates, Jr. was appointed to the Board of Directors;
  - Mr. Edward Dowling was appointed as Chairman and former interim Chairman Mr. Richard Graff remains on the Board as the Independent Lead Director; and
  - Mr. Jan Castro resigned from the Board of Directors, following his departure from Pala Holdings.

Operational

- The Çöpler Gold Mine reached 3.65 million hours without a lost-time injury in June 2014, and recorded 500 days without a lost-time injury on July 8, 2014.
- Total gold production was 49,795 ounces.
- Attributable gold production[1] was 39,836 ounces.
- All-in Sustaining Costs/ ounce[2] were $714 and All-in Costs/ounce[2] were $806, of which $69/ounce were related to sulfide project expenditures.
- An additional 0.3 million tonnes of sulfide ore was stockpiled at an average grade of 3.56g/t gold. Sulfide ore mined continued to provide a positive gold reconciliation during Q2 2014, which resulted in a 23% positive reconciliation on a contained ounce basis as compared to the 2013 resource model.
- The Corporation remains on track to meet previously released full-year 2014 production and cost guidance.

Financial

- The Corporation ended Q2 2014 with cash and cash equivalents of $292.0 million[3], and had no external debt. The cash and cash equivalents balance remained relatively flat due to the timing of dividend, royalty and income tax payments made.
- Working capital increased by $17.3 million to $325.0 million.
- Attributable net profit from operations was $9.1 million.
- Adjusted Net Profit[2] was $9.4 million, or $0.03 per share.
- Cash flow from operating activities totaled $12.5 million.

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1 Attributable gold production is reduced by the 20% non-controlling interest at the Çöpler Gold Mine.

2 All-in Sustaining Costs/ounce, All-in Costs/ounce and Adjusted Net Profit are non-IFRS financial performance measures with no standardized definition under IFRS. For further information and detailed reconciliations, see the *"Non-IFRS Measures"* section of this MD&A.

3 Balance includes the Lidya Mining portion of YTD 2014 profits.

Strategy Update

The Corporation continues to advance efforts on the commitment to increase shareholder value, with announcements of the positive results of the DFS and the Reconciliation Study, and filing of the related 43-101 technical report. In addition, the Corporation continues to pursue other value-enhancing initiatives at Çöpler and elsewhere.

Çöpler Sulfide Project

On June 16, 2014, the Corporation announced the positive results of the DFS for the processing of sulfide ore through whole ore pressure oxidation ("POX") at the Çöpler Gold Mine. The Corporation has completed extensive technical, design, engineering and procurement studies in preparing the DFS. The next stage will be to progress the basic engineering and further optimization studies, and secure EIA approval and forestry leases, all in advance of the final construction decision anticipated in the first quarter of 2015.

As further discussed below, on July 29, 2014, the Corporation filed the Technical Report related to the updated Çöpler Mineral Resource and Mineral Reserve estimates. During preparation of the Technical Report, minor changes were made to the tailing storage facility costs. These changes were addressed in the Technical Report and updated in the DFS, accordingly, with no material impact to the financial outcomes.

The results of the DFS and the associated Mineral Resources and Mineral Reserves update represent a material step forward for the Corporation, demonstrating the viability of processing sulfide ore at the mine and extending the mine life to 20 years while generating attractive and robust financial returns.

Key financial and operating highlights of the Technical Report include:

- In addition to the existing heap leach processing of oxide ore, the POX facility provides the ability to process sulfide ore at 5,000 tonnes per day, and resulting in a 20-year mine life.
- Life-of-mine gold production of 3.2 million ounces from July 2014, including both oxide and sulfide ores, with the following unit costs for the Çöpler Gold Mine:
  - Total Cash Costs[4] of $540/ounce,
  - A contribution of $597/ounce towards consolidated All-in Sustaining Costs/ounce[4], and
  - A contribution of $810/ounce towards consolidated All-in Costs/ounce[4].
- Oxide life-of-mine gold production increased 24% or 134,000 ounces, to a total of 684,000 ounces.
- Construction expected to start in Q2 2015 with commissioning in Q4 2017.
- Based on the capital expenditure estimate of $633 million and a gold price of $1,300/ounce, the DFS estimates the following returns:
  - After-tax, unleveraged internal rate of return ("IRR") of 20.5% and net present value ("NPV") of $622 million[5] for the incremental cash flows as compared to the oxide-only case,
  - After-tax, unleveraged NPV of $921 million[5] on combined heap leach and POX production,
  - Payback achieved in 1.7 years from start of sulfide production, and
  - $1.6 billion in free cash flow generated over life-of-mine.

[4] Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "Non-IFRS Measures" section below.

[5] Based on a 5% discount rate.

The Corporation has diligently worked to de-risk the project by ensuring plant capacities are capable of handling reasonable variations in ore and operational conditions at the design throughput. Additionally, the Corporation embarked on the Reconciliation Study to provide more clarity and definition to the plant ore feed, as discussed below. The Reconciliation Study results to date, including positive gold reconciliations as compared to the 2013 resource model, were considered in the plant design, especially when sizing the gold recovery components.

The Corporation has a clear plan in place to further de-risk the project through focused cost and capital management and disciplined project management. An experienced project team is currently being established along with well-defined milestones to track progress and cost.

The next stage of the project will be to further reduce risk by completing the basic engineering phase and further examining financial aspects associated with the project. This stage of work was approved by the Board of Directors in June 2014, and includes the following work streams:

- Completion of basic engineering;
- Metallurgical testing for operational readiness; and
- Recruiting for key project execution and operational positions.

The basic engineering phase will provide the control estimate and the project execution plan for the sulfide project. During this phase, the Corporation plans to work with two Engineering, Procurement and Construction ("EPC") contractors with the aim of further refining and defining the project scope and potentially entering into a fixed price EPC contract for the sulfide project.

Detailed information regarding the DFS can be found in the Technical Report filed on July 29, 2014 and available on www.sedar.com and on the Corporation's website.

Çöpler Resource Reconciliation and Mineral Resource Update

Work commenced on the Reconciliation Study in early 2014 to determine the factors contributing to the positive gold reconciliations for sulfide ore as compared to the 2013 resource model. As previously disclosed, sulfide ore stockpiled as at March 31, 2014 had demonstrated a 48% positive reconciliation on a contained ounce basis. As of June 30, 2014, the sulfide ore stockpile contained 2.4 million tonnes at 4.69g/t gold, containing 358,100 ounces of gold. The sulfide ore has demonstrated a 42% positive reconciliation on a contained ounce basis for YTD 2014, comprising lower than expected tonnage and higher than expected gold grade as compared to the 2013 resource block models.

The scope of the Reconciliation Study included auditing the exploration database, revising the resource estimation methodology, reviewing the production database, developing an understanding of the supporting data quality, and completing a validation drilling program.

Work completed to date in conjunction with independent consulting firm AMEC has resulted in changing Çöpler's resource modeling to a more appropriate method for the Çöpler orebody. Probability Assigned Constrained Kriging ("PACK") was selected as the most relevant modeling method because it allows the model to be calibrated to historical mining results. Previously the Corporation utilized Ordinary Kriging which was smoothing the high-grade portions of the orebody.

(All amounts expressed in thousands of U.S. Dollars, unless otherwise stated)

The PACK model more closely tracks variability within the deposit. The PACK model restricts grade smearing which is common in Ordinary Kriging, thus providing better definition of high-grade zones and unmineralized areas internal to the orebody. This approach better represents the previously mined grades and provides a more accurate prediction of material volumes.

While there is high confidence that the updated Mineral Resource estimates accurately represent the Çöpler deposit, there remains an opportunity to improve our understanding of the mineralization and thereby better representing the deposit in the resource model. Additional work is being conducted to potentially reclassify some or all of the Indicated Mineral Resources to Measured Mineral Resources and includes further review of ore control methods and finalizing the production database audit.

The Corporation will also assess the potential to further define high-grade mineralization with a close-spaced drilling program. If warranted, the drilling program will commence in the Q3 2014.

On June 16, 2014, the Corporation released updated Çöpler Mineral Resource and Mineral Reserve estimates, incorporating the initial results of the ongoing Reconciliation Study, and on July 29, 2014, the Corporation filed the Technical Report related to this update. As compared to the previous Mineral Resource, this update has resulted in the following changes:

- Measured and Indicated Mineral Resources have increased by 0.62 million ounces (+9%) to 7.80 million ounces of contained gold,
- Mineral Reserves have increased by 0.21 million ounces (+6%) to 3.84 million ounces of contained gold, and
- The oxide ore grade has increased by 34% to 1.32g/t gold and the sulfide ore grade has increased by 14% to 2.67g/t gold for the Mineral Reserves.

The following tables provide further information on the updated Mineral Resource and Mineral Reserve estimates:

Mineral Resource for the Çöpler Deposit 100% (As of December 31, 2013)							
Gold Cut-off Grade (g/t)	**Material Type**	**Reserve Category Material**	**Tonnes (x1000)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Contained Au (oz x 1000)**
Variable	*Oxide*	Measured	-	-	-	-	-
		Indicated	69,512	1.08	2.78	0.15	2,420
		Stockpile - Indicated	18	3.19	-	-	2
		Measured + Indicated	**69,530**	**1.08**	**2.78**	**0.15**	**2,420**
		Inferred	28,893	0.97	4.58	0.11	904
1.0	*Sulfide*	Measured	-	-	-	-	-
		Indicated	81,854	1.95	5.64	0.11	5,130
		Stockpile - Indicated	1,536	4.84	9.81	0.11	239
		Measured + Indicated	**83,390**	**2.00**	**5.71**	**0.11**	**5,370**
		Inferred	22,884	1.92	10.85	0.15	1,410
Variable	*Stockpiles*	Indicated	1,554	4.82	-	-	241
Variable	***Total***	Measured	-	-	-	-	-
		Indicated	152,920	1.59	4.33	0.13	7,800
		Measured + Indicated	**152,920**	**1.59**	**4.38**	**0.13**	**7,800**
		Inferred	**51,778**	**1.39**	**7.35**	**0.13**	**2,320**

(All amounts expressed in thousands of U.S. Dollars, unless otherwise stated)

Mineral reserves for the Çöpler Mining area deposit (As of December 31, 2013)						
Reserve Category Material	Tonnes (x1000)	Au (g/t)	Ag (g/t)	Cu (%)	Contained Au Ounces	Recoverable Au Ounces
Proven - Oxide In-Situ	-	-	-	-	-	-
Probable - Oxide In-Situ	26,207	1.32	2.88	0.13	1,114,700	770,900
Probable - Oxide Stockpile	18	3.19	-	-	1,800	1,200
Total - Oxide	**26,224**	**1.32**	**2.88**	**0.13**	**1,116,500**	**772,100**
Proven - Sulfide In-Situ	-	-	-	-	-	-
Probable - Sulfide In-Situ	30,139	2.56	6.88	0.12	2,482,500	2,330,200
Probable - Sulfide Stockpile	1,536	4.84	9.81	0.11	239,000	225,100
Total - Sulfide	**31,675**	**2.67**	**7.02**	**0.12**	**2,721,500**	**2,555,300**
Proven - Oxide + Sulfide + Stockpile	-	-	-	-	-	-
Probable - Oxide + Sulfide	*57,899*	*2.06*	*5.14*	*0.12*	3,838,000	3,327,400
Total - Oxide + Sulfide	***57,899***	***2.06***	***5.14***	***0.12***	***3,838,000***	***3,327,400***

Note: Mineral Resources are quoted after mining depletion and are inclusive of Mineral Reserves.
Mineral Resources and Mineral Reserves are shown on a100% basis, of which Alacer owns 80%.
Rounding differences will occur.

Detailed information regarding the results of the Reconciliation Study and Updated Çöpler Mineral Resources and Mineral Reserves estimates can be found in the Technical Report filed on July 29, 2014 and available on www.sedar.com and on the Corporation's website.

Additional Çöpler Oxides

The Corporation continues to prioritize opportunities to source additional high-margin oxide production in and around the Çöpler District. The current Çöpler oxide reserves are constrained by the planned operating capacity of roughly 50 million tonnes for the heap leach pad. The Corporation is undertaking studies to determine if this capacity can be increased, which may potentially provide capacity to process additional tonnes of oxide mineralization which are currently in the DFS mine plan but classified as waste due to the leach pad constraints.

In addition, exploration efforts continue to prioritize oxide opportunities within the immediate Çöpler District that may provide additional oxide ore tonnes to an expanded current heap leach pad or would justify the construction of a second heap leach pad in areas identified to the west of the Çöpler valley.

Additional Growth

The Corporation continues to pursue efforts to further expand its current operating base and become a multi-mine producer in Turkey. To that end, the structured and focused exploration efforts in the Çöpler District as well as in other regions of Turkey are ongoing with the ultimate goal of finding the next mine. The Corporation also continues to review strategic opportunities that have the potential to add value to shareholders.

(All amounts expressed in thousands of U.S. Dollars, unless otherwise stated)

Results of Operations

Çöpler Gold Mine[1]	Q2 2014	Q2 2013	YTD 2014	YTD 2013
Waste tonnes mined	6,365,596	5,241,673	11,837,080	10,156,059
Oxide ore mined - tonnes	1,558,392	1,773,536	2,976,783	3,560,705
Oxide ore mined - grade (g/t)	1.43	2.17	1.46	2.14
Oxide ore mined - ounces	71,656	123,692	139,992	244,741
Sulfide ore mined - tonnes[2]	329,187	414,703	837,318	652,824
Sulfide ore mined - grade (g/t)[2]	3.56	4.68	4.42	4.77
Sulfide ore stockpiled - ounces[2]	37,689	62,367	119,057	100,192
Oxide ore treated - tonnes	1,524,013	1,778,827	2,908,137	3,581,800
Oxide ore treated - head grade (g/t)	1.46	2.13	1.47	2.13
Ratio between gold produced and contained gold in ore stacked	70%	56%	75%	50%
Gold ounces produced	49,795	68,195	102,714	122,799
Gold ounces sold	49,455	66,109	104,583	122,063
Attributable: (80% ownership)				
Gold ounces produced	39,836	54,556	82,171	98,239
Gold ounces sold	39,564	52,887	83,666	97,650
Cash Operating Costs/ounce sold[3]	$ 552	$ 360	$ 532	$ 376
Total Cash Costs/ounce sold[3]	$ 568	$ 395	$ 554	$ 415
All-in Sustaining Costs/ounce sold[3]	$ 714	$ 885	$ 704	$ 891
All-in Costs/ounce sold[3]	$ 806	$ 916	$ 779	$ 932
Average realized gold price	$ 1,288	$ 1,356	$ 1,296	$ 1,476

1 Çöpler Gold Mine production data represents 100% for all periods presented, except for attributable production and sales.
2 Sulfide ores are being stockpiled and reported as a non-current asset.
3 Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "*Non-IFRS Measures*" section below.

Second Quarter 2014 vs. Second Quarter 2013

Attributable gold production of 39,836 ounces declined 27% from Q2 2013 due to lower stacked oxide ore tonnes at a lower head grade which was partly offset by improved process efficiency and the drawdown of inventory ounces previously stacked on the heap leach pad.

Total material mined in Q2 2014 of 8.3 million tonnes included oxide ore, sulfide ore and waste, compared to 7.4 million tonnes in Q2 2013. Contained ounces in mined oxide ore decreased by 42%, reflecting an expected 34% decrease in oxide ore grade and a 12% decrease in oxide ore tonnes mined. The decrease in grade was the result of mining additional lower grade tonnes from the Main Pit. The 12% decrease in oxide ore tonnes mined reflects the elimination of placing run-of-mine ore ("ROM ore") directly on the leach pad in favor of agglomerating all ore to improve heap leach gold recoveries. Oxide ore tonnes mined in Q2 2014 continue to be aligned to current ore handling throughput capacities. Sulfide ore tonnes mined decreased as a result of the sequencing of ore removal in the mine plan. Total oxide ore placed on the leach pad decreased by 14% to 1.5 million tonnes in Q2 2014, mainly driven by the elimination of ROM ore placement as noted above.

In the crusher and sizer circuits, work to optimize the new clay handling circuit and to reduce the downstream processing impact of increased clay content in the ore continued through Q2 2014. These improvements have allowed ore stacking rates to remain at planned levels, despite higher clay content ore tonnes being mined from the Main Pit.

Commissioning of the new agglomerator was completed in June 2014 and wet commissioning of the SART plant is expected to occur in Q3 2014.

Despite the lower tonnes and grade stacked, the recovery ratio of contained gold stacked versus gold produced increased to 70% in Q2 2014 as compared to 56% in Q2 2013. This increase was a result of improved processing efficiencies related to ore handling, agglomeration, stacking and pad irrigation initiatives implemented over the past year.

Cash Operating Costs/ounce[6] of $552 were 53% higher than Q2 2013. This increase reflects the impact to unit costs of a 31% decline in the oxide ore grade placed on the pad and a 41% increase in the stripping ratio over Q2 2013. These cost increases were partially offset by the impacts of the weakened Turkish Lira ("TRY") during Q2 2014 compared to Q2 2013.

Total Cash Costs/ounce[1] of $568 were 44% higher than Q2 2013, principally reflecting the increases in operating costs noted above, partially offset by a decrease in royalty expense from the application of concessions to royalty estimates determined in 2013.

All-in Sustaining Costs/ounce[1] were $714 and All-in Costs/ounce[1] were $806 or 19% and 12% lower than Q2 2013, respectively. These variances reflect decreases in general and administrative costs and sustaining capital expenditures, partially offset by the higher per ounce Total Cash Costs noted above.

YTD 2014 vs. YTD 2013

Attributable gold production of 82,171 ounces declined 16% from YTD 2013, due to lower stacked oxide ore tonnes at a lower head grade, partly offset by improved process efficiency and the drawdown of inventory ounces previously stacked on the heap leach pad.

Total material mined in YTD 2014 of 15.7 million tonnes included oxide ore, sulfide ore and waste, compared to 14.4 million tonnes in YTD 2013. Contained ounces in mined oxide ore decreased by 43%, reflecting an expected 32% decrease in oxide ore grade and a 16% decrease in oxide ore tonnes mined. The decrease in grade was the result of mining additional lower grade tonnes from the Main Pit. The 16% decrease in oxide ore tonnes mined reflects the elimination of placing run-of-mine ore ("ROM ore") directly on the leach pad in favor of agglomerating all ore to improve heap leach gold recoveries. Oxide ore tonnes mined in YTD 2014 were aligned to current ore handling throughput capacities. Sulfide ore tonnes mined increased as a result of the sequencing of ore removal in the mine plan. Total oxide ore placed on the leach pad decreased by 19% to 2.9 million tonnes, mainly driven by the elimination of ROM ore placement as noted above.

[6] Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "Non-IFRS Measures" section below.

Despite the lower tonnes and grade stacked, the recovery ratio of contained gold stacked versus gold produced increased to 75% in YTD 2014 compared to 50% in YTD 2013. This increase was a result of improved processing efficiencies related to ore handling, agglomeration, stacking and pad irrigation initiatives implemented over the past year.

Cash Operating Costs/ounce[7] of $532 were 42% higher than YTD 2013. This increase reflects the impact to unit costs of a 31% decline in the oxide ore grade placed on the pad and a 29% increase in the stripping ratio over YTD 2013. These cost increases were partially offset by the impacts of the weakened TRY during YTD 2014 compared to YTD 2013.

Total Cash Costs/ounce[7] of $554 were 33% higher than YTD 2013, principally reflecting the increases in operating costs and unit costs noted above, partially offset by a decrease in royalty expense from the application of concessions to royalty estimates determined in 2013.

All-in Sustaining Costs/ounce[7] were $704 and All-in Costs/ounce[1] were $779, or 21% and 16% lower than YTD 2013, respectively. These variances reflect decreases in general and administrative costs and sustaining capital expenditures, partially offset by the higher per ounce Total Cash Costs noted above.

Investments in Mineral Properties and Equipment

A summary of the investments in capital activities for the periods ended June 30, 2014 is presented below:

Capital Investments (in $000s)	Q2 2014		YTD 2014	
	100%	Attributable[1]	100%	Attributable[1]
Sustaining and general capital				
General plant and other assets	$ 2,372	$ 1,898	$ 5,048	$ 4,059
Growth capital				
Sulfide project	3,394	2,715	5,453	4,362
Total capital expenditures	**$ 5,766**	**$ 4,613**	**$ 10,501**	**$ 8,421**

[1] Reflects impacts of 20% non-controlling interest

Sustaining capital expenditures are generally defined as those that support the ongoing operation of the asset or business without any associated increase in capacity or future earnings and are mostly considered non-discretionary. Growth capital expenditures are generally defined as those that expand existing capacity and/or increase future earnings and are considered discretionary.

[7] Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "Non-IFRS Measures" section below.

Sustaining and General Capital – Çöpler

Sustaining and general capital expenditures for Q2 2014 of $2.4 million included continuing work on a new storm pond, new assay lab, new agglomerator and other miscellaneous capital assets. Commissioning of the storm pond and agglomerator, as well as an underground explosive magazine, was completed in Q2 2014.

Growth Capital – Çöpler

Expenditures of $3.4 million during Q2 2014 represent finalization of work on the DFS discussed above under "*Strategy Update*". In addition to the completion of the DFS, the supplemental EIA permitting process for the sulfide processing began in April 2014. The supplemental EIA approval process involves the filing of an initial application defining the scope of the proposed changes to the previously approved project, a public consultation process, and a final submission. Upon receipt of supplemental EIA approval, the Corporation will then proceed to apply for the relevant land access and other required permits.

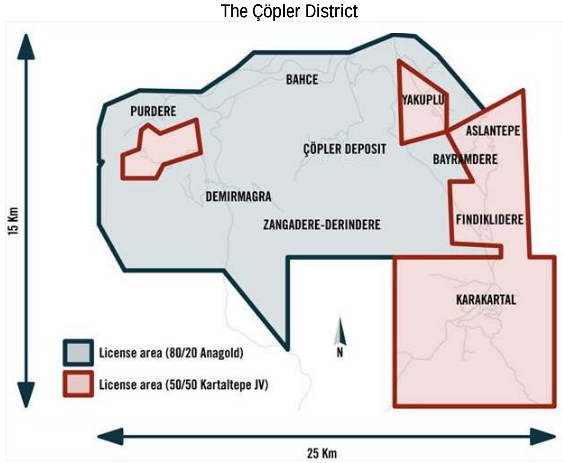
Exploration and Evaluation

The Corporation's highest priority exploration targets are in the Çöpler District, with drilling aimed at delineating supplementary oxide ore for the Çöpler Gold Mine. Additionally, the early exploration results from the Dursunbey Project in western Turkey are highly encouraging and have the potential to add to the Corporation's growth pipeline. Overall exploration activities during YTD 2014 were in line with plan, with significant drilling activities limited to the properties discussed below.

YTD 2014 Exploration spending (in $000s)	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler	80%	$ 1,308	$ 1,046
Çöpler district	50%	1,878	939
Turkey Regional - Polimetal	20%	5,124	1,025
Turkey Regional - Cevizlidere	50%	987	494
Other	100%	556	556
Total		$ 9,853	$ 4,060
Application of expenditures:			
Amounts expensed, continuing operations (100%)		$ 1,864	
Corporation's share of JV exploration expenditures		2,360	
Exploration costs borne by JV partner		5,629	

Çöpler District Exploration Program

The Çöpler District



A total of 6,439 meters ("m") of reverse circulation ("RC") drilling was completed across the Çöpler District in Q2 2014. In addition, detailed geological mapping, geochemical and geophysical surveys were carried out and we continue to prioritize the exploration and drilling activities in the district.

Other Exploration Joint Ventures in Turkey

The second phase of infill and extensional drilling was completed at Dursunbey. A total of 3,377m of diamond drilling was completed during Q2 2014. Further drilling is planned to test the northwest extension of the mineralized zones and infill drilling at 25m centers where necessary. The Corporation has elected to exercise its right to claw back ownership in the Dursunbey Project from 20% to 50% with a current estimated claw back cost of $3.1 million.

In addition to the exploration prospects discussed above, the Corporation continued the evaluation of other exploration properties and additional testing, including drilling programs, is planned for the second half of 2014.

Financial Highlights

A summary of the Corporation's financial results for the periods ended June 30, 2014 and 2013 are presented below. In accordance with the presentation in the interim consolidated financial statements, 2013 Australian operations have been summarized and treated as discontinued operations and are disclosed below as 'Net loss from discontinued operations'.

Consolidated Financial Summary (in $000s, except for per share)	**Q2 2014**	**Q2 2013**	**YTD 2014**	**YTD 2013**
Gold sales	$ 63,707	$ 89,627	$ 135,507	$ 180,165
Less:				
Production costs	28,091	26,104	57,895	50,657
Depreciation, depletion and amortization	10,487	9,978	20,413	17,473
Mining gross profit	$ 25,129	$ 53,545	$ 57,199	$ 112,035
Amounts attributable to owners of the corporation:				
Net profit from continuing operations	**$ 9,128**	**$ 18,376**	**$ 18,827**	**$ 52,376**
Net profit from continuing operations per share – basic	$ 0.03	$ 0.06	$ 0.06	$ 0.18
Net profit from continuing operations per share – diluted	$ 0.03	$ 0.06	$ 0.06	$ 0.18
Net loss from discontinued operations	**$ -**	**$ (452,149)**	**$ -**	**$ (481,995)**
Net loss from discontinued operations per share – basic	$ -	$ (1.56)	$ -	$ (1.67)
Net loss from discontinued operations per share – diluted	$ -	$ (1.56)	$ -	$ (1.67)
Total net profit (loss)	**$ 9,128**	**$ (433,773)**	**$ 18,827**	**$ (429,619)**
Total net profit per share - basic	$ 0.03	$ (1.50)	$ 0.06	$ (1.49)
Total net profit per share – diluted	$ 0.03	$ (1.50)	$ 0.06	$ (1.49)
Adjusted Net Profit from continuing operations[1]	**$ 9,393**	**$ 21,983**	**$ 23,149**	**$ 51,841**
Adjusted Net Profit from continuing operations per share[1]	$ 0.03	$ 0.08	$ 0.08	$ 0.18
Cash Flows				
Operating cash flows from continuing operations	$ 12,472	$ 41,182	$ 42,259	$ 95,811
Investing cash flows from continuing operations	(6,564)	(23,239)	(11,209)	(42,804)
Financing cash flows from continuing operations	(5,891)	(72,814)	(28,042)	(107,440)
Change in cash flows from continuing operations	17	(54,871)	3,008	(54,433)
Net increase/(decrease) in cash from discontinued operations	-	67,222	-	44,235
Effect of exchange rate changes on cash	(96)	1,705	(678)	1,623
Change in cash	$ (79)	$ 14,056	$ 2,330	$ (8,575)
Ending cash and cash equivalents (Continuing operations)	$ 291,979	$ 218,415	$ 291,979	$ 218,415

	As of	
	30-Jun 14	**31-Dec 13**
Financial Position		
Working capital	$ 325,046	$ 315,265
Total assets	$ 699,025	$ 712,155
Non-current liabilities	$ 31,637	$ 29,875
Total equity	$ 633,434	$ 633,626

[1] Adjusted Net Profit (Loss) and Adjusted Net Profit (Loss) per share are non-IFRS financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, see the "*Non-IFRS Measures*" section of this MD&A.

Second Quarter 2014 vs. Second Quarter 2013

Gold sales of $63.7 million were 29% lower than Q2 2013, reflecting a 25% decline in sales volume driven by a 27% reduction in gold production and a 5% decline in realized per-ounce sale price from $1,356 to $1,288 , as further discussed in *"Gold Sales"* below. Total production costs and DD&A for Q2 2014 increased 7% as compared to Q2 2013, mainly driven by increased unit costs as discussed above under *"Results of Operations"*. The net impact of lower gold revenues and higher costs resulted in a mining gross profit decline of 53%.

Net loss from discontinued operations represents the results of the ABU for Q2 2013. All assets associated with the ABU were divested through two separate sale transactions that were completed in Q2 2013 and Q4 2013, respectively.

Adjusted Net Profit for Q2 2014 declined 57% from Q2 2013, and principally reflects the impacts of lower gold sales volumes and prices and higher per-ounce unit costs as compared to Q2 2013.

Cash and cash equivalents decreased $0.1 million during Q2 2014 as compared to a net decrease of $51.0 million for Q2 2013. Operating cash flows decreased $28.7 million in Q2 2014 as compared to Q2 2013, reflecting lower unit prices for sales and higher operating costs. Investing outflows during Q2 2014 declined $16.7 million. Outflows were primarily associated with the projects described above in *"Investments in Mineral Properties and Equipment"*. Financing outflows during Q2 2014 decreased $66.9 million as compared to Q2 2013 and primarily reflects a lower shareholder dividend payout. Financing outflows for Q2 2013 also included $2.7 million related to bank borrowings which were paid off in September 2013.

YTD 2014 vs. YTD 2013

Gold sales of $135.5 million were 25% lower than YTD 2013, reflecting a 14% decline in sales volume driven by a 16% decrease in gold production and a 12% decline in the realized per-ounce sale price from $1,476 to $1,296 , as further discussed in *"Gold Sales"* below. Total production costs and DD&A for YTD 2014 increased 14% as compared to YTD 2013, mainly driven by increased unit costs as discussed above under *"Results of Operations"*. The net impact of lower gold revenues and higher costs resulted in a mining gross profit decline of 49%.

Net loss from discontinued operations represents the results of the Australian Business Unit ("ABU") for YTD 2013. All assets associated with the ABU were divested through two separate sale transactions that were completed in Q2 2013 and Q4 2013, respectively.

Adjusted Net Profit for YTD 2014 declined 56% from YTD 2013, and principally reflects the impacts of lower gold sales volumes and prices and higher per-ounce unit costs as compared to YTD 2013.

Cash and cash equivalents increased $2.3 million during YTD 2014 as compared to a net decrease of $52.8 million for YTD 2013. The first half of 2014 had large dividend, royalty and tax payments which will not be repeated in the second half of the year, thus, cash balances are expected to increase over the remainder of 2014, even after consideration of additional expenditures for growth capital related to the sulfide project.

Operating cash flows decreased $53.6 million in YTD 2014 as compared to YTD 2013, reflecting lower unit prices for sales and higher operating costs. Investing outflows during YTD 2014 declined $31.6 million and were primarily associated with the projects described above in *"Investments in Mineral Properties and Equipment"*. Financing outflows during YTD 2014 decreased $79.4 million as compared to YTD 2013 primarily reflecting a lower shareholder dividend payout. Financing outflows for YTD 2013 also included $6.1 million related to bank borrowings which were paid off in September 2013.

Through June 30, 2014, total assets decreased $13.1 million, total liabilities decreased $12.9 million, and total equity decreased $0.2 million. The decrease in total assets is due to the impacts of depreciation on net asset values, partially offset by increases in sulfide ore stockpile inventory. The decrease in total liabilities is due to the timing of vendor trade payables, quarterly Turkish income tax payments, and the annual mining royalty payment to the Turkish government. The decrease in total equity represents net income earned during the period, offset by dividend payments to shareholders and Lidya Mining.

Gold Sales

Details of gold sales for the periods ended June 30, 2014 and 2013 are presented below:

	Q2 2014	Q2 2013	YTD 2014	YTD 2013
Gold ounces sold [1]	49,455	66,109	104,583	122,063
Gold sales ($000s)	$ 63,707	$ 89,627	$ 135,507	$ 180,165
Average realized price	$ 1,288	$ 1,356	$ 1,296	$ 1,476
Average London PM Fix	$ 1,288	$ 1,416	$ 1,291	$ 1,523

[1] Includes 100% of Çöpler Gold Mine.

For Q2 and YTD 2014, Alacer Gold's average realized gold prices were equal to and slightly above the average London PM Fix for the comparative period, respectively. The decline in average price realized during Q2 and YTD 2014 as compared to Q2 and YTD 2013 is consistent with price volatilities as discussed below under "*Business Conditions and Trends*". The Corporation is not currently using forward sale contracts or other derivative products for future gold sales.

Other Costs

Details of other costs for the periods ended June 30, 2014 and 2013 are presented below:

(in $000s)	Q2 2014	Q2 2013	YTD 2014	YTD 2013
General and administrative	$ 2,742	$ 9,949	$ 7,217	$ 16,622
Restructuring costs	-	-	986	-
Share-based employee compensation costs	1,190	445	2,005	1,257
Foreign exchange (gain) loss	1,348	1,090	317	1,449
Finance (income) expense, net	83	(662)	157	(443)
Other (gain) loss	(194)	(2,293)	1,181	(4,209)
Total corporate and other costs	5,169	8,529	11,863	17,344
Income tax expense	4,945	15,551	13,600	21,750
Total other costs	**$ 10,114**	**$ 24,080**	**$ 25,463**	**$ 39,094**

Other costs reflect management costs, general expenditures and income taxes, which are not related to individual mining operations. Significant variations from the prior period results are discussed below:

General and administrative costs decreased 72% for Q2 2014 and 57% for YTD 2014. This mainly reflects the impact of the restructuring and cost reduction efforts implemented in mid-2013, including a reduction in corporate employees.

Restructuring costs for YTD 2014 reflect Q1 2014 severance payments associated with management restructuring undertaken as a result of the Corporation's transformational changes to its business.

Share-based employee compensation costs are non-cash charges relating to amortization of costs associated with restricted stock units ("RSU") over their respective vesting periods. Additionally, share-based compensation includes any mark-to-market adjustments required under the Corporation's deferred share units plan. The lower expense amounts in both Q2 and YTD 2013 were due in part to the allocation of Australian employee RSU costs to discontinued operations.

Foreign exchange (gain) loss results primarily from volatility in the USD to TRY exchange rate as applied to Turkish operations. Activity for each period reflects changes in the exchange rate as applied to monetary asset and liability account balances denominated in TRY.

Other (gain) loss includes the results of miscellaneous operating and non-operating transactions. Results for YTD 2014 include approximately $2.2 million related to the write-down of various assets held for sale after the divestment of the ABU. The sale of these assets was finalized in Q2 2014.

Income tax expense for Q2 2014 declined $10.6 million as compared the same period in Q2 2013 due primarily to a reduction in pre-tax income, primarily driven by the decreased mining gross profit discussed above under "*Financial Highlights*". The Corporation is able to receive incentive tax credits for qualifying expenditures at the Çöpler Gold Mine. While the qualifying expenditures identified for YTD 2014 are less than YTD 2013, a review is currently underway to assess whether additional expenditures from the prior year and current year may qualify for incentive treatment. If additional qualifying expenditures are identified and accepted by the Turkish authorities, an increase in tax credits will be available to reduce income tax expense and offset cash tax payments.

Summary of Quarterly Results

The following table summarizes the Corporation's total revenues, profit (loss) and profit (loss) per share for each of the preceding eight quarterly periods ended June 30, 2014.

(in $000s, except for per share)	Q22014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Total revenues, continuing operations	$ 63,707	$ 71,800	$ 88,102	$ 108,814	$ 89,627	$ 90,538	$ 88,694	$ 74,634
Amounts attributable to owners of the Corporation:								
Profit (loss) from continuing operations	$ 9,128	$ 9,699	$ (20,925)	$ 36,559	$ 18,376	$ 33,988	$ 38,145	$ 26,044
Profit (loss) from discontinued operations	-	-	25,053	(58,269)	(452,149)	(29,834)	(528,791)	(2,679)
Net profit (loss)	$ 9,128	$ 9,699	$ 4,128	$ (21,710)	$ (433,773)	$ 4,154	$ (490,646)	$ 23,365
Per share profit from continuing operations:								
- basic	$ 0.03	$ 0.03	$ (0.04)	$ 0.09	$ 0.06	$ 0.12	$ 0.13	$ 0.09
- diluted	$ 0.03	$ 0.03	$ (0.04)	$ 0.09	$ 0.06	$ 0.12	$ 0.13	$ 0.09
Per share profit (loss) from discontinued operations:								
- basic	$ -	$ -	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)	$ (1.83)	$ (0.01)
- diluted	$ -	$ -	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)	$ (1.83)	$ (0.01)
Per share profit (loss):								
- basic	$ 0.03	$ 0.03	$ 0.06	$ (0.11)	$ (1.50)	$ 0.01	$ (1.70)	$ 0.08
- diluted	$ 0.03	$ 0.03	$ 0.06	$ (0.11)	$ (1.50)	$ 0.01	$ (1.70)	$ 0.08

Generally, the Corporation does not experience significant effects of seasonality with regard to revenues or expenses. Changes in gold prices have impacted revenues over the last eight quarters. During Q4 2012, Q2 2013 and Q3 2013, the Corporation recorded post-tax impairment charges of $490 million, $412 million, and $72 million respectively for Australian non-current assets carried as discontinued operations. In addition, year-end tax provision adjustments made in Q4 2013 resulted in a net loss from continuing operations for the quarter.

Liquidity and Capital Resources

The Corporation manages its liquidity and capital resources to provide sufficient cash and cash equivalents to meet short and long-term operating and development plans, credit facility obligations, and other contractual obligations when due. Historically, the Corporation has used cash flow from operations and existing bank credit facilities as primary sources of liquidity. For potential funding of large transactions such as acquisitions, mine development and expansion, and debt refinancing transactions, Alacer Gold may look to the private and public capital markets as a source of financing. The Corporation believes it has the ability to complete the sulfide project with no outside funding; however various external financing options are under consideration. Management believes capital resources at June 30, 2014 are sufficient to fund operations, forecasted exploration and capital expenditures, and reclamation and remediation obligations in 2014.

With respect to longer-term funding requirements, the Corporation believes current cash, additional future cash flows and other sources of liquidity will be available. Under present conditions, the Corporation believes it has sufficient access to capital and debt markets. There is a risk that the cost of obtaining capital resources from capital and debt markets may increase in the future as lenders and institutional investors may increase interest rates, impose tighter lending standards, or refuse to provide any new funding. Despite present market conditions, changes in the Corporation's business, unforeseen opportunities or events, and other external factors may also adversely affect liquidity and the availability of additional capital resources. Due to these factors, Alacer Gold cannot be certain that funding, if needed, will be available to the extent required, or on acceptable terms. If Alacer Gold is unable to access funding when needed on acceptable terms, the Corporation may not be able to fully implement current business plans, take advantage of business opportunities, respond to competitive pressures, or refinance future debt obligations as they come due, any of which could have a material adverse effect on the Corporation's operational and financial results. However, the Corporation may elect to reduce its planned expenditures concurrent with prevailing conditions. The Corporation believes that this financial flexibility to adjust its spending levels will provide it with sufficient liquidity to meet its future operational goals and financial obligations.

On March 12, 2014, the Corporation's Board of Directors declared a dividend of $0.02 per share, or approximately $5.9 million, and on April 15, 2014 this dividend was paid to shareholders.

Working Capital

Working capital increased $17.3 million during Q2 2014 reflecting net operating profits from gold sales. On a YTD basis, working capital increased $9.8 million reflecting net operating profits from gold sales offset by the dividends paid to shareholders and to Lidya Mining. Changes in other current asset and liability balance reflect the timing of payments for taxes, goods and services and recoveries of consumption taxes receivable.

Current assets are available at varying times within twelve months following the balance sheet date. Cash and cash equivalents are readily available to meet expenditures. The ability to distribute cash to the parent entity may be subject to jurisdictional regulations or joint venture provisions. Management believes these provisions will not adversely affect the Corporation's ability to meet its commitments when due.

Business Conditions and Trends

The Corporation's results of operations, financial condition, financial performance and cash flows are affected by various business conditions and trends. The variability of gold prices, fluctuating currency rates and increases in costs of materials and consumables associated with the Corporation's mining activities are the primary economic factors that impacted financial results during 2014.

Gold Price

The price of gold is the most significant external factor affecting profitability and cash flow of the Corporation. The price of gold is subject to volatile price movements over short periods of time and is affected by numerous macroeconomic and industry factors that are beyond the Corporation's control. Major influences on the gold price include currency exchange rate fluctuations and the relative strength of the USD, the supply of and demand for gold and macroeconomic factors such as the interest rate levels and inflation expectations. Declines in gold prices have adversely affected, and in the future may adversely affect, the Corporation's operating results, cash flows, financial condition, access to capital markets, the economic viability of reserves, and ability to reinvest in order to maintain or grow the current asset base. Further deterioration in gold prices may negatively affect future cash flow such that the Corporation may curtail or determine it may not be economical to continue with existing or planned exploration or capital development activities for existing operations.

(All amounts expressed in thousands of U.S. Dollars, unless otherwise stated)

During Q2 2014, the gold price experienced continued volatility, with the price ranging from $1,243 to $1,326 per ounce. The price of gold closed at $1,315 per ounce on June 30, 2014, and the average Q2 2014 market price of $1,288 per ounce represents a $128 per ounce decrease from the $1,416 per ounce average market price for Q2 2013. The average YTD 2014 market price of $1,291 per ounce represents a $230 per ounce decrease from the $1,523 per ounce average market price for YTD 2013.

Currency Rates

Fluctuations in currency rates, particularly the relative strength of the USD, affect the Corporation's results of operations and cash flows. The USD is the Corporation's functional currency.

The Corporation's earnings and cash flow may also be affected by fluctuations in the exchange rate between the USD and the Turkish Lira. Such fluctuations may give rise to foreign currency exposure, which may affect future financial results. The Corporation has not entered into any foreign currency forward contracts or other similar financial instruments to manage foreign currency risk. Period end currency rates, as well as average currency rates for the respective periods, relative to the USD are presented in the table below.

	End of Period Rates as of				Average Currency Rates			
	30-Jun 2014	31-Dec 2013	30-Jun 2013	31-Dec 2012	Q2 2014	Q2 2013	YTD 2014	YTD 2013
USD:TRY	2.12	2.14	1.93	1.79	2.11	1.84	2.16	1.81

Inflation rates in Turkey averaged 9% during YTD 2014 compared with approximately 8% during YTD 2013. Currently, the Corporation has not experienced any material direct liability resulting from changing domestic input prices that have influenced its operations. However, additional indirect costs are expected to flow through from affected suppliers. The collective impact of changing prices may result in operating and capital cost variances beyond Management's control. The Corporation is not currently using derivative products to protect against movements in the cost of commodities, materials or services.

Transactions with Related Parties

As of June 30, 2014, the Corporation does not have any transactions with related parties.

Critical Accounting Policies, Estimates and Accounting Changes

The Corporation's unaudited interim consolidated financial statements are prepared in accordance with IFRS, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The significant accounting policies applied and recent accounting pronouncements are described in Note 3 to the

Corporation's consolidated financial statements for the year ended December 31, 2013. There have been no changes from the accounting policies applied in the December 31, 2013 financial statements, except as disclosed Note 3 of interim consolidated financial statements.

The preparation of the Corporation's unaudited interim consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may materially differ from the amounts included in the financial statements. A full discussion of these estimates and assumptions is included in Note 5 to the Corporation's consolidated financial statements for the year ended December 31, 2013.

Financial Instruments and Other Instruments

The Corporation's financial instruments as of June 30, 2014 consist of cash and cash equivalents, receivables, investments in publicly-traded securities, trade and other payables which are presented at fair value. The Corporation's financial instruments are denominated primarily in USD and TRY. There were no material income or expense transactions or gains or losses associated with the instruments in Q1 2014.

Credit Risk is associated primarily with short-term investments and the portion of cash and cash equivalents held by banks. Such credit risk is managed by diversifying holdings among various financial institutions and by purchasing short-term investment grade securities. This may include such instruments as bankers' acceptances, guaranteed investment contracts, corporate commercial paper, U.S. and Canadian treasury bills, and U.S. and Canadian agencies investments in accordance with the Corporation's investment policy. Investment objectives are primarily directed towards preservation of capital and liquidity. The investment policy provides limitations on concentrations of credit risk, credit quality and the duration of investments, as well as minimum rating requirements for cash and cash equivalents held in banks and financial institutions. The majority of the Corporation's receivable balances consist of claims for recoverable Turkish value-added tax. The Corporation is also exposed to credit risk to the extent the timing of payments is delayed. As of June 30, 2014, Turkish VAT receivable totaled $4.4 million. Management monitors its exposure to credit risk on a continual basis.

Interest rate risk is generally associated with variable rate financial instruments and available market interest rates at the time financial instruments are acquired. The Corporation holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Short-term investments are purchased at market interest rates and result in fixed yields to maturity. All other financial assets and liabilities in the form of receivables, payables and provisions are non-interest bearing. Future net cash flows from interest income on cash and cash equivalents and interest expense on variable rate borrowings will be affected by interest rate fluctuations. The Corporation manages interest rate risk by maintaining an investment policy for short-term investments and cash held in banks. This policy focuses primarily on preservation of capital and liquidity. The Corporation currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Foreign currency risk is generally associated with financial instruments and transactions denominated in non-USD currencies. The Corporation is exposed to financial gain or loss as a result of foreign exchange movements against the USD. The Corporation does not presently engage in hedging or speculative activities. The Corporation holds USD, TRY, and CAD in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately $6.2 million denominated in TRY as of June 30, 2014. Therefore, the Corporation remains exposed to future currency fluctuations.

Non-IFRS Measures

The Corporation has identified certain measures that it believes will assist with understanding the performance of the business. As the measures are not defined under IFRS, they may not be directly comparable with other companies' adjusted measures. The non-IFRS measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but Management has included them as these are considered to be important comparables and key measures used within the business for assessing performance. These measures are explained further below.

Cash Operating Costs, Total Cash Costs, All-in Sustaining Costs and **All-in Costs** are non-IFRS measures. Cash Operating Costs and Total Cash Costs are calculated using guidance issued by the Gold Institute. The Gold Institute was a non-profit industry association comprising leading gold producers, refiners, bullion suppliers and manufacturers. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. All-in Sustaining Costs and All-in Costs are calculated based on guidance from the World Gold Council issued in June 2013.

Cash Operating Costs, as defined in the Gold Institute's guidance, include mining, processing, transport and refinery costs, mine site support costs, movement in production inventories, and by-product credits, where relevant.

Total Cash Costs, as defined in the Gold Institute's guidance, include all of the Cash Operating Costs noted above, plus royalties and severance taxes.

All-in Sustaining Costs are an extension of Total Cash Costs and incorporates costs related to sustaining production, including sustaining capital expenditures, exploration and general and administrative costs.

All-in Costs include All-in Sustaining Costs plus expansion capital costs.

Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are calculated by dividing the relevant costs, as determined using the cost elements noted above, by gold ounces sold for the periods presented. The data does not have a meaning prescribed by IFRS and therefore amounts presented may not be comparable to data presented by gold producers who do not follow the guidance provided by the Gold Institute or the World Gold Council. In particular, non-cash costs such as depreciation and amortization would be included in a measure of total costs of producing gold under IFRS, but are excluded from the non-IFRS measures noted above. Furthermore, while the Gold Institute and World Gold Council have provided definitions for the calculations of these costs, such calculations may vary from company to company and may not be comparable to other similarly titled measures of other companies. However, Alacer Gold believes that these cost measures are useful indicators of performance as they provide an indication of a company's profitability and efficiency, the trends in these costs as the Corporation's operations mature, and a benchmark of performance to allow comparison to other companies.

The following table reconciles these non-IFRS financial measures to the consolidated statements of profit (loss) for the periods ended June 30, 2014 and 2013, excluding discontinued operations.

(In $000s, except for per ounce measures)	Q2 2014	Q2 2013	YTD 2014	YTD 2013
Production costs (continuing operation) - IFRS	$ 28,091	$ 26,104	$ 57,895	$ 50,657
Adjustments: (none)	-	-	-	-
Total Cash Costs	$ 28,091	$ 26,104	$ 57,895	$ 50,657
Divided by: gold ounces sold	49,455	66,109	104,583	122,063
Total Cash Costs per ounce	**$ 568**	**$ 395**	**$ 554**	**$ 415**
Total Cash Costs	$ 28,091	$ 26,104	$ 57,895	$ 50,657
Less: royalties and severance taxes	792	2,336	2,228	4,813
Cash Operating Costs	$ 27,299	$ 23,768	$ 55,667	$ 45,845
Divided by: gold ounces sold	49,455	66,109	104,583	122,063
Cash Operating Costs per ounce	**$ 552**	**$ 360**	**$ 532**	**$ 376**
Total Cash Costs – from above	$ 28,091	$ 26,104	$ 57,895	$ 50,657
Add portions of:				
Exploration	$ 1,169	$ 1,104	$ 1,864	$ 1,769
General and administrative[1]	2,502	9,949	6,826	16,622
Share-based employee compensation costs	1,190	445	2,005	1,257
Sustaining capital expenditures	2,372	20,876	5,048	38,480
All-in Sustaining Costs	$ 35,324	$ 58,478	$ 73,638	$ 108,785
Divided by: gold ounces sold	49,455	66,109	104,583	122,063
All-in Sustaining Costs per ounce	**$ 714**	**$ 885**	**$ 704**	**$ 891**
Total All-in Sustaining Costs, from above	$ 35,324	$ 58,478	$ 73,638	$ 108,785
Add-in non-sustaining costs[2]	4,532	2,071	7,813	4,984
Total All-in Costs	$ 39,856	**$ 60,550**	$ 81,451	**$ 113,769**
Divided by: gold ounces sold	49,455	66,109	104,583	122,063
All-in Costs per ounce	**$ 806**	**$ 916**	**$ 779**	**$ 932**

1 Excludes non-operating depreciation costs.

2 Includes Sulfide project costs and attributable regional joint venture exploration expenditures.

Adjusted Net Profit and Adjusted Net Profit per share attributable to owners of the Corporation are non-IFRS measures and reflect net profit (loss) attributable to owners of the Corporation as adjusted for non-recurring items, mark-to-market adjustments for convertible debentures, and normalization of tax expense to reflect statutory rates by jurisdiction. This information is provided to supplement information presented in the consolidated financial statements and this MD&A. Management believes that in addition to profit (loss) and related per share disclosures prepared in accordance with IFRS, these adjusted measures provide a basis for further evaluation of the Corporation's performance. Presentation of these adjusted measures is not a substitute for reported amounts presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The terms "Adjusted Net Profit attributable to owners of the Corporation" and "Adjusted Net Profit per share attributable to owners of the Corporation" do not have standardized meanings prescribed by IFRS. Therefore, the Corporation's definitions may not be comparable to similar measures presented by other companies or as used by various readers of these adjusted measures.

Calculations of these adjusted measures for the periods ended June 30, 2014 and 2013 are presented below.

(In $000s)	Q2 2014	Q2 2013	YTD 2014	YTD 2013
Profit (loss) attributable to owners of the Corporation	$ 9,128	$ (433,773)	$ 18,827	$ (429,619)
Add back tax expense (benefit)	3,994	12,441	10,918	17,400
Pre-tax profit (loss) attributable to owners of the Corporation	13,122	(421,332)	29,745	(412,219)
Adjustments (pre-tax basis):				
Results of Discontinued Operations[1]	-	452,149	-	481,995
Write down of assets to estimated net realizable value	-	-	2,177	-
Adjusted pre-tax profit attributable to owners of the Corporation	13,122	30,817	31,922	69,776
Tax expense on adjusted pre-tax profit[2]	3,729	8,833	8,773	17,935
Adjusted Net Profit	**$ 9,393**	**$ 21,983**	**$ 23,149**	**$ 51,841**
Divided by: Weighted average common shares outstanding	290,368,725	289,003,190	290,321,462	288,668,456
Adjusted Net Profit per share	**$ 0.03**	**$ 0.08**	**$ 0.08**	**$ 0.18**

1 Represents operating losses from discontinued operations for the period.

2 This adjustment applies income taxes to reflect adjusted pre-tax profit attributable to owners of the Corporation at applicable statutory rates for each jurisdiction, as noted in the tables below.

The tables below set forth statutory income tax calculations for the periods ended June 30, 2014 and 2013.

(In $000s)	Turkey	Corporate and Other	Total
Q2 2014:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 18,645	$ (5,523)	$ 13,122
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 3,729	$ -	$ 3,729
Q2 2013:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 44,167	$ (13,350)	$ 30,817
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 8,833	$ -	$ 8,833
YTD 2014:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 43,864	$ (11,942)	$ 31,922
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 8,773	$ -	$ 8,773
YTD 2013:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 89,675	$ (19,899)	$ 69,776
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 17,935	$ -	$ 17,935

Other

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is responsible for the design of disclosure controls and procedures ("DC&P") to provide reasonable assurance that all relevant information required to be disclosed by the Corporation is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. Management is also responsible for the design of internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework to design the Corporation's DC&P and ICFR as of June 30, 2014. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the design of the Corporation's DC&P and ICFR as of June 30, 2014 and have concluded that these controls and procedures are adequately designed to provide reasonable assurance that material information relating to the Corporation is made known to them by others within the Corporation, and to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management of the Corporation was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. There has been no change in the Corporation's internal control over financial reporting during the three and six month periods ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Outstanding Share Data

The following common shares and convertible securities were outstanding as at June 30, 2014.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares*			290,402,761
Restricted Stock Units	Various	N /A	2,799,767
			293,202,528

* Common shares outstanding include 89,714,459 shares represented by CDI, being a unit of beneficial ownership in an Alacer Gold share and traded on the ASX.

Additional Information and Risk Factors

Additional information relating to the Corporation, including risk factors that may adversely affect or prevent Alacer Gold from carrying out all or portions of its business strategy are discussed in the Corporation's Annual Information Form and other filings available on SEDAR at www.sedar.com.