



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six-Month Periods Ended June 30, 2018

The following management discussion and analysis ("MD&A") is as of July 31, 2018 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, 2018. The MD&A supplements and complements the Corporation's unaudited interim consolidated financial statements for the six-month period ended June 30, 2018 (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, 2017. Comparison herein is provided to the three and six-month periods ended June 30, 2017. 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 2017 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, 2018 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 three-month period ended June 30, 2018, as well as the outlook for the remainder of 2018.

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Overview

Alacer is a leading low-cost gold producer, with an 80% interest in the world-class Çöpler Gold Mine ("Çöpler") 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 Gold Mine and strong balance sheet to maximize portfolio value and free cash flow, minimize project risk, and therefore, create maximum value for shareholders. The Çöpler Gold 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.

The Corporation continues to pursue opportunities to further expand its current operating base to become a sustainable multi-mine producer with a focus on Turkey:

Çöpler Sulfide Expansion Project (the "Sulfide Project")

The Sulfide Project is near completion and remains on track to be delivered under budget and on schedule for start-up in Q3 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 approximately 4 million ounces at All-in Sustaining Costs averaging \$645 per ounce^{1, 2}.

Çöpler Oxide Plant Production

Over the course of 2018, Alacer will process oxide ore from three primary sources: Çöpler in-pit, Çakmaktepe and blended material comprising limestone rich in-pit oxide material and stockpiled low sulfide, high carbonate ore. To maximize the processing capacity of the oxide plant, the expansion of the existing heap leach pad is being accelerated and is expected to be complete in 2018. In addition, the Corporation continues to evaluate opportunities to further extend oxide production beyond the current reserves with ongoing in-pit exploration, Çöpler District exploration, and evaluation of options to increase heap leach capacity, including the potential for a new heap leach pad to the west of the Çöpler Gold Mine.

District & In-Country Exploration Activities

The systematic and focused exploration efforts in the Çöpler District, as well as in other regions of Turkey, are progressing. In July 2018, the Corporation announced additional positive drilling results at Ardiç ("Ardich")³ within the Çöpler District. The Çöpler District remains the focus, with the goal of continuing to grow oxide resources that will deliver production utilizing the existing Çöpler infrastructure. In the other regions of Turkey, targeted exploration work continues, including work on the Definitive Feasibility Study ("DFS") for the Gediktepe Project⁴.

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 CHESS Depositary Interests ("CDIs") trade.

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" (the "Çöpler Mine Technical Report") available on www.sedar.com and on www.asx.com.au.

³ Detailed information, including complete drill hole data, can be found in the press release entitled "Alacer Gold Announces Additional Positive Drill Results for the Ardiç Gold Prospect, including 50.2 Meters at 3.01 Grams per Tonne Gold Near Surface" (the "Ardich Update"), filed on July 25, 2018, which is 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," (the "Gediktepe PFS") dated September 13, 2016, available on www.sedar.com and on www.asx.com.au.

Highlights

Strategic

- The Sulfide Project is near completion and remains on track to be delivered under budget and on schedule for start-up in Q3 2018.
- The Sulfide Project capital cost estimate has been reduced from \$744 million to \$673 million.
- Approval of the revised Çakmaktepe Environmental Impact Assessment and operating permit is progressing. Site clearing is complete and access road construction from Çakmaktepe to the Çöpler infrastructure is nearing completion. Pending permit approval, Alacer plans to commence mining in Q4 2018.
- In May, the Corporation entered into an interest rate swap program to fix the LIBOR interest rate at 2.86% for settlement during the period from September 2018 to December 2021 on approximately 80% of the forecast outstanding debt balance for the relevant period.
- On July 25, the Corporation announced additional positive drilling results at Ardich within the Çöpler District in a press release entitled "Alacer Gold Announces Additional Positive Drill Results for the Ardich Gold Prospect, including 50.2 Meters at 3.01 Grams per Tonne Gold Near Surface" ¹.

Operational

- At June 30, 2018, the Çöpler Gold Mine, including the Sulfide Project, surpassed 13.6 million man-hours worked and has operated 582 days without a lost-time injury.
- On July 9, 2018, the Corporation announced an increase to the 2018 oxide plant production to 110,000 – 130,000 ounces at reduced All-in Sustaining Costs per oxide ounce of \$650 – \$700.
- Gold production YTD was 63,073 ounces and attributable gold production² was 50,458 ounces.
- Total Cash Costs (C2) per oxide ounce³ were \$537 and All-in Sustaining Costs per oxide ounce³ were \$659.
- In-pit exploration at the Çöpler Gold Mine has been successful with the discovery of approximately 1 million tonnes of additional limestone rich oxide material that can be blended with previously stockpiled low sulfide, high carbonate ore for stacking on the heap leach pad.
- Expansion of the existing heap leach pad capacity to 58 million tonnes is being accelerated to maximize the processing capacity of oxide ore.
- Sulfide stockpiles at June 30, 2018 were 9.8 million tonnes at an average grade of 3.29 g/t gold or approximately 1 million contained gold ounces.

Financial

- The Corporation ended the second quarter with cash of \$163 million and debt of \$350 million.
- Cash flow from operating activities during the quarter totaled \$17 million.
- Working capital was \$167 million at June 30, 2018.
- Attributable net profit² is \$6.6 million or \$0.02 per share for the six-months.

¹ Detailed information, including complete drill hole data, can be found in the "Ardich Update".

² Attributable gold production and attributable net profit reflect the 80% ownership in the Çöpler Gold Mine.

³ 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.



Updated Guidance

On July 9, 2018, the Corporation announced an increase in oxide plant gold production guidance to 110,000 – 130,000 ounces from 70,000 – 90,000 ounces at reduced All-in Sustaining Costs per oxide ounce of \$650 – \$700 (a reduction from initial guidance of \$750 – \$800/oz). The increase in production guidance is a result of:

- Successful in-pit exploration activities which discovered approximately 1 million tonnes of limestone rich oxide material that can be added into the mining schedule.
- Blending the limestone rich oxide material with stockpiled low sulfide, high carbonate ore provides an ore blend that can be efficiently processed on the heap leach pad.
- Extensive testing culminating in full plant trials, which began in May 2018, generated positive results showing that the blended ore has good chemical, structural and permeability characteristics with gold recoveries in excess of 60%.
- Processing of the blended ore is NAV accretive relative to the initial processing schedule of the sulfide stockpiles and generates immediate cash flow.
- The blended ore is currently being stacked on the heap leach pad.

Sulfide plant gold production guidance for the year remains unchanged at 50,000 – 100,000 ounces.

Çöpler's 2018 oxide plant sustaining capital expenditure is increased to \$10 million (\$8 million attributable) from \$7 million (\$6 million attributable), which reflects an additional \$3 million for accelerating the heap leach pad expansion to 58 million tonnes.

Çöpler's 2018 sulfide expansion capital expenditure is decreased to \$190 million (\$152 million attributable) from \$225 million (\$180 million attributable) reflecting forecast savings.

Çöpler Sulfide Expansion Project Update

The Sulfide Project is near completion and is advancing on schedule to start production in Q3 2018. 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 approximately 4 million ounces at All-in Sustaining Costs averaging \$645 per ounce.¹ Through June 30, 2018, the Sulfide Project has incurred costs of \$606 million and the capital cost estimate has been reduced from \$744 million to \$673 million reflecting forecast savings.

2017 Milestones	Status
Equipment Procurement	Complete
Autoclaves Arrival On-Site	Complete
Autoclave Assembly	Complete
Engineering Design	Complete
Autoclave Certification	Complete
Major Plant Civil Works	Complete
Oxygen Plant Construction	Complete
Electrical & Instrumentation Works	Commenced
Dry Commissioning	Commenced
2018 Milestones	Status
Energize High Voltage Switchyard and Power Distribution	Complete
Start-up of Plant	Q3 2018



Overview of the Project Site

¹ Detailed information regarding the Sulfide Project, including the material assumptions on which the forward-looking financial information is based, can be found in the Çöpler Mine Technical Report.



Autoclave Building

2018 Highlights:

- Process critical mechanical works 98% complete
- Process plant electrical rooms energized and testing of electrical motors and equipment occurring across the plant
- Wet commissioning of crushing and grinding circuits underway
- First oxide ore test of crusher complete
- Approaching start-up of oxide ore processing in August
- First phase of the TSF construction is complete and ready to accept tailings
- Process plant commissioning plan is to process oxide ore ahead of the start-up of the pressure oxidation circuit



Tailing Storage Facility

Çakmaktepe Project

The Çakmaktepe Project is located approximately 5 kilometers from the existing Çöpler Gold Mine infrastructure. The mineralization style is similar to the Çöpler deposit and will be processed through the existing Çöpler facilities. The Corporation announced on December 18, 2017 in the press release entitled "Alacer Gold Announces Maiden Mineral Reserve and a 70% Increase in Measured and Indicated Mineral Resource for Çakmaktepe as well as Additional Exploration Results for Çakmaktepe" (the "Çakmaktepe Update")¹:

- A maiden Mineral Reserve of 176,000 ounces
- Increase to the Measured and Indicated Mineral Resource to 239,000 ounces
- Increase to the Inferred Mineral Resource to 50,000 ounces

Approval of the revised Çakmaktepe Environmental Impact Assessment and operating permit is progressing. Site clearing is complete and access road construction from Çakmaktepe to the Çöpler infrastructure is nearing completion. Pending permit approval, Alacer plans to commence mining in Q4 2018. Çakmaktepe is predominantly owned on a 50% basis with Alacer's joint venture partner, Lidya Mining.



Çakmaktepe Area Map



Çakmaktepe Access Road Construction

¹ Detailed information regarding the maiden Mineral Reserve can be found in the press release entitled "Alacer Gold Announces Maiden Mineral Reserve and a 70% Increase in Measured and Indicated Mineral Resource for Çakmaktepe as well as Additional Exploration Results for Çakmaktepe," dated December 18, 2017 ("Çakmaktepe Update"), available on www.sedar.com and on www.asx.com.au.

Gediktepe Project

The Gediktepe Project is located in Balıkesir Province, about 370 km west of Ankara and 190 km to the south of Istanbul. Gediktepe is a polymetallic orebody that contains economic values for gold, silver, copper, and zinc. Gediktepe is owned on a 50% basis with Alacer's joint venture partner, Lidya Mining.

Work on the Gediktepe DFS continues and is focused on further developing the technical aspects and estimates of the Project. Some information arising through the ongoing DFS process has highlighted the need for additional metallurgical work as well as prompting changes to resource modelling and the site layout.



Results of Operations

Çöpler Gold Mine: ¹	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Gold ounces produced	25,198	31,391	63,073	64,309
Gold ounces sold	24,952	28,415	67,083	63,219
Attributable: (80% ownership)				
Gold ounces produced	20,158	25,113	50,458	51,447
Gold ounces sold	19,962	22,732	53,666	50,575
Oxide ore mined - tonnes	644,643	1,721,076	1,573,622	2,750,652
Oxide ore mined - grade (g/t)	0.76	0.91	0.77	0.95
Oxide ore mined - contained ounces	15,840	50,176	39,074	84,123
Oxide ore treated - tonnes	799,167	1,737,721	1,787,626	2,744,521
Oxide ore treated - head grade (g/t)	1.75	0.91	1.21	0.95
Oxide ore treated - contained ounces	44,940	50,874	69,513	84,110
Sulfide ore mined - tonnes ²	432,315	135,054	1,283,972	274,370
Sulfide ore mined - grade (g/t) ²	2.76	3.19	2.57	2.80
Sulfide ore stockpiled - contained ounces ²	38,414	13,867	106,117	24,741
Waste tonnes mined	6,628,676	6,557,290	13,941,185	14,556,468
Cash Operating Costs (C1) per ounce sold ³	\$ 510	\$ 701	\$ 534	\$ 698
Total Cash Costs (C2) per ounce sold ³	\$ 513	\$ 715	\$ 537	\$ 713
All-in Sustaining Costs per oxide ounce sold ³	\$ 695	\$ 824	\$ 659	\$ 796
All-in Sustaining Costs per ounce sold ³	\$ 849	\$ 909	\$ 779	\$ 903
All-in Costs per ounce sold ³	\$ 3,519	\$ 4,255	\$ 2,981	\$ 3,644
Average realized gold price, excluding hedge	\$ 1,296	\$ 1,260	\$ 1,322	\$ 1,244

¹ Çöpler Gold Mine production 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 9.8 million tonnes at 3.29 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 consolidated 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.

Second Quarter 2018 vs. Second Quarter 2017

Gold production of 25,198 ounces is 20% lower than gold production in Q2 2017 as expected, due to the depletion of oxide ore and the transition to sulfide ore production.

Oxide ore mined of 0.6 million tonnes at a grade of 0.76 g/t are 63% and 16% lower than in Q2 2017, respectively, in line with the mine plan. Waste tonnes mined of 6.6 million tonnes is in line with waste tonnes mined in Q2 2017.

Oxide ore tonnes treated of 0.8 million tonnes included 0.3 million tonnes of low sulfide, high carbonate ore previously stockpiled blended with the limestone rich oxide material resulting from in-pit exploration.

Sulfide ore tonnes mined of 0.4 million tonnes were 220% higher than Q2 2017 as expected due to the ore body transitioning to sulfide ore.

Total Cash Costs (C2) per ounce in Q2 2018 of \$513 were 28% lower than in Q2 2017, primarily due to the capitalization of more waste tonnes to the Sulfide Project.



All-in Sustaining Costs per oxide ounce of \$695 were 16% lower than in Q2 2017, primarily due to lower Total Cash Costs (C2), offset by higher sustaining capital expenditures as a result of accelerating the heap leach pad expansion and higher exploration expenses.

All-in Costs per ounce of \$3,519 were 17% lower than in Q2 2017, primarily due to the lower growth capital spending on the Sulfide Project (\$54.6 million in Q2 2018 compared to \$87.9 million in Q2 2017).

Year-to-Date 2018 vs. Year-to-Date 2017

Gold production of 63,073 ounces in YTD 2018 is in line with YTD 2017.

Oxide ore mined of 1.6 million tonnes at a grade of 0.77 g/t are 43% and 19% lower, respectively, than in YTD 2017, in line with the mine plan. Waste tonnes mined of 13.9 million tonnes YTD 2018 are in line with YTD 2017.

Oxide ore tonnes treated of 1.8 million tonnes included 0.3 million tonnes of low sulfide, high carbonate ore previously stockpiled blended with the limestone rich oxide material resulting from in-pit exploration.

Sulfide ore tonnes mined of 1.3 million tonnes were 368% higher than YTD 2017 as expected due to the ore body transitioning to sulfide ore.

Total Cash Costs per ounce (C2) in YTD 2018 of \$537 were 25% lower than in Q2 2017 primarily due to the capitalization of more waste tonnes to the Sulfide Project.

All-in Sustaining Costs per oxide ounce of \$659 were 17% lower than YTD 2017, primarily due to lower Total Cash Costs (C2), offset by higher sustaining capital expenditures as a result of accelerating the heap leach pad expansion and higher exploration expenses.

All-in Costs per ounce of \$2,981 were 18% lower than in YTD 2017. The decrease primarily reflects the lower growth capital spending on the Sulfide Project (\$124.0 million in YTD 2018 compared to \$163.2 million in YTD 2017).

Investments in Mineral Properties and Equipment

A summary of the investments in capital for the three-month period ended June 30, 2018 is presented below:

Capital Investments (in '000)	Q2 2018		YTD 2018	
	100%	Attributable ¹	100%	Attributable ¹
Sustaining and general capital				
Heap Leach Pad Phase 4 expansion	\$ 2,323	\$ 1,859	\$ 3,061	\$ 2,449
General plant and other assets	775	637	1,858	1,548
Sustaining capital - Total	\$ 3,098	\$ 2,496	\$ 4,919	\$ 3,997
Growth capital				
Sulfide Project Costs	\$ 54,564	\$ 43,652	\$ 123,979	\$ 99,184
Other growth	10,557	8,470	21,044	16,959
Gediktepe Project	425	213	1,429	715
Growth capital - Total	\$ 65,546	\$ 52,335	\$ 146,452	\$ 116,858
Total capital expenditures	\$ 68,644	\$ 54,831	\$ 151,371	\$ 120,855
Çöpler Sulfide Stockpiles	\$ 4,411	\$ 3,529	\$ 11,780	\$ 9,424

¹ Capital related to Anagold has been adjusted to reflect the impact of the 20% non-controlling interest, capital related to the Gediktepe Project is reflected at 50%, and 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 2018 totaled \$3.1 million. Activities related to the expansion of the heap leach pad to 58 million tonnes were accelerated and costs of \$2.3 million were incurred. The \$0.8 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 \$54.6 million in Q2 2018 were incurred to progress the Sulfide Project. The \$10.6 million in Other growth capital is primarily related to indirect costs for the Sulfide Project construction. The \$0.4 million in capital expenditures for the Gediktepe Project reflects the continued work on the DFS.

Çöpler Sulfide Stockpiles reflects sulfide ore mined and stockpiled. During Q2 2018, 0.4 million tonnes of sulfide ore at an average grade of 2.76 g/t were added to the sulfide stockpiles. Costs related to the mining and stockpiling of sulfide ore in Q2 2018 totaled \$6.5 million. The sulfide ore stockpiles at June 30, 2018 include high-grade, medium-grade, and low-grade stockpiles totaling 9.8 million tonnes at an average grade of 3.29 g/t gold (or more than 1 million contained ounces) and carried a total cost of \$96.7 million (or approximately \$9.80/tonne or approximately \$93/ounce).

Exploration and Development

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 results of Alacer's exploration program outlined below have increased the confidence that these deposits will add to the Corporation's organic growth projects.

The Corporation is taking a disciplined and systematic approach to the exploration program with efforts focused in three parts: Çöpler in-pit, Çöpler District and Turkey Regional. The exploration program is showing positive results in all areas:

- **Çöpler in-pit:** The exploration program identified approximately 1 million tonnes of limestone rich oxide material that is ideal for blending with stockpiled low sulfide, high carbonate ore and being efficiently processed on the heap leach pad. The in-pit exploration program is ongoing.
- **Çöpler District:** At the Ardich gold prospect, the Corporation announced additional positive drill results on July 25, 2018 in the Ardich Update¹. Most holes have intersected predominantly oxide mineralization with impressive grades including 50.2 meters at 3.01 g/t gold near surface. Mineralization remains open in all directions. Drilling and analysis work at Ardich continues. The near-mine Ardich deposit is adjacent to the existing Çöpler Gold Mine.
- **Turkey Regional:** Targeted exploration work continues, including work on the DFS for the Gediktepe Project.

YTD 2018 Exploration spending (in '000) ¹	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler District 80/20	80%	\$ 2,585	\$ 2,068
Çöpler District 50/50	50%	609	305
Other	Varied	2,424	1,363
Total		\$ 5,618	\$ 3,736

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.

¹ Detailed information, including complete drill hole data, can be found in the "Ardich Update".

Çöpler District Exploration Program



Alacer's exploration licenses surrounding the Çöpler Gold Mine span across a 17 km by 25 km area. The exploration licenses are managed under two separate joint ventures ("JV"). Alacer owns 80% of the licenses adjacent to the Çöpler Gold Mine under the Anagold JV and 50% of the remaining licenses in the Çöpler District under the Kartaltepe JV, both in partnership with Lidya Mining.

The **Ardich gold prospect** is primarily on the 80% Alacer-owned (Anagold) tenement and is located immediately north (about 1.5 kilometers) of Çakmaktepe North. On July 25, 2018, the Corporation announced that in addition to the previously reported 18 holes¹, a further 25 drill holes have been completed with a majority intersecting predominantly oxide mineralization with impressive gold grades². Key results include:

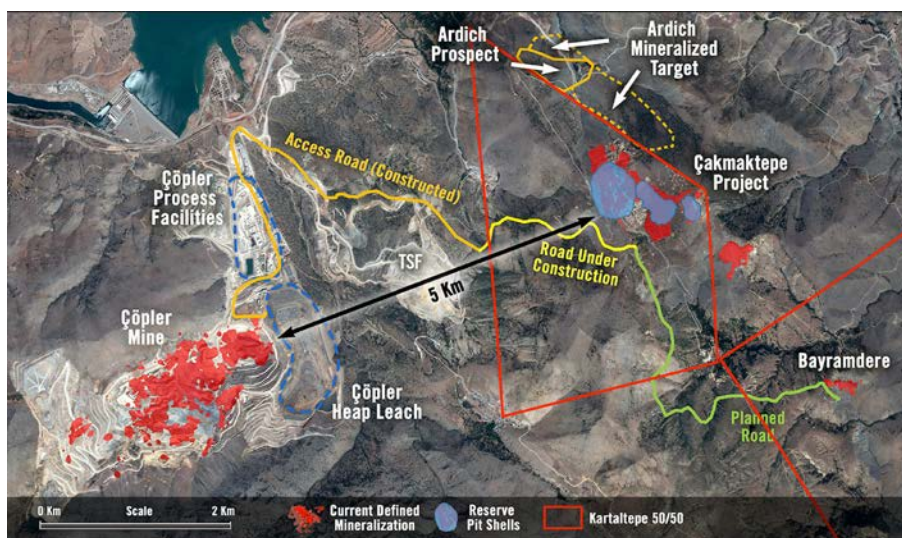
- Hole AR09 with 67.7m averaging 4.08 g/t gold from 53.3m depth (including 14.2m at 7.21 g/t)¹
- Hole AR31 with 68.6m averaging 2.21 g/t gold from 36.0m depth (including 17.0m at 5.5 g/t)²
- Hole AR41 with 50.2m averaging 3.01 g/t gold from 43.4m depth (including 7.9m at 8.81 g/t)²

¹ Detailed information, including complete drill hole data, can be found in the press release entitled "Alacer Announced Additional Positive Drilling Results for the Çöpler District including 67.7 Meters at 4.08 Grams per Tonne Gold Near Surface", filed on February 26, 2018, which is available on www.sedar.com and on www.asx.com.au.

² Detailed information, including complete drill hole data, can be found in the "Ardich Update".

Mineralization remains open in all directions, with the new drill hole results improving the known mineralized zone to the west, east and south. Importantly, the latest drilling confirmed that mineralization stepped across a southeastern fault. Initial metallurgical results indicate the oxide ores are suitable for heap leaching.

The objective of the Ardich exploration program this year is to better understand the extent of mineralization and to define an initial Mineral Resource. In parallel, work has started on the permitting process and scoping study to examine options to materially expand our heap leach capacity.



The **Bayramdere deposit** is on the 50% Alacer-owned (Kartaltepe) tenement area and is an oxide gold and copper deposit. Mineralization is localized within three stacked shallow dipping lodes. The mineralization has formed at the contacts of limestone and ophiolite lithologies with mineralization replacing limestone along the contacts. The limestone / ophiolite contacts are low-angle thrusts, with limestone typically being trapped as wedges of material within a dominantly ophiolite stratigraphy. Mineralization occurs within iron rich gossan horizons. Although a small deposit, Bayramdere is higher-grade and can support a high strip-ratio to access mineralization. A total of 10,709 meters of drilling for Bayramdere was included into the Mineral Resource estimate, inclusive of metallurgical and geotechnical holes.

The **Demirmagara prospect** is on the 80% Alacer-owned (Anagold) tenement area and is characterized by epithermal gold mineralization, confined to NW-SE trending fault system with extensive jasperoids at the hornfels/bleached limestones and intrusive (mostly dioritic) contacts. Carbonate replacement epithermal outcrops give elevated gold grades. Road construction is ongoing to support the subsequent drilling program.

Financial Highlights

A summary of the Corporation's consolidated financial results for Q2 2018 and YTD 2018 as compared to the same periods of 2017 are presented below.

Consolidated Financial Summary (in '000, except for per share)	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Gold sales	\$ 32,342	\$ 35,800	\$ 88,682	\$ 78,647
Less:				
Production costs	12,796	20,326	36,053	45,083
Depreciation, depletion and amortization	7,964	11,222	21,622	21,639
Mining gross profit	\$ 11,582	\$ 4,252	\$ 31,007	\$ 11,925
Less:				
Other (income) costs	27,219	(1,604)	40,195	17,636
Exploration and evaluation	2,963	1,914	5,383	2,818
Income tax (benefit) expense	4,838	(25,546)	(25,997)	(50,207)
Total net profit and comprehensive profit	\$ (23,438)	\$ 29,488	\$ 11,426	\$ 41,678
Amounts attributable to owners of the Corporation:				
Total net profit (loss)	\$ (20,115)	\$ 22,778	\$ 6,561	\$ 31,436
Total net profit per share - basic	\$ (0.07)	\$ 0.08	\$ 0.02	\$ 0.11
Total net profit per share – diluted	\$ (0.07)	\$ 0.08	\$ 0.02	\$ 0.11
Cash Flows				
Operating cash flows	\$ 16,508	\$ 8,005	\$ 46,304	\$ 17,120
Investing cash flows	(88,863)	(90,518)	(184,210)	(159,144)
Financing cash flows	99,890	129,693	99,863	129,609
Subtotal - Cash flows	27,535	47,180	(38,043)	(12,415)
Effect of exchange rate changes on cash	\$ (1,341)	\$ 235	\$ (1,876)	\$ (684)
Change in cash	\$ 26,194	\$ 47,415	\$ (39,919)	\$ (13,099)
Ending cash and cash equivalents	\$ 162,894	\$ 201,452	\$ 162,894	\$ 201,452
			As of	
			30-Jun-18	31-Dec-17
Financial Position				
Working capital			\$ 167,359	\$ 233,752
Total assets			\$ 1,359,299	\$ 1,253,119
Non-current liabilities			\$ 356,180	\$ 285,584
Total liabilities			\$ 438,718	\$ 345,649
Total equity			\$ 920,581	\$ 907,470

Second Quarter 2018 vs. Second Quarter 2017

Gold sales of \$32.3 million were 10% lower than Q2 2017 reflecting the 12% decrease in gold ounces sold. Total cost of sales in Q2 2018 of \$20.8 million decreased 34% as compared to Q2 2017, primarily as a result of a 28% reduction in Total Cash Costs (C2) as discussed within the *"Results of Operations"* section.

Attributable net loss of \$20.1 million for Q2 2018 was a \$42.9 million reduction to the \$22.8 million attributable net profit in Q2 2017, primarily due to a \$23.7 million FX loss (\$19.0 million attributable) and a \$30.4 million lower income tax benefit (\$24.3 million attributable). The FX loss is a result of the Turkish Lira ("TRY") weakening in Q2 2018 and the corresponding foreign currency translation of the deferred tax asset. The income tax benefit was lower as a result of recording fewer incentive tax credits reflecting the savings realized on the Sulfide Project and a higher deferred tax expense arising from the revaluation of the deferred tax liability.

Cash and cash equivalents increased \$26.2 million during Q2 2018 as compared to an increase of \$47.4 million in Q2 2017 reflecting the higher finance facility drawdown in Q2 2017 (Q2 2018 \$100 million; Q2 2017 \$130 million). Operating cash flows of \$16.5 million in Q2 2018 were 106% higher than in Q2 2017, primarily due to capitalization of waste tonnes utilized for the Sulfide Project and therefore included in investing activities. Investing outflows of \$88.9 million in Q2 2018 were in line with Q2 2017. Financing inflows during Q2 2018 totaled \$99.9 million reflecting the \$100 million drawdown on the finance facility as compared to an inflow of \$129.7 million in Q2 2017 reflecting the \$130 million drawdown on the finance facility.

Year-to-Date 2018 vs. Year-to-Date 2017

Gold sales of \$88.7 million is 13% higher than in YTD 2017, reflecting the 6% increase in gold ounces sold. Total cost of sales of \$57.7 million is 14% lower than in YTD 2017, primarily as a result of a 25% reduction in Total Cash Costs (C2) as discussed within the Results of Operations section.

Attributable net profit of \$6.6 million was \$24.9 million lower than in YTD 2017, primarily due to the \$31.2 million FX loss (\$25.0 million attributable) and a \$24.2 million lower income tax benefit (\$19.4 million attributable). The FX loss is a result of the TRY weakening YTD 2018 and the corresponding foreign currency translation of the deferred tax asset. The income tax benefit was lower as a result of recording fewer incentive tax credits reflecting the savings realized on the Sulfide Project and a higher deferred tax expense arising also from the revaluation of the deferred tax liability.

Cash and cash equivalents decreased \$39.9 million YTD 2018 as compared to a decrease of \$13.1 million for YTD 2017 reflecting the higher finance facility drawdown in YTD 2017 (YTD 2018 \$100 million; YTD 2017 \$130 million). Operating cash flows of \$46.3 million in YTD 2018 were 170% higher than in Q2 2017, primarily due to capitalization of waste tonnes utilized for the Sulfide Project and therefore included in investing activities. Investing outflows of \$184.2 million YTD 2018 were 16% higher than YTD 2017 reflecting higher cash outflows related to the Sulfide Project. Financing inflows during YTD 2018 totaled \$99.9 million reflecting the \$100 million drawdown on the finance facility as compared to an inflow of \$129.7 million YTD 2017 reflecting the \$130 million drawdown on the finance facility.

Through June 30, 2018, total assets increased by \$106.2 million, total liabilities increased by \$93.1 million, and total equity increased by \$13.1 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 \$100 million final finance facility drawdown offset by lower trade payables. The increase in equity primarily represents the net profit YTD 2018.

Gold Sales

Details of gold sales for the three-month periods ended June 30, 2018 and 2017 are presented below:

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Gold ounces sold ¹	24,952	28,415	67,083	63,219
Gold sales (\$'000)	\$ 32,342	\$ 35,800	\$ 88,682	\$ 78,647
Average realized price, excluding hedging	\$ 1,296	\$ 1,260	\$ 1,322	\$ 1,244
Average realized price, including hedge gains (losses)	\$ 1,289	\$ 1,271	\$ 1,292	\$ 1,265
Average London PM Fix	\$ 1,305	\$ 1,257	\$ 1,317	\$ 1,238

¹ Includes 100% of Çöpler.

For Q2 2018, the Corporation's average realized gold price reflected in revenues is \$1,296 per ounce, before factoring in realized hedge losses. The average gold price realized, including realized hedge losses, was \$1,289 per ounce or \$16 below the quarterly average London PM Fix of \$1,305 per ounce. The increase in average realized gold price, excluding hedging, during Q2 2018 as compared to Q2 2017 is consistent with price volatilities as discussed in the "Business Conditions and Trends" section.

Other Costs

Details of other costs, excluding exploration and evaluation costs, for the three-month periods ended June 30, 2018 and 2017 are presented below:

(In \$'000's)	Q2 2018	Q2 2017	YTD 2018	YTD 2017
General and administrative	\$ 2,202	\$ 2,414	\$ 5,489	\$ 6,697
Share-based employee compensation costs	1,779	126	2,943	1,623
Foreign exchange (gain) loss	23,667	(3,061)	31,222	(1,264)
Other (gain) loss	(429)	(1,083)	541	10,580
Total corporate and other costs	\$ 27,219	\$ (1,604)	\$ 40,195	\$ 17,636

General and administrative costs decreased 18% YTD 2018 as compared to YTD 2017, primarily due to organizational realignment costs incurred in Q1 2017.

Share-based employee compensation costs represent non-cash 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 higher Q2 2018 share-based compensation expense is due to mark-to-market adjustments.

Foreign exchange loss results from movements between USD and TRY exchange rates as applied to Turkish operations. As TRY weakened in Q2 2018, a loss of \$24.4 million was incurred from the unrealized losses

from revaluing assets denominated in TRY. The most significant TRY denominated asset is the deferred income tax asset related to the incentive tax credits.

Other loss for YTD 2018 of \$0.5 million are \$10.0 million lower than in YTD 2017 because the YTD 2017 loss reflects the unwinding of the unrealized non-cash hedge gains at December 31, 2016.

Income Tax Benefit (Expense)

Details of income tax benefit (expense) for the three-month periods ended June 30, 2018 and 2017 are presented below:

(In \$000's)	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Income tax (expense) benefit	\$ (4,838)	\$ 25,546	\$ 25,997	\$ 50,207

Income tax expense for Q2 2018 primarily reflects the increase in deferred tax expense as a result of the FX impact on the deferred tax liability offset by the recognition of incentive tax credits related to qualifying expenditures at the Çöpler Gold Mine under the third incentive certificate. Application of the incentive 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 the eight quarters ending June 30, 2018.

(in '000, except for per share)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Total revenues	\$ 32,342	\$ 56,340	\$ 80,603	\$ 49,837	\$ 35,800	\$ 42,847	\$ 38,419	\$ 28,005
Amounts attributable to owners of the Corporation:								
Net Profit (Loss)	\$ (20,115)	\$ 26,676	\$ 20,953	\$ 29,115	\$ 22,778	\$ 8,658	\$ (8,157)	\$ 77
Per share profit (loss):								
- basic	\$ (0.07)	\$ 0.09	\$ 0.07	\$ 0.10	\$ 0.08	\$ 0.03	\$ (0.03)	\$ 0.00
- diluted	\$ (0.07)	\$ 0.09	\$ 0.07	\$ 0.10	\$ 0.08	\$ 0.03	\$ (0.03)	\$ 0.00

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. During Q2 2018, the TRY weakened 15% resulting in a unfavorable non-cash impact on attributable net profit as discussed above in the "Financial Highlights" section.

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, 2018 are sufficient to fund planned operations, forecasted exploration and capital expenditures, and reclamation and remediation obligations in 2018. Additionally, the Corporation is confident that it has the ability to complete the Sulfide Project funding based on current cash on hand and projected operating cash flows.

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.

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

Working Capital

Working capital, current assets less current liabilities, increased by \$1.4 million during Q2 2018 to \$167.4 million, primarily due to a \$26.2 million increase in cash and cash equivalents, offset by an increase in short-term borrowings. 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.

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 and interest 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 2018.

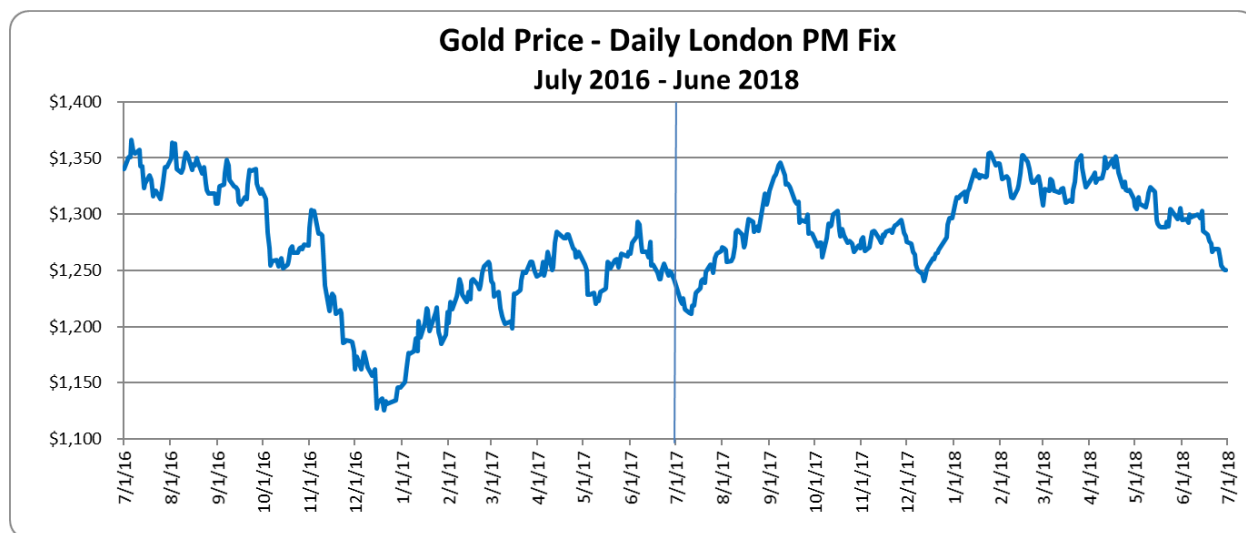
Gold Price

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 entered into a forward sales hedge program to secure the gold price on oxide gold production during the ramp-up of the Sulfide Project. As of June 30, 2018, remaining forward gold sales total 30,527 ounces at an average price of \$1,324 per ounce for settlement during the period between July and December 2018.

During Q2 2018, the gold price experienced volatility with the London PM Fix price ranging from \$1,250 in June to \$1,351 per ounce in April. The price of gold closed at \$1,250 per ounce on June 29, 2018, and the average Q2 2018 market price of \$1,305 per ounce represents a \$48 per ounce increase from the \$1,257 per ounce average market price for Q2 2017.

The chart below shows the daily London PM Fix gold price from July 1, 2016 through June 30, 2018.



Currency Rates

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

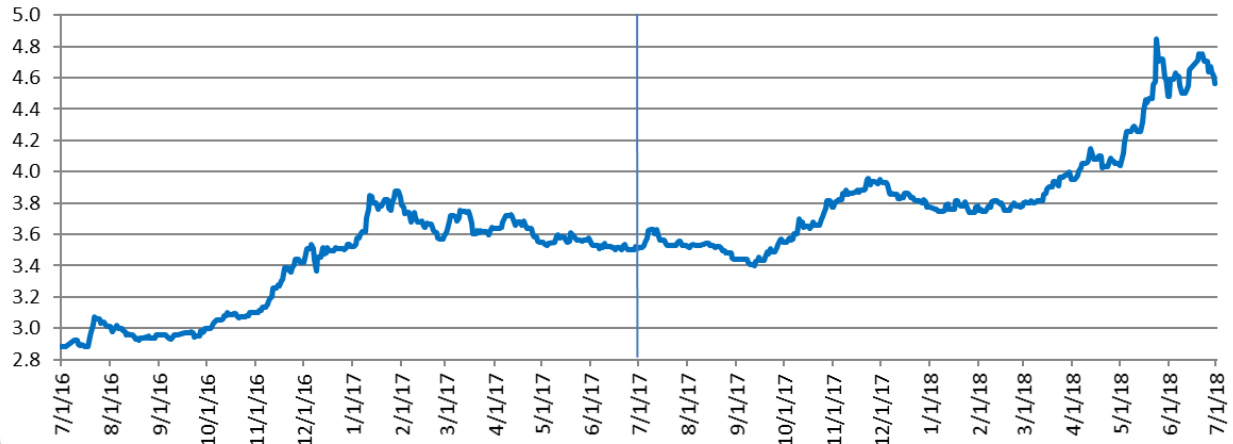
The Corporation's earnings and cash flow may be particularly affected by fluctuations in the exchange rate between USD and TRY. Such fluctuations may give rise to foreign currency exposure, which may affect future financial results. In May 2017, the Corporation entered into a foreign currency forward sales hedge program to limit exposure to the impact of TRY volatility. As of June 30, 2018, the remaining unsettled foreign currency forward sales under the hedge program totals 49,250,000 TRY at an average FX rate of 3.9 for settlement during the period between July and September 2018.

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 2018	31-Mar 2018	30-June 2017	31-Mar 2017	Q2 2018	Q2 2017	YTD 2018	YTD 2017
USD:TRY	4.56	3.95	3.51	3.64	4.35	3.58	4.07	3.64

The chart below shows the movement in the USD:TRY foreign exchange rate from July 1, 2016 through June 30, 2018.

USD:TRY Foreign Exchange Rate Activity July 2016 - June 2018



Inflation Rates

The 12 and 18-month average inflation rates in Turkey were 11.48% and 11.27%¹, 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 \$150 million of which \$132 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, 2017.

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 consolidated financial statements are prepared in accordance with IFRS. 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, 2017. There have been no significant changes from the Corporation's accounting policies applied during the year ended December 31, 2017, with the exception of updates to the Financial Assets and Revenue Recognition policies to reflect the accounting standard revisions to IFRS 9 and the new IFRS 15 accounting standard, both effective January 1, 2018, as well as the addition of interest rate swap contracts to the Financial Assets Policy. Additional information regarding the changes can be found in Note 3 of the Corporation's unaudited interim consolidated financial statements for the three and six-month periods ended June 30, 2018.

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, 2017, and there were no changes since year-end. 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, 2018 consist of the gold forward sales, foreign currency forward sales, interest rate swaps, 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 \$1.8 million on the forward sales and swaps programs in Q2 2018. There were no other material gains or losses associated with other financial instruments in 2018.

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 ramp-up of the Sulfide Project as discussed in the "*Business Conditions and Trends*" section above. As of June 30, 2018, the remaining unsettled gold forward sales under the hedge program totals 30,527 ounces at an average gold price of \$1,324 for settlement during the period between July and December 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, 2018, Turkish VAT receivable totaled \$13.2 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. Interest expense as related to borrowings on the finance facility are based on a variable interest rate of LIBOR plus 3.5% to 3.95%. 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. In May 2018, the Corporation entered into an interest rate swap program to limit exposure to the impact of the variable LIBOR interest rate volatility. As of June 30, 2018, the unsettled interest rate swaps program was applicable to approximately 80% of the Finance Facility loan at an average fixed LIBOR rate of 2.86% for settlements during the period between September 2018 and December 2021.

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 TRY volatility. As of June 30, 2018, the remaining unsettled foreign currency forward sales under the hedge program totals 49,250,000 TRY at an average FX rate of 3.9 for settlement during the period between July and September 2018. The Corporation holds USD and TRY in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately \$3.4 million denominated in TRY as of June 30, 2018.

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 key measures used within the industry for assessing performance. These non-IFRS 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) and Total Cash Costs (C2) are calculated using guidance issued by the Gold Institute and adopted by the World Gold Council. 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) includes mining, processing, transport and refinery costs, mine site support costs, movement in production inventories, and by-product credits, where relevant.

Total Cash Costs (C2) includes 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.

The following table reconciles these non-IFRS financial measures to the consolidated statements of profit and comprehensive profit for the three and six-months ended June 30, 2018 and 2017.

In \$000s, except for per ounce measures	Anagold Oxide	Anagold Sulfide	Total Anagold	Corporate & Other	Q2 2018 Total Alacer Gold	Q2 2017 Total Alacer Gold
Gold Ounces Sold (Oxide Only)	24,952	-	24,952	-	24,952	28,415
Production Costs-IFRS / Total Cash Costs (C2)-Non-IFRS	\$ 12,796	\$ -	\$ 12,796	\$ -	\$ 12,796	\$ 20,326
Total Cash Cost (C2) per ounce	\$ 513	\$ -	\$ 513	\$ -	\$ 513	\$ 715
General and administrative & Other	\$ 527	\$ -	\$ 527	\$ 3,425	\$ 3,952	\$ 2,515
Applicable Exploration Costs	\$ 1,176	\$ -	\$ 1,176	\$ 153	\$ 1,329	\$ 607
Sustaining Capital Expenditures	\$ 2,834	\$ -	\$ 2,834	\$ 264	\$ 3,098	\$ 2,377
All-In Sustaining Costs	\$ 17,333	\$ -	\$ 17,333	\$ 3,842	\$ 21,175	\$ 25,825
All-in Sustaining Costs (AISC) per ounce	\$ 695	\$ -	\$ 695	\$ 154	\$ 849	\$ 909
Non-sustaining Costs	\$ -	\$ 63,418	\$ 63,418	\$ 3,213	\$ 66,631	\$ 95,087
All-in Costs	\$ 17,333	\$ 63,418	\$ 80,751	\$ 7,055	\$ 87,806	\$ 120,912
All-in Costs (AIC) per ounce	\$ 695	\$ 2,542	\$ 3,236	\$ 283	\$ 3,519	\$ 4,255

In \$000s, except for per ounce measures	Anagold Oxide	Anagold Sulfide	Total Anagold	Corporate & Other	YTD 2018 Total Alacer Gold	YTD 2017 Total Alacer Gold
Gold Ounces Sold (Oxide Only)	67,083	-	67,083	-	67,083	63,219
Production Costs-IFRS / Total Cash Costs (C2)-Non-IFRS	\$ 36,053	\$ -	\$ 36,053	\$ -	\$ 36,053	\$ 45,083
Total Cash Cost (C2) per ounce	\$ 537	\$ -	\$ 537	\$ -	\$ 537	\$ 713
General and administrative & Other	\$ 980	\$ -	\$ 980	\$ 7,399	\$ 8,379	\$ 8,267
Applicable Exploration Costs	\$ 2,585	\$ -	\$ 2,585	\$ 303	\$ 2,888	\$ 1,032
Sustaining Capital Expenditures	\$ 4,618	\$ -	\$ 4,618	\$ 301	\$ 4,919	\$ 2,687
All-In Sustaining Costs	\$ 44,236	\$ -	\$ 44,236	\$ 8,003	\$ 52,239	\$ 57,069
All-in Sustaining Costs (AISC) per ounce	\$ 659	\$ -	\$ 659	\$ 119	\$ 779	\$ 903
Non-sustaining Costs	\$ -	\$ 142,031	\$ 142,031	\$ 5,727	\$ 147,758	\$ 173,315
All-in Costs	\$ 44,236	\$ 142,031	\$ 186,267	\$ 13,730	\$ 199,997	\$ 230,384
All-in Costs (AIC) per ounce	\$ 659	\$ 2,117	\$ 2,777	\$ 205	\$ 2,981	\$ 3,644

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, 2018. 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, 2018 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, 2018 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, 2018.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares ¹			293,840,088
Convertible Securities	Various	N / A	2,898,516
			<u>296,738,604</u>

¹ Common shares outstanding include 94,864,815 shares represented by CDI as of June 30, 2018, 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, available at www.sedar.com and at www.asx.com.au.

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 Mineral Resource and Mineral Reserve and exploration results is based on, and fairly represents, the information and supporting documentation prepared by Messrs. Ligocki, Statham, and Soylu who are Qualified Persons pursuant to NI 43-101 and Competent Persons as defined in the JORC Code. Further information is available in the Çakmaktepe Update and the Ardich Update.

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.

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.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six-month periods ended June 30, 2018

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

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.