

# Q2 2014 Results

**Rod Antal, Chief Executive Officer**  
**Mark Murchison, Chief Financial Officer**

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TSX: ASR / ASX: AQG

# Cautionary Statements



**FORWARD-LOOKING STATEMENTS** Except for statements of historical fact relating to Alacer, certain statements contained in this presentation 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. Forward-looking information often relates to statements concerning Alacer’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 news release, 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 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’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’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; 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’s filings at [www.sedar.com](http://www.sedar.com) and other unforeseen events or circumstances. Other than as required by law, Alacer does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

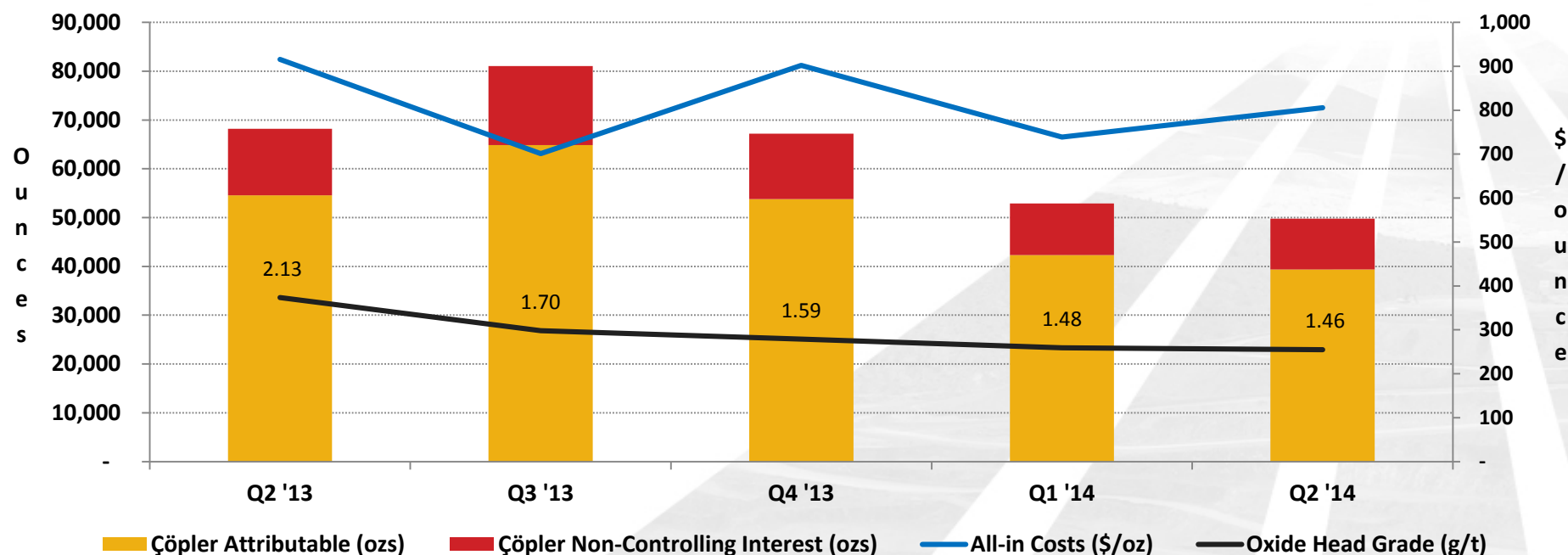
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# Çöpler – Q2 2014 Performance

Çöpler on track to meet guidance



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- Achieved 500 days without a lost-time injury on July 8, 2014
- Production of 39,836 attributable ounces at low All-in Costs<sup>1</sup> of \$806/ounce
- Oxide ore treated was 1.5Mt at 1.46g/t; gold recovery ratio<sup>2</sup> of 70%
- Sulfide ore stockpiled 0.3Mt at 3.56g/t; total stockpile now at 2.4Mt at 4.69g/t
- Operating cash flow of \$12.5M
- On track to meet 2014 guidance of 160,000 to 180,000 attributable ounces at All-in Costs<sup>1</sup> of \$730 to \$780 per ounce

<sup>1</sup> All-in Costs is a non-IFRS financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see the "Non-IFRS Measures" section of the MD&A for June 30, 2014.

<sup>2</sup> Gold recovery ratio is the ratio between gold ounces produced and contained gold in ore stacked.

# Financial Position

Strong balance sheet positioned for growth



	<b>June 30 2014 (\$M)</b>	<b>December 31 2013 (\$M)</b>	<b>Increase (Decrease) Variance (\$M)</b>
Current assets	359.0	363.9	(4.9)
Current liabilities	34.0	48.7	(14.7)
<b>Net current assets</b>	<b>325.0</b>	<b>315.2</b>	<b>9.8</b>
Total assets	699.0	712.2	(13.1)
Total liabilities	65.6	78.5	(12.9)
<b>Total equity</b>	<b>633.4</b>	<b>633.7</b>	<b>(0.2)</b>

- Cash of \$292M and no external debt at June 30, 2014
- Annual payments made in H1 2014, and will not reoccur this year:
  - Shareholder dividends, Lidya profit distribution, annual royalty payment, end-of-year tax payment
- Net current assets have increased by \$10M during H1 2014

# P&L Statement – Summary Comparison



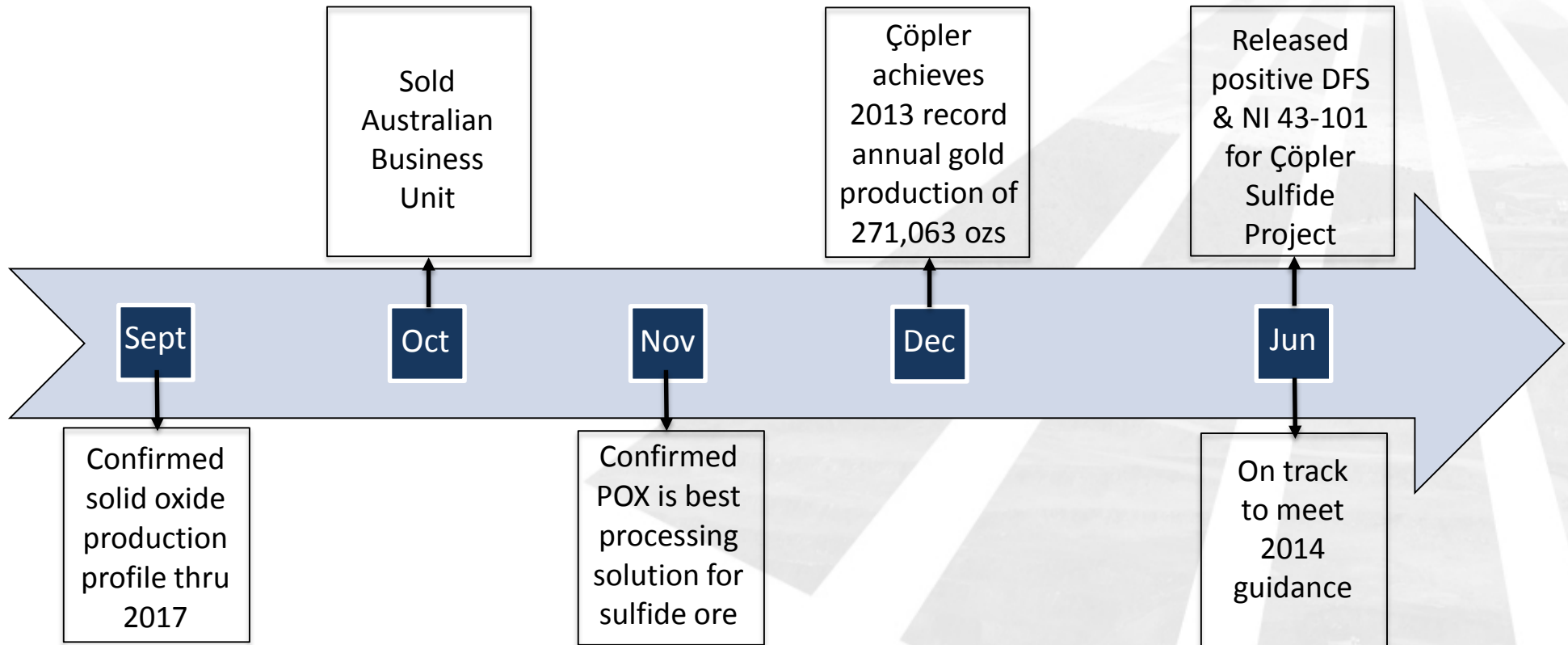
	Q2 2014 (\$M)	Q2 2013 (\$M)	Increase (Decrease) Variance (\$M)	Key Points
<b>Gold sales</b>	<b>63.7</b>	89.6	(25.9)	Lower revenue primarily due to 25% lower gold sales and gold price
Production costs	<b>28.1</b>	26.1	(2.0)	Higher costs primarily due to higher stripping ratio & inventory movement
DD&A	<b>10.5</b>	10.0	(0.1)	
<b>Mining gross profit</b>	<b>25.1</b>	53.5	(28.0)	
Exploration and evaluation	<b>1.2</b>	1.1	(0.1)	
General and administrative	<b>2.7</b>	9.9	7.2	Lower G&A reflects cost reduction efforts
Miscellaneous other costs (gain)	<b>3.5</b>	0.3	(3.3)	Q2 2013 included \$4.5M adjustment for royalty payments
<b>Profit before income tax</b>	<b>17.7</b>	42.2	(24.6)	
Income tax expense	<b>4.9</b>	15.6	10.7	Lower profit and utilization of incentive tax credits in Turkey
<b>Net profit from continuing operations</b>	<b>12.7</b>	26.7	(14.0)	
Total gold sold (ounces)	<b>49,455</b>	66,109	(16,654)	Lower sales primarily due to 31% lower grade of oxide ore stacked
Attributable <sup>1</sup> gold sold (ounces)	<b>39,564</b>	52,887	(13,323)	
<b>Averaged realized gold price (\$/ounce)</b>	<b>1,288</b>	1,356	(68)	
Total Cash Costs <sup>2</sup> (\$/ounce)	<b>568</b>	395	(173)	Increase due to less gold sold and higher production costs
All-in Sustaining Costs <sup>2</sup> (\$/ounce)	<b>714</b>	885	171	19% decrease due to less sustaining capex and G&A in 2014
All-in Costs <sup>2</sup> (\$/ounce)	<b>806</b>	916	110	
Attributable DD&A (\$/ounce)	<b>212</b>	151	(54)	

<sup>1</sup> Attributable gold ounces are reduced by the 20% non-controlling interest at Cöpler.

<sup>2</sup> Total Cash Costs, All-in Costs and All-in Sustaining Costs are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, please see the "Non-IFRS Measures" section of the MD&A for June 30, 2014.



## Since September 2013



- Reduced overheads by ~\$16M per annum

# Key Metrics for NI 43-101

Minor changes in 43-101 report



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	NI 43-101 Report Metrics
Incremental IRR	20.5%
LOM Cash Flow	\$1.6B
NPV at 5% Discount	\$921M
Incremental NPV	\$622M
Pre-Production Capex	\$633M
Sustaining Capex	\$187M
Payback from start of sulfide production	1.7 years
Total Cash Costs <sup>1</sup>	\$540/oz
All-in Sustaining Costs <sup>1</sup>	\$597/oz
All-in Costs <sup>1</sup>	\$810/oz

- Changes were made to the timing of the phased construction sequence and capacity of the tailings storage facility
- The net additional \$31M capex is forecast to be spent on the TSF in the years 2031 to 2033

<sup>1</sup> Total Cash Costs, All-in Sustaining Costs and All-in Costs are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, please see the "Non-IFRS Measures" section of the MD&A for June 30, 2014.

# Alacer in a Strong Position

Strategic advantage in Turkey



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- DFS and updated resources & reserves demonstrate robustness of sulfide project and provides significant increase to Çöpler's reserves
- Work continues to de-risk the sulfide project
- Exploration program continuing to develop our organic portfolio
- Work continues on other value-generating opportunities such as heap leach pad capacity expansion



**For further information,  
please contact:**

**Lisa Maestas**

North America: +1-303-292-1299

**Roger Howe**

Australia: +61-2-9953-2470