# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six-Month Periods Ended June 30, 2017

The following management discussion and analysis ("MD&A") is as of August 1, 2017 and relates to the financial condition and results of operations of Alacer Gold Corp. and its subsidiaries ("Alacer," the "Group" or the "Corporation") as of June 30, 2017. The MD&A supplements and complements the Corporation's unaudited interim consolidated financial statements for the six-month period ended June 30, 2017 (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, the MD&A, and the Annual Information Form ("AIF"), all for the year ended December 31, 2016. Comparison herein is provided to the six-month period ended June 30, 2016. 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 audited annual consolidated financial statements for 2016 and related notes, which are available on the Corporation's website at *www.alacergold.com,* on SEDAR at *www.sedar.com*, and on the ASX at *www.asx.com.au*. The June 30, 2017 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"), including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. References to non-IFRS measures are made throughout this MD&A. For further information and detailed reconciliations, see the "Non-IFRS Measures" section of this MD&A. This discussion addresses matters the Corporation considers important for an understanding of the financial condition and results of operations as of and for the six-month period ended June 30, 2017, as well as the outlook for the remainder of 2017.

**Table of Contents**

# Overview

Alacer is a leading intermediate gold mining company, with an 80% interest in the world-class Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. ("Anagold"), and the remaining 20% owned by Lidya Madencilik Sanayi ve Ticaret A.S. ("Lidya Mining"). The Corporation's primary focus is to leverage its cornerstone Çöpler Mine and strong balance sheet to maximize portfolio value, maximize free cash flow, minimize project risk, and therefore, create maximum value for shareholders. The Çöpler Mine is located in east-central Turkey in the Erzincan Province, approximately 1,100 kilometers southeast from Istanbul and 550 kilometers east from Ankara, Turkey's capital city.

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

- Çöpler Oxide Production Optimization – Expansion of the existing heap leach pad to 58 million tonnes continues to advance. The Corporation continues to evaluate opportunities to extend oxide production beyond the current reserves, including a new heap leach pad site to the west of the Çöpler Mine.

- Çöpler Sulfide Expansion Project (the "Sulfide Project") – The Sulfide Project is under construction with first gold production projected in the third quarter 2018. The Sulfide Project is expected to deliver long-term growth with robust financial returns and adds 20 years of production at Çöpler. The Sulfide Project will bring Çöpler's remaining life-of-mine ("LoM") gold production to 4 million ounces at All-in Sustaining Costs averaging $645 per ounce[1, 2].

- The Corporation continues to pursue opportunities to further expand its current operating base and to become a sustainable multi-mine producer with a focus on Turkey. The systematic and focused exploration efforts in the Çöpler District, as well as in other regions of Turkey, are progressing. A maiden Mineral Resource estimate was released for Çakmaktepe and Bayramdere[3], and the Çöpler District remains the focus with the potential to add oxide production in 2018 utilizing the existing Çöpler infrastructure. In the region, work has commenced on a Definitive Feasibility Study ("DFS") for the Gediktepe Project [4] and is expected to be complete in June 2018.

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 Securities Exchange where CDIs trade.

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[1] All-in Sustaining Costs per ounce is a non-IFRS performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation to IFRS, please see the "Non-IFRS Measures" section of this MD&A.

[2] Detailed information regarding the Sulfide Project, including the material assumptions on which the forward-looking financial information is based, can be found in the Technical Report dated June 9, 2016 entitled "Çöpler Mine Technical Report," available on *www.sedar.com* and on *www.asx.com.au*.

[3] Detailed information regarding the Çöpler District Mineral Resource can be found in the press release entitled "Alacer Gold Announces Additional Exploration Results for Çakmaktepe and an Initial Mineral Resource in the Çöpler District," dated December 19, 2016, available on *www.sedar.com* and on *www.asx.com.au*.

[4] Additional information on the Gediktepe Project can be found in the press release entitled "Alacer Gold Announces a New Reserve for its Gediktepe Project Providing Future Growth," dated September 13, 2016, available on *www.sedar.com* and on *www.asx.com.au*.

# Highlights

## Strategic

- The Sulfide Project is advancing on schedule and tracking under budget.
- The Sulfide Project has captured $18 million of savings on incurred capital costs due to the increase in negotiated Lira denominated contracts and the depreciation of the Turkish Lira. As a result, the capital cost estimate has been reduced from $744 million to $726 million.
- On July 21, 2017, the Corporation announced it completed a program of foreign currency forward sales contracts to limit exposure to Turkish Lira ("TRY") volatility. The program forward sold USD to purchase 500 million TRY at an average conversion rate of 3.8 with settlement dates through September 2018.
- The Çakmaktepe 2017 drilling program, focused on defining development plans for Çakmaktepe Central and step-out drilling for the entire Çakmaktepe mineralized area, is ongoing with a planned exploration update in Q4 2017.
- The DFS work on the Gediktepe Project is progressing with completion targeted for June 2018.

## Operational

- Gold production for the quarter was 31,391 ounces (attributable[1] 25,113 ounces) and is in line with guidance at half year.
- Q2 Total Cash Costs (C2) per ounce[2] were $715 and All-in Sustaining Costs per ounce[2] were $909.
- Expansion of the existing heap leach pad to 58 million tonnes continues to advance.
- Sulfide stockpiles at June 30, 2017 were 7.3 million tonnes at an average grade of 3.35 g/t gold or approximately 790,000 contained gold ounces.

## Financial

- The Corporation ended the second quarter with cash of $202 million and debt of $130 million.
- First drawdown of $130 million on the $350 million finance facility occurred on April 21, 2017. The lenders determined a cost overrun reserve of restricted cash was not required for the finance facility, further demonstrating the robustness of the Sulfide Project.
- Working capital was $239 million at June 30, 2017.
- Cash flow from operating activities during the quarter totaled $8 million.
- Attributable net profit[1] for Q2 was $23 million or $0.08 per share.
- At the end of the second quarter, there were 114,545 ounces of unsettled forward gold sales remaining at an average price of $1,281 through September 2018.

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[1] Attributable gold production and net profit are reduced by 20% non-controlling interest at the Çöpler Gold Mine.

[2] Total Cash Costs (C2) per ounce and All-in Sustaining Costs per ounce are non-IFRS performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation to IFRS, please see the "*Non-IFRS Measures*" section of this MD&A.

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

**Çöpler Sulfide Expansion Project Update**

The Sulfide Project is advancing on schedule and tracking under budget. The Sulfide Project will deliver long-term growth with robust financial returns and adds 20 years of production at Çöpler. The Sulfide Project will bring Çöpler's remaining LoM gold production to 4 million ounces at All-in Sustaining Costs averaging $645 per ounce. Detailed information regarding the Sulfide Project, including the material assumptions on which the forward-looking financial information is based, can be found in the technical report filed June 9, 2016 entitled "Çöpler Mine Technical Report" (the "Çöpler Mine Technical Report"). There has been no change to the scope of the project through detailed engineering, which is now substantially complete. The Sulfide Project construction is 48% complete with first gold production on track for third quarter 2018. Through June 30, 2017, the Sulfide Project has incurred costs of $321 million and captured $18 million of saving on incurred capital costs due to the increase in negotiated Lira denominated contracts and the depreciation of the Turkish Lira. As a result, the capital cost estimate has been reduced from $744 million to $726 million.

| Key Milestones | Target Date |
|---|---|
| Equipment Procurement | Complete |
| Autoclaves Arrived on Site | Complete |
| Autoclave Assembly | Complete |
| Engineering Design | Complete |
| Electrical & Instrumentation Works | Underway |
| Major Plant Civil Works Complete | Q3 2017 |
| Autoclave Certification | Q3 2017 |
| Oxygen Plant Complete | Q4 2017 |
| Dry Commissioning Begins | Q1 2018 |
| First Gold Pour | Q3 2018 |


Overview of the Project Site

Development highlights for Q2 and planned activities for Q3 2017 include:

- Engineering is substantially complete. There was no change to scope through project engineering.
- Civil works are 77% complete with over 28,800 $m^3$ of concrete poured at the end of Q2. Major plant civil works are expected to be completed in Q3.
- Equipment deliveries are progressing to plan with major equipment such as grinding mills, sizer, POX feed pumps, tailings pumps, tank agitators, slurry pumps and thickeners delivered to site.
- The autoclave and flash vessel quality assurance process for certification is well advanced following completion of site works.
- Structural, mechanical, and piping contractors have mobilized to site, and works have commenced in all areas of the process plant.
- The electrical and instrumentation contractor mobilized to site during Q2 and will continue to ramp up activities during Q3.
- The Air Liquide oxygen plant construction is 66% complete.
- Tailings storage facility earthworks are progressing with placement of the clay liner and bulk fill for the embankment commencing.
- During Q3, the construction workforce will reach peak manning which will continue into Q4 to support the height of construction activities.

Oxygen Plant

**Gediktepe Project Update**

The Gediktepe Project is located in Balıkesir Province, about 370 km west of Ankara and 190 km to the south of Istanbul. Gediktepe is owned on a 50/50% basis with our joint venture partner, Lidya Mining.


Gediktepe is a polymetallic orebody that contains economic values for gold, silver, copper, and zinc. The sulfide deposit is overlain with oxide ore containing gold and silver which is amenable to heap leaching. Gediktepe will be an open pit mine, and the oxide ore will be processed first, providing cash flow for the development and subsequent processing of the more prevalent sulfide ore. The sulfide ore contains gold, silver, copper, and zinc and will be processed through a multi-stage flotation circuit producing two marketable concentrates[1].

Overall Project Economics:

- Total payable metals of 400,000 ounces of gold, 8 million ounces of silver, 315 million pounds of copper, and 780 million pounds of zinc
- LoM production over 12 years of 1.8 million ounces on a Gold Equivalent Ounce ("AuEq")[2] basis
- Pre-production capital expenditure of $120 million
- An additional $126 million in project capital required for the sulfide ore flotation plant and related infrastructure
- Project after-tax net present value at 5% ("NPV") is $475 million
- Project after-tax, unlevered internal rate of return ("IRR") is 47%
- Project payback achieved in 2.5 years from start of production
- After-tax free cash flow of $745 million generated over the LoM

[1] Detailed information, including the material assumptions on which the production targets and forward-looking financial information on which the Gediktepe Project are based, can be found in the press release entitled "Alacer Gold Announces a New Reserve for its Gediktepe Project Providing Future Growth," dated September 13, 2016, available on *www.sedar.com* and on *www.asx.com.au.*

[2] Gold Equivalent Ounce (AuEq) is a non-IFRS measure with no standardized definition under IFRS which converts non-gold production into gold equivalent ounces.

- LoM average costs on a AuEq basis:
  - Total Cash Costs (C2) of $613 per ounce AuEq
  - All-in Sustaining Costs of $625 per ounce AuEq
  - All-in Costs of $759 per ounce AuEq

A DFS on the Gediktepe Project commenced in Q1 2017 and is planned for completion in June 2018. Permitting work and some limited site preparation will be undertaken concurrently with the DFS.

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

## Results of Operations

| Çöpler Gold Mine: [1] | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Gold ounces produced | 31,391 | 30,047 | 64,309 | 61,973 |
| Gold ounces sold | 28,415 | 30,263 | 63,219 | 62,013 |
| **Attributable: (80% ownership)** | | | | |
| Gold ounces produced | 25,113 | 24,038 | 51,447 | 49,578 |
| Gold ounces sold | 22,732 | 24,210 | 50,575 | 49,610 |
| Oxide ore mined - tonnes | 1,721,076 | 1,128,038 | 2,750,652 | 2,209,294 |
| Oxide ore mined - grade (g/t) | 0.91 | 0.85 | 0.95 | 0.91 |
| Oxide ore mined - ounces | 50,176 | 30,939 | 84,123 | 64,847 |
| Oxide ore treated - tonnes | 1,737,721 | 1,224,549 | 2,744,521 | 2,352,047 |
| Oxide ore treated - head grade (g/t) | 0.91 | 0.87 | 0.95 | 0.91 |
| Sulfide ore mined - tonnes [2] | 135,054 | 639,731 | 274,370 | 1,345,925 |
| Sulfide ore mined - grade (g/t) [2] | 3.19 | 2.27 | 2.80 | 2.55 |
| Sulfide ore stockpiled - ounces [2] | 13,867 | 46,691 | 24,741 | 110,143 |
| Waste tonnes mined | 6,557,290 | 7,670,656 | 14,556,468 | 14,545,042 |
| Cash Operating Costs (C1) per ounce sold [3] | $ 701 | $ 739 | $ 698 | $ 690 |
| Total Cash Costs (C2) per ounce sold [3] | $ 715 | $ 752 | $ 713 | $ 705 |
| All-in Sustaining Costs per ounce sold [3] | $ 909 | $ 940 | $ 903 | $ 892 |
| All-in Costs per ounce sold [3] | $ 4,255 | $ 2,149 | $ 3,644 | $ 1,809 |
| Average realized gold price, excluding hedge | $ 1,260 | $ 1,252 | $ 1,244 | $ 1,219 |

1 Çöpler Gold Mine production data represents 100% for all periods presented, except for attributable production and sales.
2 Sulfide ore is being stockpiled and reported as a non-current asset (Total of 7.3 million tonnes at 3.35 g/t gold).
3 Cash Operating Costs (C1) per ounce, Total Cash Costs (C2) per ounce, All-in Sustaining Costs per ounce, and All-in Costs per ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations to IFRS, see the "*Non-IFRS Measures*" section of this MD&A.

### Second Quarter 2017 vs. Second Quarter 2016

Gold production of 31,391 ounces is 4% higher than gold production in Q2 2016. Oxide ore grade of 0.91 g/t and oxide ore tonnes mined of 1.7 million tonnes are 7% and 53% higher, respectively, than in Q2 2016. Waste tonnes mined of 6.6 million tonnes is 15% lower than waste tonnes mined in Q2 2016. The favorable shift in oxide ore grade and tonnes, and waste tonnes mined is in line with the current mine plan and includes the benefit of receiving the permit to access the West Pit.

Production to date is in line with guidance. Gold production in the second half of the year is expected to be 60-65% of full-year production. Mining of West Pit oxide ore progressed throughout Q2 2017 and the oxide ore mined from the Manganese Pit continues to increase, becoming the primary source of oxide ore for the remainder of the year. Mining of sulfide ore tonnes in Q2 2017 was 79% lower than Q2 2016 in line with the current mine plan which is focused on mining oxide ore.

Total Cash Costs (C2) per ounce in Q2 2017 of $715 were 5% lower than Q2 2016. C2 costs were lower in Q2 2017 primarily due to the capitalization of waste tonnes utilized for Sulfide Project construction. C2 costs are expected to trend lower in the second half of 2017 as production increases and waste tonnes utilized for Sulfide Project construction continue to be capitalized.

All-in Sustaining Costs per ounce in Q2 2017 of $909 were 3% lower than Q2 2016 primarily due to lower Total Cash Costs (C2) per ounce noted above.

All-in Costs per ounce in Q2 2017 of $4,255 were 98% higher than Q2 2016. The increase primarily reflects the higher growth capital spending on the Sulfide Project ($87.9 million in Q2 2017 compared to $31.4 million in Q2 2016).

**Year-to-Date 2017 vs. Year-to-Date 2016**

Gold production of 64,309 ounces in YTD 2017 is 4% higher than in YTD 2016. YTD 2017 oxide ore grade of 0.95 g/t and oxide ore tonnes mined of 2.8 million tonnes are 4% and 25% higher, respectively, than in YTD 2016. Waste tonnes mined of 14.6 million tonnes in YTD 2017 are in line with YTD 2016. The favorable shift in oxide ore grade and oxide ore tonnes mined is in line with the current mine plan and includes the benefit of receiving the permit to access the West Pit.

Mining of West Pit oxide ore progressed throughout Q2 2017 and the oxide ore mined from the Manganese Pit continues to increase, becoming the primary source of oxide ore for the remainder of the year. Mining of sulfide ore tonnes in YTD Q2 2017 was 80% lower than YTD 2016 in line with the current mine plan which is focused on mining oxide ore.

Total Cash Costs per ounce (C2) YTD 2017 of $713 and All-in Sustaining Costs per ounce YTD 2017 of $903 were in line with YTD 2016. 2017 C2 and All-in Sustaining costs are expected to decline as production increases and waste tonnes utilized for Sulfide Project construction continue to be capitalized.

All-in Costs per ounce YTD 2017 of $3,644 were 101% higher than YTD 2016. The increase primarily reflects the higher growth capital spending on the Sulfide Project ($163.2 million in YTD 2017 compared to $48.9 million in YTD 2016).

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

## Investments in Mineral Properties and Equipment

A summary of the investments in capital for Q2 2017 and YTD 2017 is presented below:

| **Capital Investments (in '000)** | **Q2 2017** | | **YTD 2017** | |
|---|---|---|---|---|
| | **100%** | **Attributable[1]** | **100%** | **Attributable[1]** |
| **Sustaining and general capital** | | | | |
| Heap Leach Pad Phase 4 expansion | $ 775 | $ 620 | $ 821 | $ 657 |
| General plant and other assets | 1,602 | 1,282 | 1,866 | 1,493 |
| Sustaining capital - Total | $ 2,377 | $ 1,902 | $ 2,687 | $ 2,150 |
| **Growth capital** | | | | |
| Sulfide Project Costs | $ 87,905 | $ 70,324 | $ 163,233 | $ 130,587 |
| Other growth | $ 5,007 | $ 4,177 | $ 6,572 | $ 5,433 |
| Gediktepe Project | 1,737 | 869 | 3,448 | 1,724 |
| Growth capital - Total | $ 94,649 | $ 75,369 | $ 173,253 | 137,744 |
| **Total capital expenditures** | **$ 97,026** | **$ 77,271** | **$ 175,940** | **$ 139,894** |
| **Long-term asset - Çöpler Sulfide Stockpiles** | **$ 1,054** | **$ 843** | **$ 3,062** | **$ 2,450** |

[1] Capital related to Anagold has been adjusted to reflect the impact of the 20% non-controlling interest. Capital related to Corporate activities is reflected at 100%.

*Sustaining capital expenditures* are generally defined as those that support the ongoing operation to sustain production and future earnings and are mostly considered non-discretionary. Sustaining capital expenditures for Q2 2017 totaled $2.4 million. Expansion of the existing heap leach pad to 58 million tonnes continued to advance in Q2. Remaining costs for the expansion are approximately $11 million through 2018. The $1.6 million General Plant and Other Assets includes various small projects required to support the ongoing operations.

*Growth capital expenditures* are generally defined as those that grow production and/or increase future earnings and are considered discretionary. Expenditures on the Sulfide Project of $87.9 million in Q2 2017 were incurred to progress the Project. The $5.0 million in Other Growth Capital is primarily related to indirect costs related to Sulfide Project construction. The $1.7 million in capital expenditures for the Gediktepe Project reflects the continued work on the DFS and initial site preparation works.

*Long-term asset - Çöpler Sulfide Stockpiles* reflects sulfide ore mined and stockpiled. In Q2 2017, 0.1 million tonnes of sulfide ore at an average grade of 3.19 g/t were added to the sulfide stockpiles. Costs related to the mining and stockpiling of sulfide ore in Q2 2017 totaled $1.1 million. The high-grade, medium-grade, and low-grade sulfide stockpiles at June 30, 2017 totaled 7.3 million tonnes at an average grade of 3.35 g/t gold (or approximately 790,000 contained ounces) and carried a total cost of $72.3 million (or approximately $9.85/tonne or approximately $91.52/ounce).

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

## Exploration and Evaluation

The Corporation holds a significant portfolio of highly prospective exploration land holdings across Turkey. The Corporation continues to explore for opportunities to add to its development pipeline to become a sustainable multi-mine producer.

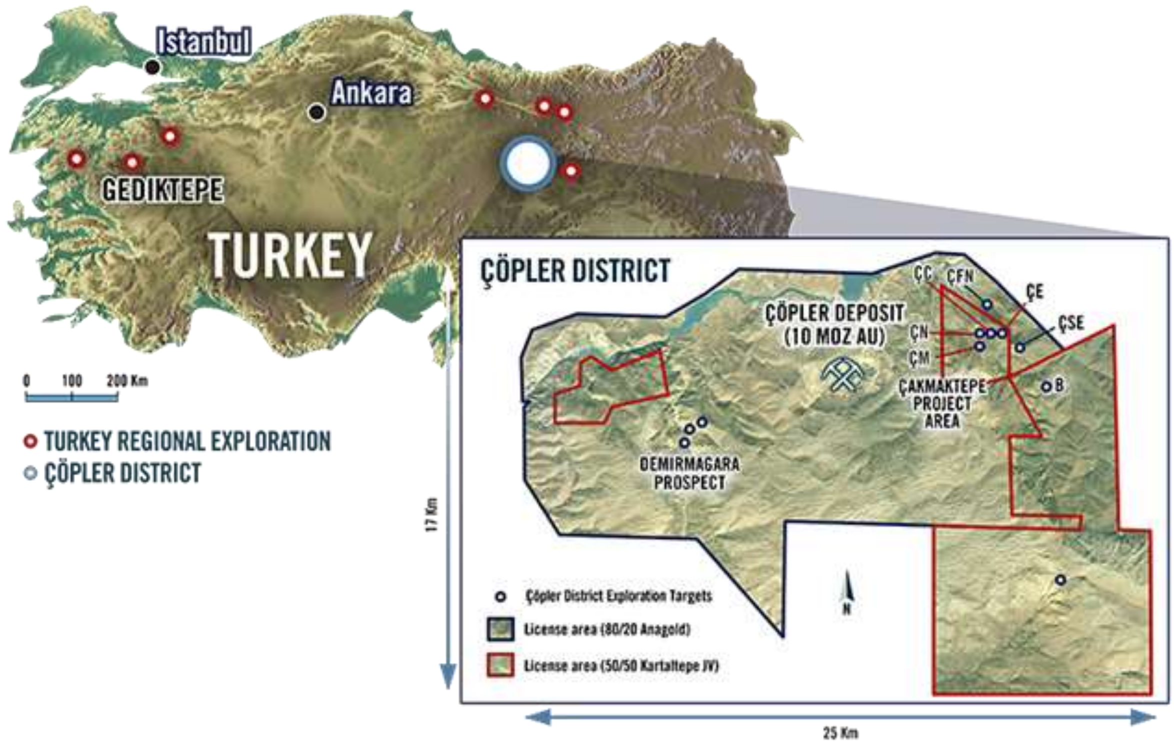
The Corporation is taking a disciplined and systematic approach to the exploration program with efforts focused in two parts: the Çöpler District and Turkey Regional. The exploration program is starting to show positive results with successes in both the Çöpler District and the Turkey Regional exploration programs. Firstly, in the Çöpler District, an initial Measured and Indicated Mineral Resource of 140,000 ounces and an Inferred Mineral Resource of 24,000 ounces were announced on December 19, 2016 in the press release entitled "Alacer Gold Announces Additional Exploration Results for Çakmaktepe and an Initial Mineral Resource in the Çöpler District" ("Çöpler District Resource Update)." Additional drilling was completed at Çakmaktepe Central after the initial Mineral Resource was finalized. The positive results at Çakmaktepe Central were near surface and will likely improve the initial Mineral Resource. Exploration work continues in the Çöpler District, which has the potential to add production in 2018 by leveraging Çöpler's existing infrastructure, including the excess capacity arising from the Phase 4 expansion of Heap Leach Pad. Secondly, in the region, the Corporation announced results of a prefeasibility study at Gediktepe (the "Gediktepe PFS") in a press release entitled "Alacer Gold Announces a New Reserve for its Gediktepe Project Providing Future Growth," dated September 13, 2016. Both of these press releases are available on *www.sedar.com* and on *www.asx.com.au*. As a result of the positive Gediktepe PFS, work has commenced on a DFS and is expected to be completed in June 2018. Permitting work and some site preparation will also be undertaken concurrently with the detailed studies. The results from the Çöpler District and the Gediktepe Project are encouraging and have increased the confidence that these deposits will add to the Corporation's organic growth pipeline.

Overall exploration activities for YTD 2017 as well as activities planned for the remainder of 2017 are discussed below.

| YTD 2017 Exploration spending (in '000)[1] | Alacer Contribution (%) | Exploration 100% | Exploration Attributable |
|---|---|---|---|
| Çöpler District 80/20 | 80% | $ 779 | $ 623 |
| Çöpler District 50/50 | 50% | 1,978 | 989 |
| Other | Varied | 1,306 | 780 |
| Total | | $ 4,063 | $ 2,392 |

[1] Exploration attributable to joint venture spending is accounted for as other costs under the share of loss on investments accounted for using the equity method of accounting.

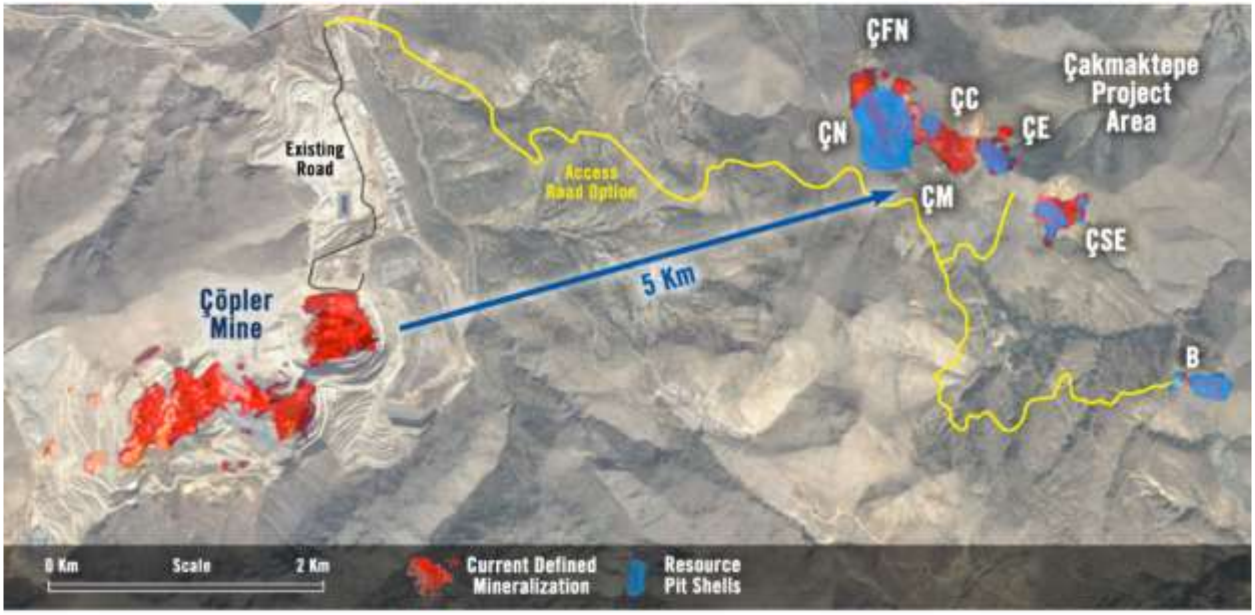
**Çöpler District Exploration Program**




**ÇN** = Çakmaktepe North (Resource); **ÇM** = Çakmaktepe Main (Prospect); **ÇC** = Çakmaktepe Central (Resource & New Discovery); **ÇE** = Çakmaktepe East (Resource); **ÇSE** = Çakmaktepe Southeast (Resource); **ÇFN** = Çakmaktepe Far North (Prospect); **B** = Bayramdere (Resource).

On December 19, 2016, an initial Measured and Indicated Mineral Resource of 140,000 ounces and an Inferred Mineral Resource of 24,000 ounces for Çakmaktepe and Bayramdere were announced along with the fourth set of exploration drill results for Çakmaktepe[1]. Mineralization has been identified in several prospects that can potentially be mined as a series of satellite open pits within 5 km to 7 km of the existing Çöpler Mine facilities. The mineralization style is similar to the Çöpler Deposit and is expected to be processed through the existing facilities. The mineralized system is currently open, providing the potential for additional Mineral Resources. The prospects of particular focus are Çakmaktepe North, Çakmaktepe Central, Çakmaktepe Southeast, Çakmaktepe East, and Bayramdere and have the potential to add to the oxide production in 2018. Exploration work at Çakmaktepe continues and construction of the access road commenced in Q2 2017.

[1] Detailed information can be found in the Çöpler District Resource Update press release filed on December 19, 2016, which is available on *www.sedar.com* and on *www.asx.com.au*.




**ÇN** = Çakmaktepe North (Resource); **ÇM** = Çakmaktepe Main (Prospect); **ÇC** = Çakmaktepe Central (Resource & New Discovery); **ÇE** = Çakmaktepe East (Resource); **ÇSE** = Çakmaktepe Southeast (Resource); **ÇFN** = Çakmaktepe Far North (Prospect); **B** = Bayramdere (Resource).

The **Çakmaktepe North** prospect is a relatively new discovery and is located on the 50% Alacer-owned (Kartaltepe) tenement area. Currently, Çakmaktepe North is the largest of the defined gold prospects within the Çöpler District. The drilling conducted in the first half of 2016 included infill drilling and expanded on the initial 2015 discovery. The Çakmaktepe area contains a network of structures allowing gold mineralization to occur within multiple lithologies.

The current understanding is there are multiple controls on mineralization with strong epithermal textures and associated structural overprints. Similar to the other Çakmaktepe prospects, there is gossan hosted mineralization occurring along ophiolite and limestone contacts. The main body of mineralization appears to be associated with a sub-vertical shear zone referred to as the 'Main Shear'. In places, this domain is over 40m wide with a mineralized strike length of about 700m.

The **Çakmaktepe Central** prospect located on the 50% Alacer-owned (Kartaltepe) tenement area was recognized as an important new high-grade oxide gold source late in the 2016 exploration drilling season. Shallow extension drilling following Çakmaktepe North mineralization to the south and east intercepted increasing grades and strong mineralization continuity near surface in the area now referred to as Çakmaktepe Central. The mineralization outcrops and dips shallowly eastward with development of thicker high grade mineralization zones proximal to a newly discovered gold mineralized porphyry intrusive. Given the position of the porphyry between Çakmaktepe North, East, and Central, it is likely responsible for the mineralized dykes, sills, and fluids associated with mineralizing and/or the increasing grade of these deposits. The occurrence of the mineralized porphyry enhances the prospect for further discovery at Çakmaktepe as there is potential for further oxide mineralization associated with the porphyry.

The **Çakmaktepe Southeast** prospect is on the 80% Alacer-owned (Anagold) tenement area and is characterized by gold-copper-silver mineralization, mainly hosted within iron rich gossans and altered wallrock developed along shallow dipping contacts between diorite, ophiolite, and limestone lithologies. Most of the mineralization is oxidized and occurs from 0m to 50m of surface. Drilling has defined mineralization over an area of 350m by 300m within a single near surface flat lying gossan, which was found to have variable gold grade continuity with a thickness from 2m to 16m. Metallurgical test work has defined the mineralization as having similar leach recovery characteristics to Çöpler oxide ore and that this material is suitable for processing at the Çöpler Mine.

The **Çakmaktepe East** prospect is on the 50% Alacer-owned (Kartaltepe) tenement area and is a gold-copper prospect with mineralization occuring near surface in stacked iron rich gossans and associated oxidized host rocks. As with the Çakmaktepe Southeast prospect, the majority of mineralization occurs along the contacts of diorite, ophiolite, and limestone lithologies with the highest grades in proximity to diorite contacts. The majority of mineralization is within 50m of surface, and the prospect currently has a 300m strike extent and is 150m wide across-strike. The mineralized gossans have good spatial and grade continuity; however, preliminary metallurgical test work indicates slightly lower leach recoveries than Çöpler oxide ores. Further metallurgical test work using more characteristic ore domains will confirm ore recovery characteristics.

The **Bayramdere** prospect is on the 50% Alacer-owned (Kartaltepe) tenement area and is an oxide gold and copper prospect. Mineralization at Bayramdere occurs within three overlapping, iron rich gossan horizons formed along the contacts of limestone and ophiolite units. Unlike Çakmaktepe East and Çakmaktepe Southeast, there is no obvious influence of diorites on mineralization in the stratigraphy. Gold grades are higher than Çakmaktepe, but are restricted to localized areas of gossan. The mineralization is stratigraphically constrained and daylights on the northern and western slopes of the prospect. Metallurgical test work completed shows better oxide ore leach recovery characteristics than Çöpler. Although a small prospect, Bayramdere is higher-grade and supports a high strip ratio to access mineralization.

The Bayramdere and the Çakmaktepe prospects are geologically connected, as they are adjacent to and on the southwestern side of a major northwest striking regional structure that appears to control the distribution of most mineralization on the eastern side of the Çöpler District.

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

## Financial Highlights

A summary of the Corporation's consolidated financial results for Q2 2017 and YTD 2017 as compared to the same periods of 2016 are presented below.

| Consolidated Financial Summary (in '000, except for per share) | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Gold sales | $ 35,800 | $ 37,881 | $ 78,647 | $ 75,570 |
| Less: | | | | |
| Production costs | 20,326 | 22,760 | 45,083 | 43,691 |
| Depreciation, depletion and amortization | 11,222 | 10,507 | 21,639 | 20,546 |
| Mining gross profit | $ 4,252 | $ 4,614 | $ 11,925 | $ 11,333 |
| Less: | | | | |
| Other (income) costs | (1,604) | 10,380 | 17,636 | 13,391 |
| Exploration and evaluation | 1,914 | 4,079 | 2,818 | 5,536 |
| Income tax benefit | (25,546) | (25,985) | (50,207) | (27,709) |
| **Total net profit and comprehensive profit** | $ 29,488 | $ 16,140 | $ 41,678 | $ 20,115 |
| **Amounts attributable to owners of the Corporation:** | | | | |
| Total net profit | **$ 22,778** | **$ 12,189** | **$ 31,436** | **$ 14,286** |
| Total net profit per share - basic | $ 0.08 | $ 0.04 | $ 0.11 | $ 0.05 |
| Total net profit per share – diluted | $ 0.08 | $ 0.04 | $ 0.11 | $ 0.05 |
| **Cash Flows** | | | | |
| Operating cash flows | $ 8,005 | $ 7,731 | $ 17,120 | $ 18,984 |
| Investing cash flows | (90,518) | (40,939) | (159,144) | (66,158) |
| Financing cash flows | 129,693 | (1,083) | 129,609 | (1,546) |
| Subtotal - Cash flows | 47,180 | (34,291) | (12,415) | (48,720) |
| Effect of exchange rate changes on cash | $ 235 | $ (454) | $ (684) | $ (630) |
| Change in cash | $ 47,415 | $ (34,745) | $ (13,099) | $ (49,350) |
| Ending cash and cash equivalents | $ 201,452 | $ 311,395 | $ 201,452 | $ 311,395 |

| | As of | |
|---|---|---|
| | **30-Jun-17** | **31-Dec-16** |
| **Financial Position** | | |
| Working capital | $ 238,983 | $ 269,452 |
| Total assets | $ 1,059,459 | $ 865,389 |
| Non-current liabilities | $ 160,102 | $ 31,619 |
| Total liabilities | $ 218,934 | $ 67,278 |
| Total equity | $ 840,525 | $ 798,111 |

**Second Quarter 2017 vs. Second Quarter 2016**

Attributable net profit for Q2 2017 of $22.8 million was $10.6 million higher than Q2 2016 attributable net profit due to a $4.0 million favorable change in foreign currency gains ($3.2 million attributable) and a $10.0 million favorable change to unrealized gains related to the forward sales contract assets ($8.0 million attributable).

Gold sales of $35.8 million were 5% lower than Q2 2016, reflecting a 6% decrease in ounces sold and a 1% increase in the average realized gold price. Total cost of sales in Q2 2017 decreased 5% as compared to Q2 2016, driven by a decrease in production costs primarily due to the capitalization of waste tonnes for Sulfide Project construction.

Cash and cash equivalents increased $47.4 million during Q2 2017 as compared to a decrease of $34.7 million in Q2 2016. This was driven by cash inflows of $130 million related to the drawdown of the finance facility, offset by approximately $60 million additional spending on the Sulfide Project. Operating cash flows in Q2 2017 of $8.0 million were in line with Q2 2016. Financing inflows were $129.7 million during Q2 2017, compared to the $1.1 million outflows in Q2 2016 reflecting the $130 million drawdown of the finance facility.

**Year-to-Date 2017 vs. Year-to-Date 2016**

Attributable Net Profit of $31.4 million was $17.2 million higher than YTD 2016 reflecting a higher income tax benefit of $22.5 million ($18.0 million attributable). The total income tax benefit of $50.2 million for YTD 2017 was driven by the recognition of incentive tax credits.

Gold sales of $78.6 million and total cost of sales of 66.7 million in YTD 2017 are in line with YTD 2016.

Cash and cash equivalents decreased $13.1 million YTD 2017 as compared to a decrease of $49.4 million for YTD 2016. Operating cash flows of $17.1 million in YTD 2017 are in line with YTD 2016. Financing inflows during YTD 2017 totaled $129.6 million reflecting the $130 million drawdown on the finance facility as compared to an outflow of $1.5 million YTD 2016. Dividend payments were suspended in 2016 and 2017 due to the capital funding requirements for the Sulfide Project.

Through June 30, 2017, total assets increased by $194.1 million, total liabilities increased by $151.7 million, and total equity increased by $42.4 million. The increase in total assets is due to an increase in property, plant and equipment, capitalized costs for the sulfide stockpile, and an increase in deferred tax asset. The increase in total liabilities includes the $130 million finance facility drawdown and higher trade payables due to the Sulfide Project. The increase in equity primarily represents the net profit YTD 2017.

## Gold Sales

Details of gold sales for Q2 2017 and YTD 2017 as compared to the same periods of 2016 are presented below:

| | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Gold ounces sold[1] | 28,415 | 30,263 | 63,219 | 62,013 |
| Gold sales ($000) | $ 35,800 | $ 37,881 | $ 78,647 | $ 75,570 |
| Average realized price, excluding hedging | $ 1,260 | $ 1,252 | $ 1,244 | $ 1,219 |
| Average realized price, including hedge gains (losses) | $ 1,271 | $ 1,252 | $ 1,265 | $ 1,219 |
| Average London PM Fix | $ 1,257 | $ 1,260 | $ 1,238 | $ 1,221 |

[1] Includes 100% of Çöpler.

For Q2 2017, Alacer's average realized gold price reflected in revenues is $1,260 per ounce; this is before factoring in realized hedge gains. The average gold price realized, including realized hedge gains, was $1,271 per ounce or $14 above the quarterly average London PM Fix of $1,257 per ounce. The increase in average realized gold price during Q2 2017 as compared to Q2 2016 is consistent with price volatilities as discussed below under "*Business Conditions and Trends.*"

The Corporation has entered into a forward sales hedge program to secure the gold price on gold production from the current heap leach operation during the construction of the Sulfide Project. Under the program, the Corporation forward sold 204,783 ounces at an average gold price of $1,281 with settlement dates between July 2016 and September 2018. As of June 30, 2017, remaining forward gold sales total 114,545 for settlement during the period from July 2017 to September 2018 at an average price of $1,281.

## Other Costs

Details of other costs, excluding exploration and evaluation, and income tax (benefit) expense for Q2 2017 and YTD 2017 as compared to the same periods of 2016 are presented below:

| (In $000's) | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| General and administrative | $ 2,414 | $ 2,036 | $ 6,697 | $ 4,695 |
| Share-based employee compensation costs | 126 | 2,444 | 1,623 | 4,066 |
| Foreign exchange (gain) loss | (3,061) | 922 | (1,264) | 453 |
| Other (gain) loss | (1,083) | 4,978 | 10,580 | 4,177 |
| Total corporate and other costs | $ (1,604) | $ 10,380 | $ 17,636 | $ 13,391 |

*General and administrative* costs in Q2 2017 were in line with Q2 2016. YTD 2017 costs are 43% higher than YTD 2016 costs due primarily to organizational changes that occurred in Q1 2017.

*Share-based employee compensation costs* represent long-term incentives that are tied to the price of the Corporation's shares. Incentive grants are generally expensed over a 3-year vesting period. The unvested units are subject to mark-to-market adjustments based on the share price at the end of the period and assumptions related to performance measures. The lower Q2 2017 share-based compensation expense is due to cancelation of Performance Share Units related to organizational changes and the mark-to-market adjustments.

*Foreign exchange (gain) loss* results from movements in the USD to TRY exchange rate as applied to Turkish operations. As TRY strengthened in Q2 2017, the gain of $3.1 million primarily reflects the unrealized gains from revaluing assets denominated in TRY.

*Other gain* of $1.1 million for Q2 2017 is primarily the result of a $1.1 million unrealized gain due to the increase to the carrying value of the forward sales contracts assets. The YTD loss primarily relates to an unrealized $14.0 million reduction to the asset carried at December 31, 2016 for gold forward sales contracts due to the strengthening gold price during 2017.

**Income Tax (Benefit) Expense**

Details of income tax (benefit) expense for Q2 2017 and YTD 2017 as compared to the same periods of 2016 are presented below:

| (In $000's) | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Income tax benefit | $ (25,546) | $ (25,985) | $ (50,207) | $ (27,709) |

Income tax benefit for Q2 2017 primarily reflects the impact of the recognition of incentive tax credits related to qualifying expenditures at the Çöpler Gold Mine under the third incentive certificate. Application of these tax credits reduces accounting income tax expense in the current period and offsets current and future cash tax payments.

## Summary of Quarterly Results

The following table summarizes the Corporation's total revenues, attributable net profit, and attributable net profit per share for each of the preceding eight quarterly periods ended June 30, 2017.

| (in '000, except for per share) | Q2 2017 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 |
|---|---|---|---|---|---|---|---|---|
| Total revenues | $ 35,800 | $ 42,847 | $ 38,419 | $ 28,005 | $ 37,881 | $ 37,689 | $ 51,050 | $ 60,260 |
| Amounts attributable to owners of the Corporation: | | | | | | | | |
| Net Profit (Loss) | $ 22,778 | $ 8,658 | $ (8,157) | $ 77 | $ 12,189 | $ 2,097 | $ 10,004 | $ 7,356 |
| Per share profit (loss): | | | | | | | | |
| - basic | $ 0.08 | $ 0.03 | $ (0.03) | $ 0.00 | $ 0.04 | $ 0.01 | $ 0.03 | $ 0.03 |
| - diluted | $ 0.08 | $ 0.03 | $ (0.03) | $ 0.00 | $ 0.04 | $ 0.01 | $ 0.03 | $ 0.03 |

Generally, the Corporation does not experience significant effects of seasonality with regard to revenues or expenses. Market fluctuations in the gold price have affected revenues and profit over the last eight quarters.

## 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, finance 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 financing transactions, Alacer may look to the private and public capital markets as a source of financing. Currently, capital resources at June 30, 2017, are sufficient to fund planned operations, forecasted exploration and capital expenditures, and reclamation and remediation obligations in 2017. Additionally, the Corporation is confident that it has the ability to complete the Sulfide Project funding based on current cash on hand, projected operating cash flows, and the $350 million finance facility with a syndicate of lenders (BNP Paribas (Suisse) SA, ING Bank A.S., Societe Generale Corporate & Investment Banking and UniCredit S.P.A.). As of June 30, 2017, $220 million remains undrawn. The facility agreement has no mandatory hedging, has an 8-year term, and has interest rates of LIBOR plus 3.5% to 3.95%. While no mandatory hedging is required, discretionary hedging to secure the gold price and discretionary hedging to limit the exposure to Turkish Lira volatility during the Sulfide Project construction period have been implemented as discussed above.

With respect to longer-term funding requirements, the Corporation is confident that future cash flows generated from operations and other sources of liquidity will be available. Under present conditions, the Corporation 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. Notwithstanding 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 future 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 has financial flexibility to adjust its spending levels to provide sufficient liquidity to meet its current and future operational goals and financial obligations.

### Working Capital

Working capital, current assets less current liabilities, increased $49.0 million during Q2 2017 to $239.0 million primarily due to the $130 million drawdown of the finance facility offset by $87.9 million in expenditures on the Sulfide Project. Current assets are available and current liabilities are due at varying times within twelve months following the balance sheet date. Cash and cash equivalents are readily available to settle obligations related to current and future expenditures. The ability to distribute cash to the Corporation may be subject to finance facility contracts, jurisdictional regulations, or joint venture provisions. These provisions are not expected to adversely affect the Corporation's ability to meet its commitments when due.

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

**Off-Balance Sheet Arrangements**

The Corporation does not have any off-balance sheet arrangements.

## 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 and decreases in costs of materials and consumables associated with the Corporation's mining activities are the primary economic factors that have impacted financial results during Q2 2017.

**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 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, the relative strength of the USD, the supply of and demand for gold and other macroeconomic factors such as 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 the ability to reinvest capital in order to maintain or grow the current asset base. A significant and prolonged 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 and expansion activities for existing operations.

The Corporation has entered into a forward sales hedge program to secure the gold price on gold production from the current heap leach operation during the construction of the Sulfide Project. Under the program the Corporation has forward sold 204,783 ounces at an average gold price of $1,281 with settlement dates between July 2016 and September 2018. As of June 30, 2017, remaining forward gold sales total 114,545 for settlement during the period July 2017 to September 2018.

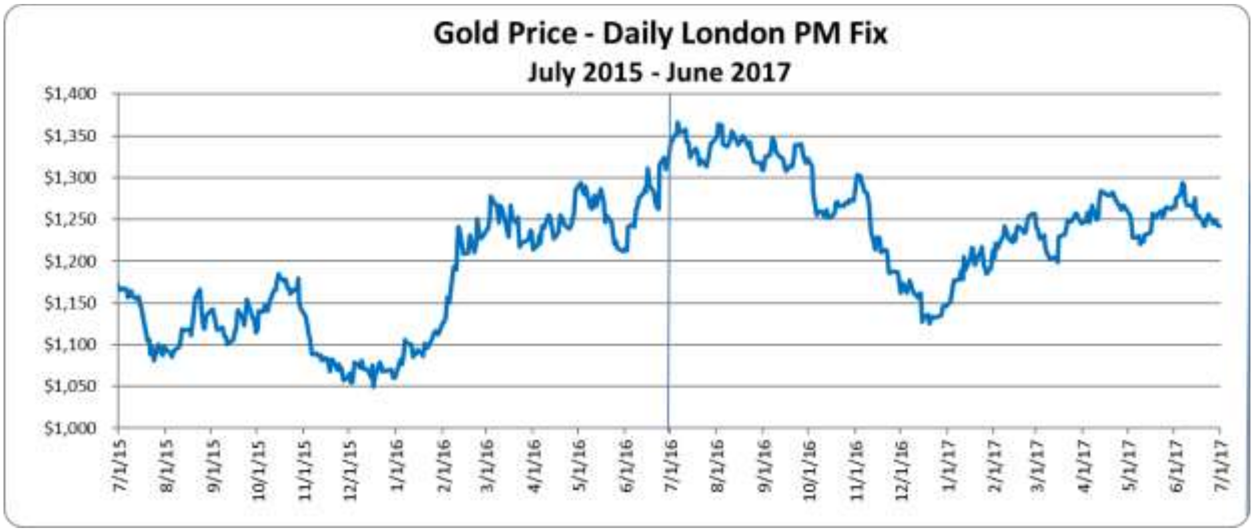
A summary of the gold forward sales hedge program is presented below:

| Forward Sales Hedge Position | Ounces | Average Fixed Price |
|---|---|---|
| Quarter Ending | | |
| Q3 2017 | 28,186 | |
| Q4 2017 | 33,559 | |
| Q1 2018 | 28,405 | |
| Q2 2018 | 13,868 | |
| Q3 2018 | 10,527 | |
| Subtotal (Unsettled Forward Sales) | 114,545 | 1,281 |
| Settled Forward Sales (2016 & 2017)[1] | 90,238 | 1,281 |
| Total | 204,783 | 1,281 |

[1] Forward gold sales are settled in cash during the settlement period. Realized and unrealized gains (losses) are recorded as other costs in the Consolidated Statement of Profit (Loss) and Comprehensive Profit (Loss).

During Q2 2017, the gold price experienced volatility with the London PM Fix price ranging from $1,220 in May to $1,294 per ounce in June. The price of gold closed at $1,242 per ounce on June 30, 2017, and the average Q2 2017 market price of $1,257 per ounce represents a $3 per ounce decrease from the $1,260 per ounce average market price for Q2 2016.

The chart below shows the daily London PM Fix gold price from July 1, 2015 through June 30, 2017.




**Currency Rates**

Fluctuations in currency rates affect the Corporation's cash flows. The USD is the Corporation's functional currency.

The Corporation's earnings and cash flow may be particularly affected by fluctuations in the exchange rate between the USD and the TRY. Such fluctuations may give rise to foreign currency exposure, which may affect future financial results. In May 2017, the Corporation entered into a foreign currency forward sales hedge program to limit exposure to the impact of Turkish Lira volatility. The Corporation forward sold USD to purchase 500 million TRY at an average FX rate of 3.8 with settlement dates through September 2018.

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

A summary of the foreign currency forward sales hedge program is presented below:

| Forward Sales Hedge Position | TRY | Average FX Rate |
|---|---|---|
| Quarter Ending | | |
| Q3 2017 | 73,437,500 | |
| Q4 2017 | 143,750,000 | |
| Q1 2018 | 128,500,000 | |
| Q2 2018 | 97,562,500 | |
| Q3 2018 | 49,250,000 | |
| Subtotal (Unsettled Foreign Currency Forward Sales) | 492,500,000 | 3.8 |
| Settled Foreign Currency Forward Sales (Q2 2017) | 7,500,000 | 3.7 |
| Total | 500,000,000 | 3.8 |

[1] Foreign currency forward sales are settled in cash during the settlement period. Realized and unrealized gains (losses) are recorded as other costs in the Consolidated Statement of Profit (Loss) and Comprehensive Profit (Loss).

Period-end TRY currency rates, as well as average TRY currency rates for the respective periods, relative to the USD are presented in the table that follows.

| | End of Period Rates as of | | | | Average Currency Rates | | | |
|---|---|---|---|---|---|---|---|---|
| | 30-June 2017 | 31-March 2017 | 30-June 2016 | 31-March 2016 | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
| USD:TRY | 3.51 | 3.64 | 2.89 | 2.91 | 3.58 | 2.89 | 3.64 | 2.92 |

**Inflation Rates**

Inflation rate in Turkey was 10.90%[1] in June, 2017, with the 12 and 18-month average rates being 9.33% and 8.81%, respectively. Currently, the Corporation has not experienced any material cost inflation resulting from changing domestic input prices. 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 specific to goods or services consumed in the operations.

## Transactions with Related Parties

In the second quarter of 2016, the Corporation entered into a related party agreement for construction services for the sulfide process plant with GAP İNŞAAT YATIRIM VE DIŞ TİCARET A.Ş. ("GAP"), an affiliate of our joint venture partner. The current scope of work under the contract is valued at an estimated $182 million of which $57.6 million has been spent.

Additionally, key management compensation, including Board of Director fees, is deemed a related-party transaction, as outlined in the Management Information Circular and in Note 24 to the Corporation's audited annual consolidated financial statements for the year ended December 31, 2016.

[1] Inflation rates obtained from www.treasury.gov.tr, Republic of Turkey Prime Ministry, Undersecretariat of Treasury.

## 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, 2016. There have been no significant changes in the Corporation's accounting policies applied in the December 31, 2016 financial statements for the six-month period ended June 30, 2017, with the exception of Financial Assets. Financial Assets at fair value has been updated to include the foreign currency gold contracts under the hedge program.

The preparation of the Corporation's consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions. The critical accounting estimates and judgements applied are described in Note 5 to the Corporation's consolidated financial statements for the year ended December 31, 2016. 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.

## Financial Instruments and Other Instruments

The Corporation's financial instruments as of June 30, 2017 consist of the gold forward sales, foreign currency forward sales, cash and cash equivalents, receivables, investments in publicly traded securities, and trade and other payables, presented at fair value. The Corporation's financial instruments are denominated primarily in USD. The Corporation recorded an unrealized gain of $1.1 million on the forward sales programs in Q2 2017. There were no other material gains or losses associated with other financial instruments in Q2 2017.

*Gold Price Risk* is associated primarily with the volatility that will occur in the precious metals commodity market. Such risk is managed by hedging a portion of the Corporation's oxide gold production through forward gold sales agreements. The hedge program's objective is to secure the gold price during the construction of the Sulfide Project. As of June 30, 2017, the remaining unsettled forward gold sales under the hedge program totals 114,545 ounces at an average gold price of $1,281 for settlement during the period July 2017 to September 2018.

*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, and U.S. and Canadian treasury bills 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 receivables balances consist of claims for recoverable Turkish value-added tax ("VAT"). As of June 30, 2017, Turkish VAT receivable totaled $14.9 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. 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, which focuses on preservation of capital and liquidity. The Corporation currently does not engage in any 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. In May 2017, the Corporation entered into a foreign currency forward sales hedge program to limit exposure to the impact of Turkish Lira volatility. The Corporation forward sold USD to purchase 500 million TRY at an average FX rate of 3.8 with settlement dates through September 2018. The Corporation held approximately $1.3 million denominated in TRY as of June 30, 2017. As of June 30, 2017, the remaining unsettled foreign currency forward sales under the hedge program totals 492,500,000 TRY at an average FX rate of 3.8 for settlement during the period July 2017 to September 2018. The Corporation holds USD and TRY in sufficient amounts to meet its estimated expenditure requirements for these currencies.

## Non-IFRS Measures

The Corporation has identified certain measures that it believes will assist with understanding the performance of the business. As these measures have no standardized definitions under IFRS, they may not be directly comparable with other companies' non-IFRS performance measures. These non-IFRS measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but Management has included and discussed them in this MD&A as these are considered to be important comparisons and key measures used within the business for assessing performance. These measures include Cash Operating Costs (C1) per ounce, Total Cash Costs (C2) per ounce, All-in Sustaining Costs per ounce, and All-in Costs per ounce and are explained further below.

**Cash Operating Costs (C1), Total Cash Costs (C2), All-in Sustaining Costs,** and **All-in Costs** are non-IFRS measures. Cash Operating Costs (C1) and Total Cash Costs (C2) 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 (C1)**, 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 (C2),** as defined in the Gold Institute's guidance, include all of the Cash Operating Costs (C1) noted above, plus royalties and severance taxes.

**All-in Sustaining Costs** are an extension of Total Cash Costs (C2) 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 growth capital costs and regional joint venture exploration expenditures.

**Cash Operating Costs (C1) per ounce, Total Cash Costs (C2) per ounce, All-in Sustaining Costs per ounce,** and **All-in Costs per 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 and comprehensive profit for the quarter and year-to-date periods ended June 30, 2017 and 2016.

| In $000s, except for per ounce measures | Q2 2017 | Q2 2016 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Production costs - IFRS | $ 20,326 | $ 22,760 | $ 45,083 | $ 43,691 |
| Adjustments: (none) | - | - | - | - |
| Total Cash Costs | $ 20,326 | $ 22,760 | $ 45,083 | $ 43,691 |
| Divided by: gold ounces sold | 28,415 | 30,263 | 63,219 | 62,013 |
| **Total Cash Costs (C2) per ounce** | **$ 715** | **$ 752** | **$ 713** | **$ 705** |
| | | | | |
| Total Cash Costs – from above | $ 20,326 | $ 22,760 | $ 45,083 | $ 43,691 |
| Less: Royalties and severance taxes | 421 | 401 | 939 | 915 |
| Cash Operating Costs | $ 19,905 | $ 22,359 | $ 44,144 | $ 42,776 |
| Divided by: gold ounces sold | 28,415 | 30,263 | 63,219 | 62,013 |
| **Cash Operating Costs (C1) per ounce** | **$ 701** | **$ 739** | **$ 698** | **$ 690** |
| | | | | |
| Total Cash Costs – from above | $ 20,326 | $ 22,760 | $ 45,083 | $ 43,691 |
| Add: | | | | |
| Applicable exploration costs | $ 607 | $ 662 | $ 1,032 | $ 1,200 |
| General and administrative[1] | 2,389 | 1,984 | 6,644 | 4,537 |
| Share-based employee compensation costs | 126 | 2,444 | 1,623 | 4,066 |
| Sustaining capital expenditures | 2,377 | 598 | 2,687 | 1,822 |
| All-in Sustaining Costs | $ 25,825 | $ 28,448 | $ 57,069 | $ 55,316 |
| Divided by: gold ounces sold | 28,415 | 30,263 | 63,219 | 62,013 |
| **All-in Sustaining Costs per ounce** | **$ 909** | **$ 940** | **$ 903** | **$ 892** |
| | | | | |
| Total All-in Sustaining Costs, from above | $ 25,825 | $ 28,448 | $ 57,069 | $ 55,316 |
| Add: Non-sustaining costs[2] | 95,087 | 36,577 | 173,315 | 56,867 |
| Total All-in Costs | $ 120,912 | $ 65,025 | $ 230,384 | $ 112,183 |
| Divided by: gold ounces sold | 28,415 | 30,263 | 63,219 | 62,013 |
| **All-in Costs per ounce** | **$ 4,255** | **$ 2,149** | **$ 3,644** | **$ 1,809** |

[1] Excludes administrative depreciation costs.

[2] Includes growth capital expenditures and attributable joint venture exploration expenditures.

(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 June 30, 2017. 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, 2017 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 quarter ended June 30, 2017 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 of June 30, 2017.

| Security | Expiry Date | Weighted Average Exercise Price | Common Shares on Exercise |
|---|---|---|---|
| Common Shares* | | | 293,091,028 |
| Convertible Securities | Various | N /A | 2,655,853 |
| | | | 295,746,881 |

* Common shares outstanding include 83,475,903 shares represented by CDI as of June 30, 2017, being a unit of beneficial ownership in an Alacer share and traded on the ASX.

## Cautionary Statements

### Forward-Looking Information

Certain statements contained in this document constitute "forward-looking information", "future oriented financial information" or "financial outlooks" (collectively, "forward looking information") within the meaning of applicable securities laws. 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, production, cost, and capital expenditure guidance; the results of any gold reconciliations; matters relating to proposed exploration; communications with local stakeholders; maintaining community and government relations; negotiations of joint ventures; negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, and the existence or realization of mineral resource estimates; the timing and amount of future production; the 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 of Alacer's other public filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders; maintaining 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 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; the ability to meet production, cost, and capital expenditure targets; timing and ability to produce studies and analyses; 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, geopolitical, 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 Annual Information Form and other public filings, as well as other unforeseen events or circumstances.

**Additional Information and Risk Factors**

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. For additional information, you should refer to Alacer's public filings, including the Corporation's AIF, available on SEDAR at *www.sedar.com* and on the ASX at *www.asx.com.au.*

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

## Mineral Resources and Mineral Reserves Estimates

The Mineral Resources and Mineral Reserves estimates for the Çöpler mine have been depleted through December 31, 2016 and include the initial Mineral Resource for the Çöpler District announced in the Çöpler District Resource Update filed on December 19, 2016. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Further information is provided in the Çöpler Mine Technical Report, the Çöpler District Resource Update, and the Gediktepe PFS, all of which are available on *www.sedar.com* and on *www.asx.com.au.*

**Alacer Gold - Measured, Indicated, and Inferred Mineral Resource Summary (As of December 31, 2016)**

| Deposit | Resource Category Material | Tonnes (x1000) | Au (g/t) | Ag (g/t) | Cu (%) | Zn (%) | Contained Au (oz x 1000) | Contained Ag (oz x 1000) | Contained Cu (lb x 1000) | Contained Zn (lb x 1000) |
|---|---|---|---|---|---|---|---|---|---|---|
| Çöpler Mine - Oxide | Measured | - | - | - | - | - | - | - | - | - |
| | Indicated | 21,289 | 1.02 | 3.49 | 0.12 | - | 696 | 2,389 | - | - |
| | Indicated - Oxide Stockpile | 7 | 0.84 | - | - | - | 0 | - | - | - |
| | **Measured + Indicated** | **21,296** | **1.02** | **3.49** | **0.12** | **-** | **697** | **2,389** | **-** | **-** |
| | Inferred | 19,800 | 0.84 | 6.72 | 0.14 | - | 537 | 4,280 | - | - |
| Çöpler Mine - Sulfide | Measured | - | - | - | - | - | - | - | - | - |
| | Indicated | 66,644 | 2.12 | 6.00 | - | - | 4,536 | 12,853 | - | - |
| | Indicated - Sulfide Stockpile | 7,071 | 3.38 | - | - | - | 767 | - | - | - |
| | **Measured + Indicated** | **73,714** | **2.24** | **5.42** | **-** | **-** | **5,303** | **12,853** | **-** | **-** |
| | Inferred | 12,716 | 1.99 | 12.02 | - | - | 814 | 4,913 | - | - |
| **Çöpler Mine - Total** | Measured | - | - | - | - | - | - | - | - | - |
| | Indicated | 95,010 | 1.96 | 4.99 | 0.03 | - | 6,000 | 15,242 | - | - |
| | **Measured + Indicated** | **95,010** | **1.96** | **4.99** | **0.03** | **-** | **6,000** | **15,242** | **-** | **-** |
| | **Inferred** | **32,516** | **1.29** | **8.79** | **0.08** | **-** | **1,350** | **9,193** | **-** | **-** |
| Çakmaktepe - Oxide | Measured | - | - | - | - | - | - | - | - | - |
| | Indicated | 2,278 | 1.76 | 10.94 | - | - | 129 | 801 | - | - |
| | **Measured + Indicated** | **2,278** | **1.76** | **10.94** | **-** | **-** | **129** | **801** | **-** | **-** |
| | Inferred | 373 | 1.89 | 0.92 | - | - | 23 | 11 | - | - |
| Bayramdere - Oxide | Measured | - | - | - | - | - | - | - | - | - |
| | Indicated | 145 | 2.34 | 20.82 | - | - | 11 | 97 | - | - |
| | **Measured + Indicated** | **145** | **2.34** | **20.82** | **-** | **-** | **11** | **97** | **-** | **-** |
| | Inferred | 8 | 2.17 | 19.95 | - | - | 1 | 5 | - | - |
| **Çöpler District Total** | Measured | - | - | - | - | - | - | - | - | - |
| | Indicated | 2,422 | 1.80 | 11.53 | - | - | 140 | 898 | - | - |
| | **Measured + Indicated** | **2,422** | **1.80** | **11.53** | **-** | **-** | **140** | **898** | **-** | **-** |
| | **Inferred** | **381** | **1.89** | **1.35** | **-** | **-** | **24** | **16** | **-** | **-** |
| Gediktepe - Oxide | Measured | 1,722 | 2.65 | 66.50 | - | - | 146 | 3,690 | - | - |
| | Indicated | 2,110 | 2.56 | 71.00 | - | - | 174 | 4,817 | - | - |
| | **Measured + Indicated** | **3,832** | **2.60** | **69.00** | **-** | **-** | **320** | **8,497** | **-** | **-** |
| | Inferred | 213 | 1.57 | 63.10 | - | - | 11 | 432 | - | - |
| Gediktepe - Sulfide | Measured | 12,027 | 0.78 | 28.50 | 1.00 | 1.89 | 300 | 11,030 | 263,824 | 501,133 |
| | Indicated | 20,180 | 0.77 | 30.10 | 0.85 | 1.95 | 502 | 19,506 | 378,158 | 867,540 |
| | **Measured + Indicated** | **32,207** | **0.77** | **29.50** | **0.90** | **1.93** | **802** | **30,536** | **641,982** | **1,368,673** |
| | Inferred | 1,685 | 0.81 | 31.70 | 0.98 | 1.80 | 44 | 1,719 | 36,256 | 66,866 |
| **Gediktepe - Total** | Measured | 13,749 | 1.01 | 33.30 | 0.89 | 1.67 | 447 | 14,710 | 263,824 | 501,133 |
| | Indicated | 22,290 | 0.94 | 33.90 | 0.79 | 1.80 | 675 | 24,323 | 378,158 | 867,540 |
| | **Measured + Indicated** | **36,039** | **0.97** | **33.70** | **0.82** | **1.75** | **1,122** | **39,033** | **641,982** | **1,368,673** |
| | **Inferred** | **1,898** | **0.89** | **35.30** | **0.88** | **1.62** | **55** | **2,151** | **36,256** | **66,866** |
| **Alacer Gold - Total** | Measured | 13,749 | 1.01 | 33.30 | 0.89 | 1.67 | 447 | 14,710 | 263,824 | 501,133 |
| | Indicated | 119,722 | 1.77 | 10.50 | 0.17 | 0.34 | 6,815 | 40,463 | 378,158 | 867,540 |
| | **Measured + Indicated** | **133,471** | **1.69** | **12.86** | **0.24** | **0.47** | **7,262** | **55,173** | **641,982** | **1,368,673** |
| | **Inferred** | **34,795** | **1.28** | **10.16** | **0.13** | **0.09** | **1,429** | **11,361** | **36,256** | **66,866** |

**Notes:** Further information on this resource estimate is in the Çöpler Mine Technical Report, the Çöpler District Resource Update, the Gediktepe PFS, and the corresponding NI 43-101 technical report filed simultaneously with the Gediktepe PFS, all of which can be found on *www.sedar.com* and on *www.asx.com.au*. Mineral Resources are quoted after mining depletion and are inclusive of Mineral Reserves. Mineral Resources are shown on a 100% basis. The key assumptions, parameters, and methods used to estimate the Mineral Resources are provided in the Çöpler Mine Technical Report, Çöpler District Resource Update, and the Gediktepe PFS. The Corporation is not aware of any new information or data that materially affects the information included in these tables and that all material assumptions and technical parameters underpinning the estimates in these tables continue to apply and have not materially changed. Rounding differences will occur.

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

| Alacer Gold - Proven and Probable Mineral Reserve Summary (As of December 31, 2016) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Deposit** | **Reserve Category Material** | **Tonnes (x1000)** | **Au (g/t)** | **Ag (g/t)** | **Cu (%)** | **Zn (%)** | **Contained Au (oz x 1000)** | **Contained Ag (oz x 1000)** | **Contained Cu (lb x 1000)** | **Contained Zn (lb x 1000)** |
| Çöpler Mine - Oxide | Proven | - | - | - | - | - | - | - | - | - |
| | Probable | 14,298 | 1.11 | 4.04 | 0.11 | - | 512 | 1,858 | - | - |
| | Probable - Oxide Stockpile | 7 | 0.84 | - | - | - | 0 | - | - | - |
| | **Proven + Probable** | **14,305** | **1.11** | **4.04** | **0.11** | **-** | **512** | **1,858** | **-** | **-** |
| Çöpler Mine - Sulfide | Proven | - | - | - | - | - | - | - | - | - |
| | Probable | 32,530 | 2.63 | 7.35 | - | - | 2,754 | 7,690 | - | - |
| | Probable - Sulfide Stockpile | 7,071 | 3.38 | - | - | - | 767 | - | - | - |
| | **Proven + Probable** | **39,601** | **2.77** | **6.04** | **-** | **-** | **3,522** | **7,690** | **-** | **-** |
| **Çöpler Mine Total** | Proven | - | - | - | - | - | - | - | - | - |
| | Probable | 53,905 | 2.33 | 5.51 | 0.03 | - | 4,034 | 9,548 | - | - |
| | **Proven + Probable** | **53,905** | **2.33** | **5.51** | **0.03** | **-** | **4,034** | **9,548** | **-** | **-** |
| Gediktepe - Oxide | Proven | 1,456 | 2.98 | 74.70 | - | - | 139 | 3,497 | - | - |
| | Probable | 1,767 | 2.93 | 80.30 | - | - | 166 | 4,562 | - | - |
| | **Proven + Probable** | **3,223** | **2.95** | **77.70** | **-** | **-** | **306** | **8,051** | **-** | **-** |
| Gediktepe - Sulfide | Proven | 10,425 | 0.84 | 31.00 | 1.04 | 2.05 | 282 | 10,390 | 239,025 | 471,155 |
| | Probable | 11,267 | 1.00 | 39.30 | 0.93 | 2.63 | 362 | 14,236 | 231,007 | 653,278 |
| | **Proven + Probable** | **21,692** | **0.93** | **35.30** | **0.99** | **2.35** | **649** | **24,619** | **473,444** | **1,123,832** |
| **Gediktepe - Total** | Proven | 11,881 | 1.11 | 36.30 | 0.93 | 1.82 | 424 | 13,866 | 243,596 | 476,714 |
| | Probable | 13,034 | 1.26 | 44.90 | 0.83 | 2.32 | 528 | 18,815 | 238,501 | 666,652 |
| | **Proven + Probable** | **24,915** | **1.19** | **40.80** | **0.88** | **2.08** | **953** | **32,682** | **483,367** | **1,142,505** |
| **Alacer Gold - Total** | Proven | 11,881 | 1.11 | 36.30 | 0.93 | 1.82 | 424 | 13,866 | 243,596 | 476,714 |
| | Probable | 66,939 | 2.12 | 13.18 | 0.19 | 0.45 | 4,562 | 28,363 | 238,501 | 666,652 |
| | **Proven + Probable** | **78,820** | **1.97** | **16.66** | **0.30** | **0.66** | **4,987** | **42,230** | **483,367** | **1,142,505** |

**Notes:** Further information on this resource estimate is in the Çöpler Mine Technical Report and the Gediktepe PFS, both of which can be found on *www.sedar.com* and on *www.asx.com.au*. The Mineral Reserve methodology and cut-off grades are discussed in the Çöpler Mine Technical Report and the Gediktepe PFS. Mineral Reserves are shown on a 100% basis. The key assumptions, parameters, and methods used to estimate the Mineral Reserves are provided in the Çöpler Mine Technical Report and the Gediktepe PFS. The Corporation is not aware of any new information or data that materially affects the information included in these tables and that all material assumptions and technical parameters underpinning the estimates in these tables continue to apply and have not materially changed. Rounding differences will occur.

## Technical Disclosure

Scientific and technical information presented in this document has been prepared in accordance with National Instrument 43-101 ("NI 43-101") standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). The scientific and technical information in this document has been reviewed and approved by Stephen Statham, Alacer's Manager, Mining Services, who is a Qualified Person pursuant to NI 43-101 and a Competent Person as defined in the JORC Code.

The information in this document that relates to Çöpler District exploration results is based on, and fairly represents, the information and supporting documentation prepared by Mr. Smolonogov who is a Qualified Person pursuant to NI 43-101 and a Competent Person as defined in the JORC Code. Further information is available in the Çöpler District Resource Update filed on December 19, 2016.

The information in this document that relates to the Çöpler Mineral Resource and Mineral Reserve estimate is based on, and fairly represents, the information and supporting documentation prepared by Dr. Parker, Mr. Seibel, Mr. Statham, and Mr. Ligocki. Dr. Parker and Messrs. Seibel, Statham, and Ligocki who are Qualified Persons pursuant to NI 43-101 and qualify as Competent Persons as defined in the JORC Code. Further information is available in the Çöpler Mine Technical Report dated June 9, 2016.

The information in this document relating to the Gediktepe Mineral Resource and Mineral Reserve estimate are based on, and fairly represents, the information and supporting documentation prepared by Mr. Marek who is a Qualified Person pursuant to NI 43-101 and qualifies as Competent Persons as defined in the JORC Code. Further information is available in the Gediktepe PFS and the corresponding technical report entitled “Technical Report Prefeasibility Study Project” dated June 1, 2016.

Alacer confirms that it is not aware of any new information or data that materially affects the scientific and technical information included in this document, and in the case of Mineral Resources and Mineral Reserves and exploration results, that all material assumptions or technical parameters underpinning such estimates, production targets, and forecast financial information continue to apply and have not materially changed from the original public disclosure. Alacer also confirms that the form and content in which such scientific and technical information is presented in this document has not materially changed from the original public disclosure.

**Basis for Production Targets and Forecast Financial Information**

All forecast financial information in this MD&A has been derived from the production targets. The production targets are underpinned solely by the Probable 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. The estimated Mineral Reserves and Mineral Resources underpinning the production targets have been prepared by a competent person or persons in accordance with the requirements of the JORC Code. These production targets and statements of forecast financial information are extracted from, or based on, the Çöpler Mine Technical Report, a copy of which is available on *www.sedar.com* and on *www.asx.com.au*.