MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Three and Nine Month Periods Ended September 30, 2014

The following management discussion and analysis ("MD&A") is as of October 27, 2014 and relates to the financial condition and results of operations of Alacer Gold Corp. and its subsidiaries ("Alacer" or the "Corporation"), as of September 30, 2014. The MD&A supplements and complements the Corporation's unaudited interim consolidated financial statements for the three and nine month periods ended September 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 nine month periods ended September 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 September 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"), including International Accounting Standards ("IAS") 34, Interim Financial Reporting, 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 nine month periods ended September 30, 2014.

Table of Contents

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Alacer, 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. 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 MD&A, production, cost and capital expenditure guidance; ability to expand the current heap leach pad, development plans for processing sulfide ore at Çöpler; 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'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 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.

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; Adjusted Net Profit and Adjusted Net Profit per share. 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 information compiled by James Francis, BSc (Hons) Geology and MSc Mining Geology, MAusIMM, MAIG, who is a full-time employee of Alacer. 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 undertaken 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.

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 press release dated June 16, 2014 and entitled "Alacer Gold Announces Results of Ongoing Resource Reconciliation Study for the Çöpler Gold Mine" (the "R&R Announcement") and repeated in the NI 43-101 Technical Report ("Technical Report") released on July 29, 2014. 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 has 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 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 is a leading intermediate gold mining company with an 80% interest in the world-class Çöpler Gold Mine in Turkey. The Corporation's primary focus is to maximize portfolio value, maximize free cash flow, minimize project risk, and therefore create maximum value for shareholders.

During 2014, Çöpler is forecast to produce 160,000 to 180,000 attributable ounces of gold 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.

Alacer is actively pursuing initiatives to enhance value beyond the current mine plan:

- Çöpler Oxide Production Optimization - continuing to evaluate opportunities to optimize and extend the oxide production beyond the current reserves. This includes optimizing the mine plan and undertaking a study to assess expanding the design capacity of the existing heap leach pad.

- Çöpler Sulfide Project – work is ongoing following the June 2014 Sulfide Definitive Feasibility Study ("DFS") which demonstrated robust financial returns from processing sulfide ore and extends Çöpler's mine life to 20 years. Çöpler is forecast to produce a further 3.2 million ounces of gold at low All-in Costs averaging $810 per ounce over the life of the mine.

- Alacer continues to pursue numerous high-potential exploration projects in Turkey in various joint ventures with our Turkish partner, Lidya Mining.

Alacer 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.

Q3 2014 Highlights

Strategic

- Alacer filed a Technical Report 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.
- Alacer commenced a technical study to assess the potential to expand the current heap leach pad design capacity of approximately 50 million tonnes.
- Basic engineering commenced and the permitting process continued to progress to plan for the Sulfide Project.
- Exploration drilling results were announced indicating continued positive trends at the Dursunbey prospect in western Turkey.
- Alacer announced the appointment of two new independent directors to the Board, Anna Kolonchina and Alan Krusi.

Operational

- In August, the Çöpler Gold Mine reached 4 million man-hours worked without a lost-time injury and recorded 600 days without a lost-time injury as of October 16, 2014.
- Total gold production was 63,356 ounces, and attributable gold production[1] was 50,685 ounces.
- All-in Sustaining Costs/ounce[2] were $711 and All-in Costs/ounce[2] were $763, of which $55/ounce were related to sulfide project expenditures.
- An additional 0.5 million tonnes of sulfide ore was stockpiled at an average grade of 3.49 g/t gold. Sulfide ore mined continued to provide a positive gold reconciliation during Q3 2014, which resulted in a 29% positive reconciliation on a contained ounce basis as compared to the 2013 resource model.
- Finalized chemical commissioning of the SART plant and full commissioning of the second Carbon-in-Column ("CIC") circuit.
- A three-year Collective Labor Agreement ("CLA") at the Çöpler Gold Mine was signed effective July 1, 2014.
- The Corporation remains on track to meet full-year 2014 production and cost guidance, excluding growth capital for the Sulfide Project.

Financial

- The Corporation ended Q3 2014 with cash and cash equivalents of $319.7 million[3], and had no external debt. The cash and cash equivalents balance increased $27.7 million during the quarter.
- Working capital increased $24.6 million to $349.7 million.
- Attributable net profit from operations was $14.9 million, or $0.05 per share.
- Adjusted Net Profit[2] was $13.1 million, or $0.05 per share.
- Cash flow from operating activities totaled $42.5 million.

---

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

Alacer continues to advance its commitment to increase shareholder value, by releasing the positive results of the DFS, the reconciliation study as discussed in the R&R Announcement ("Resource Reconciliation Study"), the filing of the related Technical Report, pursuing opportunities to extend the Çöpler Oxide production profile and continuing Regional exploration activity. In addition, the Corporation continues to pursue other value-enhancing initiatives in Turkey and elsewhere.

Çöpler Oxide Production Optimization

Çöpler is a world class gold deposit. As the Corporation moves through various technical studies, optimization opportunities continue to become apparent. There currently exists a high probability to add valuable oxide gold production at Çöpler beyond 2017.

The Çöpler oxide reserves are constrained by the current design capacity of the heap leach. The Corporation is undertaking a study to determine the extent to which the current heap leach capacity can be increased. On the basis that this can be achieved, opportunities exist to source additional oxide ore from the current Çöpler resource and surrounding district. These include, but are not limited to, the 4.2 million tonnes at 1.2 grams per tonne of oxide mineralization classified as waste in the current mine plan, determining other sources of oxide ore from the current resource and advancing satellite exploration discoveries. Further, a potential location for a second heap leach pad has been identified west of the current Çöpler mine.

Çöpler Sulfide Project

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.

- 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.
- 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 with no material impact to the financial outcomes.

Key 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, 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:

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

  - 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 is 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.

The following tables previously disclosed in the Technical Report provide further information on the updated Mineral Resource and Mineral Reserve estimates:

Mineral resources 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	2,421
		Stockpile - Indicated	18	3.19	-	-	2
		Measured + Indicated	**69,530**	**1.08**	**2.78**	**0.15**	**2,422**
		Inferred	28,893	0.97	4.58	0.11	904
1.0	*Sulfide*	Measured	-	-	-	-	-
		Indicated	81,854	1.95	5.64	0.11	5,135
		Stockpile - Indicated	1,536	4.84	9.81	0.11	239
		Measured + Indicated	**83,390**	**2.00**	**5.71**	**0.11**	**5,374**
		Inferred	22,884	1.92	10.85	0.15	1,411
Variable	*Stockpiles*	Indicated	1,554	4.82	-	-	241
Variable	***Total***	Measured	-	-	-	-	-
		Indicated	152,920	1.59	4.38	0.13	7,796
		Measured + Indicated	**152,920**	**1.59**	**4.38**	**0.13**	**7,796**
		Inferred	**51,778**	**1.39**	**7.35**	**0.13**	**2,315**

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 a 100% basis, of which Alacer owns 80%.
Rounding differences will occur.

[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.

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.

Significant work is completed and ongoing to de-risk the Sulfide Project:

- 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 Resource Reconciliation Study to provide more clarity and definition to the plant ore feed and the results 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 input costs and capital cost management and disciplined project management. An experienced project team is currently being established along with well-defined milestones to track progress and cost.
- The Corporation began basic engineering for the Sulfide Project in the third quarter. The engineering will run in parallel to the permitting process through the first quarter of 2015.
- The Corporation has begun executing its project delivery strategy by selecting two potential Engineering, Procurement and Construction ("EPC") contractors to participate in basic engineering and to refine the project delivery scope of work. It is expected that the two contractors selected will provide proposals for a fixed price EPC delivery of the Sulfide Project.

Positive Çöpler Resource Reconciliation and Mineral Resource Update

Work on the Resource Reconciliation Study began in early 2014 to determine the factors contributing to the positive gold reconciliations for sulfide ore as compared to the 2013 resource model. As of September 30, 2014, the sulfide ore stockpile contained 2.8 million tonnes at 4.50g/t gold, containing 410,000 ounces of gold. The sulfide ore indicates a 48% 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 model. Comparisons to the revised 43-101 model commenced in August 2014 and results will be reported once adequate data is available.

Additional Growth

The Corporation continues to pursue further expansion of its current operating base to become a sustainable multi-mine producer with a focus on Turkey. The structured and focused exploration efforts in the Çöpler District as well as in other regions of Turkey are demonstrating continued positive results at the Dursunbey prospect in western Turkey. The Corporation also continues to review strategic opportunities that have the potential to add value to its shareholders.

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

Results of Operations

Çöpler Gold Mine[1]	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Waste tonnes mined	5,850,169	4,694,066	17,687,249	14,850,125
Oxide ore mined - tonnes	1,714,695	1,715,571	4,691,478	5,276,276
Oxide ore mined - grade (g/t)	1.88	1.67	1.62	1.98
Oxide ore mined - ounces	103,879	91,969	243,871	336,710
Sulfide ore mined - tonnes[2]	460,737	336,787	1,298,055	989,610
Sulfide ore mined - grade (g/t)[2]	3.49	5.34	4.09	4.96
Sulfide ore stockpiled - ounces[2]	51,743	57,865	170,800	157,930
Oxide ore treated - tonnes	1,742,171	1,704,528	4,650,308	5,286,329
Oxide ore treated - head grade (g/t)	1.84	1.70	1.61	1.99
Ratio between gold produced and contained gold in ore stacked	61%	87%	69%	60%
Gold ounces produced	63,356	81,059	166,070	203,858
Gold ounces sold	62,076	81,326	166,659	203,391
Attributable: (80% ownership)				
Gold ounces produced	50,685	64,847	132,856	163,086
Gold ounces sold	49,661	65,061	133,327	162,713
Cash Operating Costs/ounce sold[3]	$ 533	$ 377	$ 532	$ 376
Total Cash Costs/ounce sold[3]	$ 558	$ 342	$ 555	$ 386
All-in Sustaining Costs/ounce sold[3]	$ 711	$ 697	$ 707	$ 818
All-in Costs/ounce sold[3]	$ 763	$ 701	$ 773	$ 844
Average realized gold price	$ 1,282	$ 1,338	$ 1,291	$ 1,421

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 (Total of 2.8 million tonnes at 4.50 g/t).
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.

Third Quarter 2014 vs. Third Quarter 2013

Attributable gold production of 50,685 ounces declined 22% from Q3 2013 due to the lower grade of oxide ore stacked in 2014. Likewise, the second CIC circuit required an additional 25 tons of carbon which absorbed approximately 2.5k ounces of gold increasing inventory in circuit. Both of these factors contribute to the decrease in the recovery ratio from 87% in Q3 2013 to 61% in Q3 2014.

Total material mined in Q3 2014 of 8 million tonnes included oxide ore, sulfide ore and waste, compared to 6.7 million tonnes in Q3 2013. The 19% increase in total volume largely relates to the increase in strip ratio. Oxide ore contained ounces increased 13% due to grade. The increase in grade was the result of mining higher-grade tonnes from the Marble Pit. Oxide ore tonnes mined in Q3 2014 continue to be aligned to current ore handling throughput capacities. Total oxide ore placed on the leach pad increased slightly by 2% to 1.7 million tonnes in Q3 2014. Sulfide ore tonnes mined increased 37% as a result of the mine plan.

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 has been successful. These improvements have allowed ore stacking rates to remain at planned levels, despite higher clay content ore tonnes being mined from the Main Pit.

Utilization of the SART plant commenced in August allowing operations to maintain CIC recoveries by removing the copper from the pregnant solution.

A three year Collective Labor Agreement ("CLA") was approved at the Çöpler Gold Mine effective July 1, 2014. The agreement secures certainty related to labor costs over the next three years and provides for annual increases in compensation to be substantially in line with inflation.

Cash Operating Costs/ounce[6] of $533 were 41% higher than Q3 2013. The increase reflects an 18% decline in the year-to-date oxide ore grade, the corresponding decrease in ounces sold, higher processing costs related to the implementation of efficiency and improvement initiatives, and a 17% increase in the strip ratio over Q3 2013.

Total Cash Costs/ounce[6] of $558 were 63% higher than Q3 2013, principally reflecting the increase in operating costs noted above and the credit to royalty expense recorded in 2013 from the application of available concessions to royalty charges.

All-in Sustaining Costs/ounce[6] were $711 and All-in Costs/ounce[1] were $763 or 2% and 9% higher than Q3 2013, respectively. These variances reflect higher per ounce Total Cash Costs noted above, almost entirely offset by decreases in general and administrative costs and sustaining capital expenditures. All-in costs/ounce include expansion capital spend related to the Sulfide Project of $55 per ounce.

YTD 2014 vs. YTD 2013

Attributable gold production of 132,856 ounces declined 19% from YTD 2013, due to lower stacked oxide ore tonnes at a lower head grade, partly offset by improved processing efficiencies.

Total material mined in YTD 2014 of 23.7 million tonnes included oxide ore, sulfide ore and waste, compared to 21.1 million tonnes in YTD 2013. The 12% increase in total volume largely relates to a 24% increase in strip ratio. Contained ounces in mined oxide ore decreased by 28%, reflecting an expected 18% decrease in oxide ore grade and an 11% decrease in oxide ore tonnes mined year to date. The decrease in grade was the result of sequencing mining, as planned, away from the Manganese Pit in 2013 to the higher-clay content ore from the Marble and Main Pits in 2014. The 11% 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.

Despite the lower tonnes and grade stacked, the recovery ratio of contained gold stacked versus gold produced increased to 69% in YTD 2014 compared to 60% in YTD 2013. This increase was a result of improved processing efficiencies related to ore handling, agglomeration, stacking and pad irrigation

[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.

initiatives implemented over the past year, partially offset by fewer recoverable gold ounces contained in ore stacked in 2014 as compared to 2013.

Cash Operating Costs/ounce[7] of $532 were 41% higher than YTD 2013. This increase reflects an 18% decline in the oxide ore grade, the corresponding decrease in ounces sold, higher processing costs related to the implementation of efficiency and improvement initiatives, and a 24% 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 $555 were 44% higher than YTD 2013, principally reflecting the increases in operating costs and unit costs noted above as well as the credit to royalty expense recorded in 2013 from the application of available concessions to royalty charges.

All-in Sustaining Costs/ounce[7] were $707 and All-in Costs/ounce were $773, or 14% and 8% lower than YTD 2013, respectively. These variances reflect decreases in general and administrative costs and sustaining capital expenditures. All-in costs/ounce include expansion capital spend related to the Sulfide Project of $53 per ounce.

Investments and Mineral Properties and Equipment

A summary of the investment activity for the period ended September 30, 2014 is presented below:

Capital and Other Long-term Investments (in $000s)	Q3 2014		YTD 2014	
	100%	Attributable[1]	100%	Attributable[1]
Sustaining and general capital				
General plant and other assets	$ 4,490	3,592	$ 9,538	$ 7,651
Growth capital				
Sulfide project - Pre-DFS approval	-	-	5,453	4,362
Sulfide project - Post-DFS approval	3,421	2,737	3,421	2,737
Sulfide project - Total	3,421	2,737	8,874	7,099
Total capital expenditures	**$ 7,911**	**$ 6,329**	**$ 18,412**	**$ 14,750**
Long-term asset - sulfide stockpile	**$ 4,118**	**$ 3,294**	**$ 11,164**	**$ 8,931**

[1] Capital related to Anagold has been adjusted to reflect the impact of the 20% non-controlling interest, other investments are 100%.

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 Q3 2014 total $4.5 million for ongoing projects at the operations.

Final chemical commissioning of the SART plant occurred in August. The SART plant is expected to maintain CIC recoveries by removing copper from the pregnant solution. Additionally, the second CIC circuit was commissioned. Following minor post-commissioning upgrades planned for October, the CIC circuit will have a combined operating capacity of 1,000 cubic meters per hour.

Growth Capital – Çöpler

Expenditures of $3.4 million during Q3 2014 represent work on basic engineering and permitting discussed above under "*Strategy Update*". Year-to-date $8.9 million has been spent on the Sulfide Project.

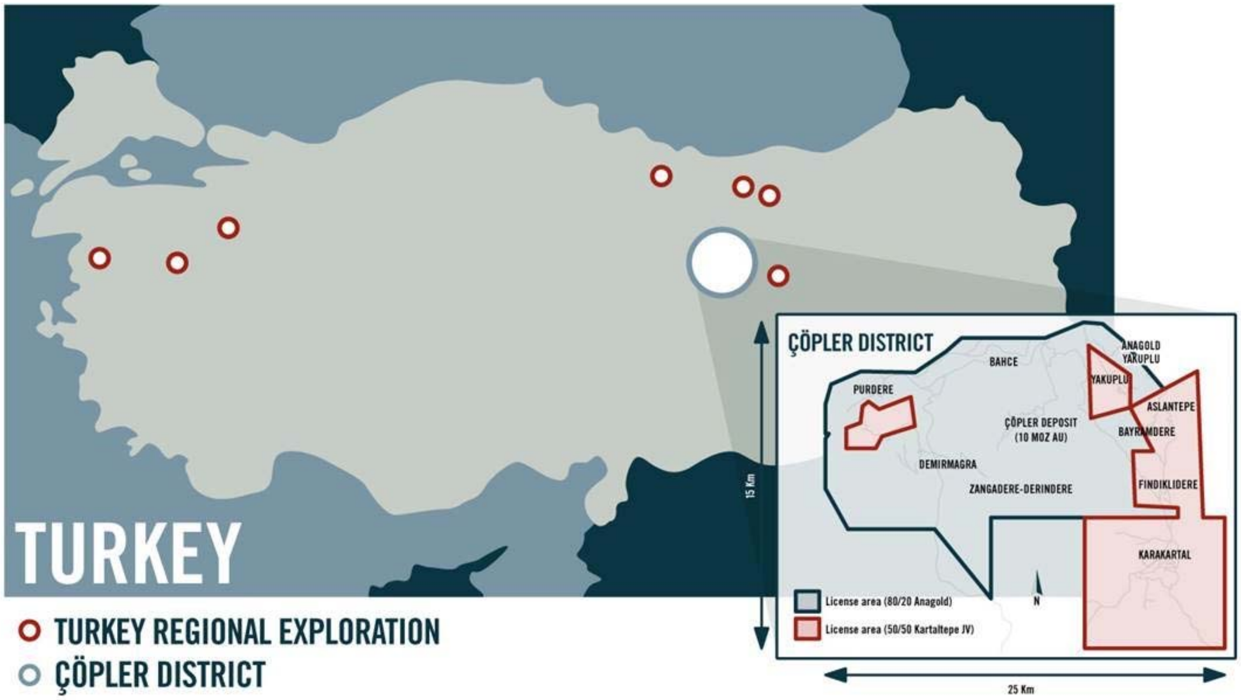
Long-term Asset – Çöpler

Mining costs related to additions to the Sulfide Stockpiles total $4.1 million during Q3 2014. This reflects the additional 0.5 million tonnes of sulfide ore stockpiled at an average grade of 3.49 g/t gold. Sulfide stockpiles total 2.8 million tonnes at an average grade of 4.5 g/t and a total cost of $24.2 million.

Exploration and Evaluation

The Çöpler District exploration strategy continues to focus on drilling for satellite oxide gold deposits, subject to receiving the necessary permits. The on-going work for the heap leach pad expansion studies facilitates the conversion of discovery into high margin production. 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 the plan, with significant drilling activities limited to the properties discussed below. Additional details related to the exploration activities can be found in the press release dated September 15, 2014 entitled "Alacer Announces Exploration Results in Turkey" and available on www.sedar.com, and on the Corporation's website.

YTD 2014 Exploration spending (in $000s)	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler district (80%/20%)	80%	$ 1,888	$ 1,510
Çöpler district (50%/50%)	50%	2,805	1,403
Turkey Regional - Polimetal	20%	6,595	1,319
Turkey Regional - Cevizlidere	50%	1,324	662
Other	100%	644	644
Total		$ 13,256	$ 5,538
Application of expenditures:			
Amounts expensed, continuing operations (100%)		$ 2,532	
Exploration costs attributable to JV partner		$ 7,718	



Çöpler District Exploration Program

A total of 2,068 meters ("m") of reverse circulation ("RC") and 1,084m of diamond drilling was completed across the Çöpler District in Q3 2014. The majority of drilling was focused on the 80% Anagold Yakuplu prospect to infill the prospect to a level of confidence sufficient for mineral resource estimation and undertake initial metallurgical test work. The majority of drilling completed at Anagold Yakuplu was by RC method with two diamond cored holes completed for collection of metallurgical test samples. Diamond drilling also commenced on the 80% Alacer Demirmagra West and 50% Findiklidere prospects.

Detailed regional geological mapping, geochemical and geophysical surveys were also carried out in Q3, as part of a strategy to replace projects advanced and/or eliminated, in the Çöpler exploration pipeline.

Other Exploration Joint Ventures in Turkey

The Dursunbey prospect is located in Balıkesir Province, about 370 km west of Ankara and 190 km to the south of Istanbul. The Dursunbey deposit was discovered in April 2013 when its second drill hole (DRD-002) intersected 26.5m at 7.9g/t gold and 77g/t silver from surface. The Corporation has elected to exercise its right to claw back ownership in the Dursunbey Project from 20% to 50% with an estimated claw back cost of $3.1 million at December 31, 2014.

Through Q3 2014, a total of 19,838m of drilling in 181 drill holes at 50m centers have been completed. The program comprised 105 diamond and 76 Reverse Circulation (RC) holes. Drilling during 2014 has delineated five separate mineralized zones within a 1,500m by 300m area. These near-surface zones dip to the northwest and all remain open at depth. Initial metallurgical test work has been started to determine potential processing options for this polymetallic mineralization.

Financial Highlights

A summary of the Corporation's financial results for the periods ended September 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)	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Gold sales	$ 79,581	$ 108,814	$ 215,088	$ 288,979
Less:				
Production costs	34,661	27,779	92,556	78,436
Depreciation, depletion and amortization	17,781	11,516	38,194	28,989
Mining gross profit	$ 27,139	$ 69,519	$ 84,338	$ 181,554
Amounts attributable to owners of the corporation:				
Net profit from continuing operations	**$ 14,900**	**$ 26,176**	**$ 33,727**	**$ 77,622**
Net profit from continuing operations per share – basic	$ 0.05	$ 0.09	$ 0.12	$ 0.27
Net profit from continuing operations per share – diluted	$ 0.05	$ 0.09	$ 0.11	$ 0.27
Net loss from discontinued operations	**$ -**	**$ (58,269)**	**$ -**	**$ (539,334)**
Net loss from discontinued operations per share – basic	$ -	$ (0.20)	$ -	$ (1.87)
Net loss from discontinued operations per share – diluted	$ -	$ (0.20)	$ -	$ (1.87)
Total net profit (loss)	**$ 14,900**	**$ (32,093)**	**$ 33,727**	**$ (461,712)**
Total net profit per share - basic	$ 0.05	$ (0.11)	$ 0.12	$ (1.60)
Total net profit per share – diluted	$ 0.05	$ (0.11)	$ 0.11	$ (1.60)
Adjusted Net Profit from continuing operations[1]	**$ 13,147**	**$ 26,323**	**$ 37,085**	**$ 80,090**
Adjusted Net Profit from continuing operations per share[1]	$ 0.05	$ 0.09	$ 0.13	$ 0.28
Cash Flows				
Operating cash flows from continuing operations	$ 42,470	$ 50,427	$ 88,842	$ 151,487
Investing cash flows from continuing operations	(14,249)	(24,230)	(29,571)	(71,409)
Financing cash flows from continuing operations	-	(5,766)	(28,042)	(113,206)
Change in cash flows from continuing operations	28,221	20,431	31,229	(33,128)
Net increase/(decrease) in cash from discontinued operations	-	(68,077)	-	(16,416)
Effect of exchange rate changes on cash	(534)	4,123	(1,212)	(2,553)
Change in cash	$ 27,687	$ (43,523)	$ 30,017	$ (52,097)
Ending cash and cash equivalents (Continuing operations)	$ 319,666	$ 222,295	$ 319,666	$ 222,295

	As of	
	30-Sep 14	**31-Dec 13**
Financial Position		
Working capital	$ 349,685	$ 315,265
Total assets	$ 727,350	$ 712,155
Non-current liabilities	$ 32,746	$ 29,875
Total equity	$ 652,998	$ 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. For comparative purposes to 2013, only continuing operations are reported.

Third Quarter 2014 vs. Third Quarter 2013

Gold sales of $79.6 million were 27% lower than Q3 2013, reflecting a 24% decline in sales volume driven by a 22% reduction in gold production and a 4% decline in realized per-ounce sale price from $1,338 to $1,282, as further discussed in *"Gold Sales"* below. Total production costs and DD&A for Q3 2014 increased 33% as compared to Q3 2013. The 25% increase in production costs is primarily due to lower grade and higher processing costs related to the implementation of efficiency and improvement initiatives. The 54% increase in DD&A relates to bringing $64.6 million in additional assets into service during 2014 such as the SART plant, Agglomerator, Clay Handling Circuit. The net impact of lower gold revenues and higher costs resulted in a mining gross profit decline of 61%.

Net loss from discontinued operations represents the results of the Australian Business Unit ("ABU") for Q3 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 Q3 2014 declined 50% from Q3 2013, and principally reflects the impacts of lower gold sales volumes and prices and higher per-ounce unit costs as compared to Q3 2013.

Cash and cash equivalents increased $27.7 million during Q3 2014 as compared to a net decrease of $43.5 million for Q3 2013. Operating cash flows decreased $8.0 million in Q3 2014 as compared to Q3 2013, reflecting lower gold prices for sales and higher operating costs. Investing outflows during Q3 2014 declined $10.0 million largely due to the sustaining capital investments (e.g. SART plant, Agglomerator and Clay Handling Circuit) in Q3 2013. Investing outflows for growth capital have increased $3.1 million from Q3 2013. No financing outflows occurred during Q3 2014. The decrease of $5.8 million as compared to Q3 2013 primarily relates to bank borrowings were paid off in September 2013.

YTD 2014 vs. YTD 2013

Gold sales of $215.1 million were 26% lower than YTD 2013, reflecting a 18% decline in sales volume driven by a 19% decrease in gold production and a 9% decline in the realized per-ounce sale price from $1,421 to $1,291 , as further discussed in *"Gold Sales"* below. Total production costs and DD&A for YTD 2014 increased 22% as compared to YTD 2013. The 18% increase in production costs is primarily due to lower grade and higher processing costs related to the implementation of efficiency and improvement initiatives. The 32% increase in DD&A relates to bringing $64.6 million in additional assets into service in 2014 such as the SART plant, Agglomerator, Clay Handling Circuit. The net impact of lower gold revenues and higher costs resulted in a mining gross profit decline of 54%.

Net loss from discontinued operations represents the results of the 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 54% 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 $30.0 million during YTD 2014 as compared to a net decrease of $52.1 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 $62.6 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 $41.8 million largely due to the sustaining capital investments (e.g. SART plant, Agglomerator and Clay Handling Circuit) in 2013 and lower sustaining capital requirements in 2014. Investing outflows for growth capital have increased $3.6 million from 2013. Financing outflows during YTD 2014 decreased $85.2 million as compared to YTD 2013 primarily reflecting a lower shareholder dividend payout. Financing outflows for YTD 2013 also included $11.9 million related to bank borrowings which were paid off in September 2013.

Through September 30, 2014, total assets increased $15.2 million, total liabilities decreased $4.2 million, and total equity increased $19.4 million. The increase in total assets is primarily due to an increase in cash and sulfide ore stockpiles offset by depreciation on net asset values. 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 increase in total equity represents net income earned during the period.

Gold Sales

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

	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Gold ounces sold [1]	62,076	81,326	166,659	203,391
Gold sales ($000s)	$ 79,581	$ 108,814	$ 215,088	$ 288,979
Average realized price [2]	$ 1,282	$ 1,338	$ 1,291	$ 1,421
Average London PM Fix	$ 1,282	$ 1,327	$ 1,287	$ 1,456

1 Includes 100% of Çöpler Gold Mine.
2 For comparative purposes to 2013, only continuing operations are reported.

For Q3 and YTD 2014, Alacer'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 Q3 and YTD 2014 as compared to Q3 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 September 30, 2014 and 2013 are presented below:

(in $000s)	Q3 2014	Q3 2013	YTD 2014	YTD 2013
General and administrative	$ 2,987	$ 5,627	$ 10,204	$ 22,249
Restructuring costs	837	4,623	1,823	4,623
Share-based employee compensation costs	1,510	1,260	3,515	3,447
Foreign exchange (gain) loss	(287)	972	30	2,421
Finance (income) expense, net	86	(112)	243	(555)
Other (gain) loss	(4,464)	7,321	(3,283)	5,780
Total corporate and other costs	669	19,691	12,532	37,965
Income tax expense	6,333	12,581	19,933	34,331
Total other costs	**$ 7,002**	**$ 32,272**	**$ 32,465**	**$ 72,296**

General and administrative costs decreased 47% for Q3 2014 and 54% for YTD 2014. This mainly reflects the impact of the restructuring and cost reduction efforts implemented in mid-2013 and continuing in 2014, including a reduction in corporate employees.

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

Share-based employee compensation costs represent long-term incentives that are tied to the price of the company's shares, and include mark-to-market adjustments based on the share price at the end of the period.

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. The gain in Q3 2014 reflects the strengthening USD impact.

Other (gain) loss includes the results of miscellaneous operating and non-operating transactions. In Q3 2014, $500k was received for settlement of asset sales in 2013, a provision for indirect tax was released for $3.2 million, and a $1 million receivable recorded for prior year VAT tax paid that is now expected to be refunded. Year-to-date, these are offset by a $2.2 million write-down in Q1 2014 of various assets held for sale and were subsequently sold in Q2 2014.

Income tax expense for Q3 2014 declined $6.2 million as compared the same period in Q3 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 September 30, 2014.

(in $000s, except for per share)	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Total revenues, continuing operations	$ 79,581	$ 63,707	$ 71,800	$ 88,102	$ 108,814	$ 89,627	$ 90,538	$ 88,694
Amounts attributable to owners of the Corporation:								
Profit (loss) from continuing operations	$ 14,900	$ 9,128	$ 9,699	$ (20,925)	$ 36,559	$ 18,376	$ 33,988	$ 38,145
Profit (loss) from discontinued operations	-	-	-	25,053	(58,269)	(452,149)	(29,834)	(528,791)
Net profit (loss)	$ 14,900	$ 9,128	$ 9,699	$ 4,128	$ (21,710)	$ (433,773)	$ 4,154	$ (490,646)
Per share profit from continuing operations:								
- basic	$ 0.05	$ 0.03	$ 0.03	$ (0.04)	$ 0.09	$ 0.06	$ 0.12	$ 0.13
- diluted	$ 0.05	$ 0.03	$ 0.03	$ (0.04)	$ 0.09	$ 0.06	$ 0.12	$ 0.13
Per share profit (loss) from discontinued operations:								
- basic	$ -	$ -	$ -	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)	$ (1.83)
- diluted	$ -	$ -	$ -	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)	$ (1.83)
Per share profit (loss):								
- basic	$ 0.05	$ 0.03	$ 0.03	$ 0.06	$ (0.11)	$ (1.50)	$ 0.01	$ (1.70)
- diluted	$ 0.05	$ 0.03	$ 0.03	$ 0.06	$ (0.11)	$ (1.50)	$ 0.01	$ (1.70)

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 may look to the private and public capital markets as a source of financing. Management believes capital resources at September 30, 2014 are sufficient to fund current operations, forecasted exploration and capital expenditures, and reclamation and remediation obligations in 2014. Additionally, the Corporation believes it has the ability to complete the Sulfide Project with no outside funding based on current cash on hand and projected operating cash flows; however, various external financing options are under consideration.

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 cannot be certain that funding, if needed, will be available to the extent required, or on acceptable terms. If Alacer 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.

Working Capital

Working capital increased $24.6 million during Q3 2014 reflecting net operating profits from gold sales partly offset by investments in capital and exploration. Through September 30, 2014, working capital increased $34.4 million reflecting net operating profits from gold sales partly offset by investments in capital and exploration, and the dividends paid to shareholders and to Lidya Mining. Changes in other current asset and liability balances reflect the timing of payments for equipment, 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 have 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 Q3 2014, the gold price experienced continued volatility, with the price ranging from $1,212 to $1,339 per ounce. The price of gold closed at $1,212 per ounce on September 30, 2014, and the average Q3 2014 market price of $1,282 per ounce represents a $45 per ounce decrease from the $1,327 per ounce average market price for Q3 2013. The average YTD 2014 market price of $1,287 per ounce represents a $169 per ounce decrease from the $1,456 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-Sep 2014	31-Dec 2013	30-Sep 2013	31-Dec 2012	Q3 2014	Q3 2013	YTD 2014	YTD 2013
USD:TRY	2.27	2.14	2.03	1.79	2.16	1.97	2.16	1.86

Inflation rates in Turkey averaged approximately 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 September 30, 2014, the Corporation does not have any transactions with related parties other than key management compensation as outlined in the Management Information Circular.

Critical Accounting Policies, Estimates and Accounting Changes

The Corporation's unaudited interim consolidated financial statements are prepared in accordance with IFRS, including 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 September 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 Q3 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 September 30, 2014, Turkish VAT receivable totaled $7.5 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 and TRY in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately $4.5 million denominated in TRY as of September 30, 2014. Therefore, the Corporation remains exposed to future currency fluctuations in USD and TRY. Other foreign currency balances are immaterial in nature.

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 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 September 30, 2014 and 2013, excluding discontinued operations.

(In $000s, except for per ounce measures)	Q3 2014	Q3 2013[1]	YTD 2014	YTD 2013[1]
Production costs (continuing operation) - IFRS	$ 34,661	$ 27,779	$ 92,556	$ 78,436
Adjustments: (none)	-	-	-	-
Total Cash Costs	$ 34,661	$ 27,779	$ 92,556	$ 78,436
Divided by: gold ounces sold	62,076	81,326	166,659	203,391
Total Cash Costs per ounce	**$ 558**	**$ 342**	**$ 555**	**$ 386**
Total Cash Costs	$ 34,661	$ 27,779	$ 92,556	$ 78,436
Less: royalties and severance taxes	1,592	(2,914)	3,820	1,874
Cash Operating Costs	$ 33,069	$ 30,693	$ 88,736	$ 76,562
Divided by: gold ounces sold	62,076	81,326	166,659	203,391
Cash Operating Costs per ounce	**$ 533**	**$ 377**	**$ 532**	**$ 376**
Total Cash Costs – from above	$ 34,661	$ 27,779	$ 92,556	$ 78,436
Add portions of:				
Exploration	$ 668	$ 688	$ 2,532	$ 2,457
General and administrative[2]	2,798	5,627	9,634	22,249
Share-based employee compensation costs	1,510	1,260	3,515	3,447
Sustaining capital expenditures	4,490	21,365	9,538	59,846
All-in Sustaining Costs	$ 44,127	$ 56,719	$ 117,775	$ 166,435
Divided by: gold ounces sold	62,076	81,326	166,659	203,391
All-in Sustaining Costs per ounce	**$ 711**	**$ 697**	**$ 707**	**$ 818**
Total All-in Sustaining Costs, from above	$ 44,127	$ 56,719	$ 117,775	$ 166,435
Add-in non-sustaining costs[3]	3,222	290	11,035	5,274
Total All-in Costs	$ 47,349	**$ 57,009**	$ 128,810	**$ 171,709**
Divided by: gold ounces sold	62,076	81,326	166,659	203,391
All-in Costs per ounce	**$ 763**	**$ 701**	**$ 773**	**$ 844**

1 For comparative purposes to 2013, all information is presented at 100% (not net of non-controlling interest).
2 Excludes non-operating depreciation costs.
3 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 September 30, 2014 and 2013 are presented below.

(In $000s)	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Profit (loss) attributable to owners of the Corporation	$ 14,900	$ (32,093)	$ 33,727	$ (461,712)
Add back tax expense (benefit)	5,493	10,065	16,411	27,465
Pre-tax profit (loss) attributable to owners of the Corporation	20,393	(22,028)	50,138	(434,247)
Adjustments (pre-tax basis):				
Results of Discontinued Operations[1]	-	58,269	-	539,334
Other (gain)/loss from misc. operating and non-operating transactions	(4,464)	-	(4,464)	-
Restructuring Costs	837	-	1,823	-
Write down of assets to estimated net realizable value	-	-	2,177	-
Adjusted pre-tax profit attributable to owners of the Corporation	16,766	36,241	49,674	105,087
Tax expense on adjusted pre-tax profit[2]	3,619	9,918	12,589	24,997
Adjusted Net Profit	**$ 13,147**	**$ 26,323**	**$ 37,085**	**$ 80,090**
Divided by: Weighted average common shares outstanding	290,402,761	289,319,273	290,348,860	288,887,780
Adjusted Net Profit per share	**$ 0.05**	**$ 0.09**	**$ 0.13**	**$ 0.28**

[1] Represents operating losses from discontinued operations for the period.

[2] Refer to table that follows. This adjustment applies income taxes to reflect adjusted pre-tax profit attributable to owners of the Corporation at applicable statutory rates for each jurisdiction.

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

(In $000s)	Turkey	Corporate and Other	Total
Q3 2014:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 18,097	$ (1,331)	$ 16,766
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 3,619	$ -	$ 3,619
Q3 2013:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 49,591	$ (13,350)	$ 36,241
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 9,918	$ -	$ 9,918
YTD 2014:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 62,947	$ (13,273)	$ 49,674
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 12,589	$ -	$ 12,589
YTD 2013:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 124,986	$ (19,899)	$ 105,087
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 24,997	$ -	$ 24,997

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

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 September 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 September 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 nine month periods ended September 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 September 30, 2014.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares*			290,402,761
Restricted Stock Units	Various	N /A	3,553,428
			293,956,189

* Common shares outstanding include 93,840,580 shares represented by CDI, being a unit of beneficial ownership in an Alacer 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 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.