MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Three and Six Month Periods Ended June 30, 2016

The following management discussion and analysis ("MD&A") is as of July 24, 2016 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, 2016. The MD&A supplements and complements the Corporation's unaudited interim consolidated financial statements for the three and six month periods ended June 30, 2016 (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, 2015. Comparison herein is provided to the three and six month periods ended June 30, 2015. 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 2015 and related notes, which are available on the Corporation's web site at www.alacergold.com and on SEDAR at www.sedar.com. The June 30, 2016 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 our financial condition and results of operations as of and for the three and six month periods ended June 30, 2016, as well as our outlook for the remainder of 2016.

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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"). 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 700 miles southeast from Istanbul, Turkey and 340 miles 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. All required land use permits for the Heap Leach Pad Phase 4 ("HLP4") expansion have been received. The Corporation continues to evaluate opportunities to optimize and extend oxide production beyond the current reserves, including a new heap leach pad site to the west of the Çöpler Mine.

- Çöpler Sulfide Project – the Sulfide Project will deliver long-term growth with robust financial returns and adds over 20 years of production at Çöpler. The Sulfide Project will bring Çöpler's remaining life-of-mine gold production to 4 million ounces[1] at All-in Sustaining Costs[2] averaging $645 per ounce. The Environmental Impact Assessment and all required land use permits for construction have been approved. Detailed information regarding the Çöpler Sulfide Project can be found in the Technical Report dated June 9, 2016 entitled "Technical Report on the Çöpler Mine and Çöpler Sulfide Expansion Project" ("the Updated Technical Report") available on SEDAR at www.sedar.com and on the Corporation's website.

- 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. Çakmaktepe Southeast, Çakmaktepe East, Çakmaktepe North and Bayramdere are the main focus in the Çöpler District, which are shallow, oxide targets with favorable metallurgy and have the potential for rapid development. In the region, evaluation work is advancing and an update on the Dursunbey Project in western Turkey will be provided in Q3 2016.

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.

[1] Alacer has an 80% controlling interest of the Çöpler Gold Mine.
[2] 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, please see the *"Non-IFRS Measures"* section of this MD&A.

Highlights

Strategic

- On April 20, 2016, the Corporation received approval for a number of permits from the Turkish authorities including those required for construction of the Sulfide Project, the HLP4 expansion and additional exploration permits.
- On May 12, 2016, the Corporation announced the Board of Directors has approved full construction of the Çöpler Sulfide Expansion Project ("the Project"). Following approval of the Project, key contracts for EPCM, sulfide process plant construction and the long-term oxygen supply were executed.
- On June 2, 2016, the Corporation announced the appointment of Stewart Beckman as Chief Operating Officer.
- On June 9, 2016, an Updated Technical Report on the Çöpler Mine was filed on *www.sedar.com,* on the Australian Securities Exchange and on the Corporation's website.
- On June 17, 2016, the Corporation announced that it signed the previously announced $350 million finance facility with a syndicate of lenders.
- On June 20, 2016, the first concrete was poured for the construction of the Sulfide Project.
- On June 24, 2016, the Corporation announced it sold 160,000 ounces of forward gold contracts under a hedge program to further de-risk the Sulfide Project. As of the date of this MD&A, the hedge program totals 175,000 ounces at an average gold price of $1,282.
- On July 21, 2016, the Corporation released its third set of drilling results for the Çakmaktepe North (formerly Yakaplu North) prospect in the Çöpler District.

Operational

- Gold production for the quarter of 30,047 ounces and attributable gold production[1] of 24,038 ounces was in line with guidance whereby production is expected to increase in the second half of the year.
- Q2 Total Cash Costs[2] per ounce (C2) were $752 and All-in Sustaining Costs[2] per ounce were $940.
- Expansion of the existing heap leach pad to 58 million tonnes continues to advance.
- Sulfide stockpiles at the end of the second quarter were 6.4 million tonnes at an average grade of 3.43 g/t gold or over 700,000 contained gold ounces.

Financial

- The Corporation ended the second quarter with cash of $311.4 million.
- An undrawn finance facility of $350 million is in place.
- Working capital was $351.7 million at June 30, 2016.
- Cash flow from operating activities year-to-date total $26.2 million.
- Attributable net profit[1] for Q2 2016 was $12.2 million or $0.04 per share.

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

[2] Total Cash Costs 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, please see the "*Non-IFRS Measures*" section of this MD&A.

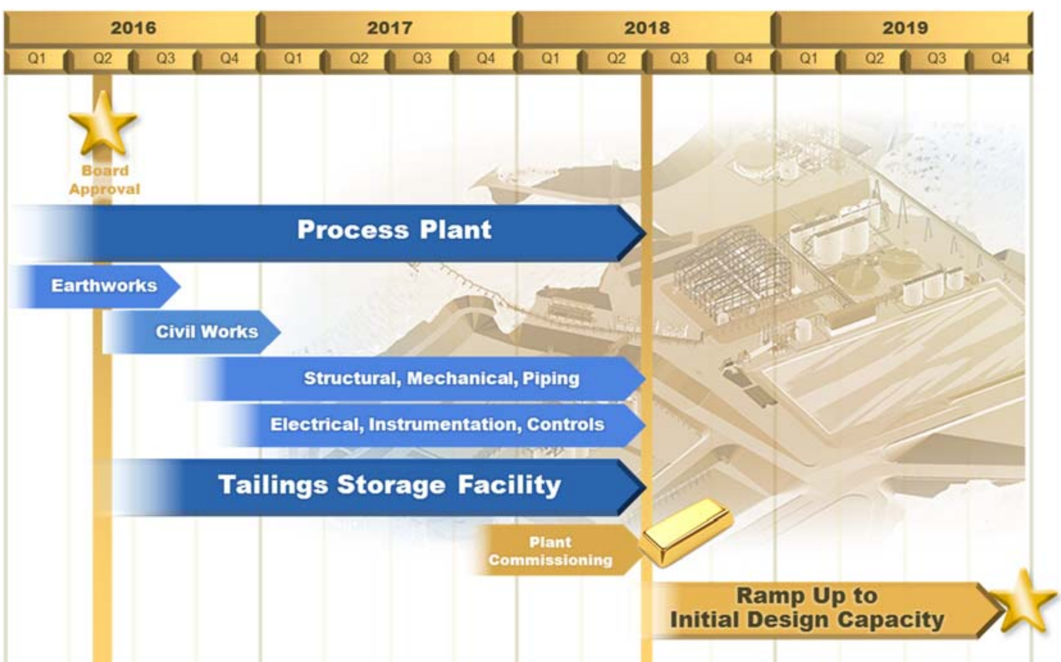
Çöpler Sulfide Expansion Project Update

On May 12, 2016 the Board of Directors approved the Çöpler Sulfide Expansion Project ("the Project") to proceed into full construction. The Project will deliver long-term growth with robust financial returns and adds over 20 years of production at Çöpler. The Project will bring Çöpler's remaining life-of-mine gold production to 4 million ounces at All-in Sustaining Costs averaging $645 per ounce. The Environmental Impact Assessment and all required land use permits for construction have been approved. Detailed information can be found in the Press Release entitled "Alacer Gold Announces Çöpler Sulfide Project Approval" available at www.sedar.com and on the Corporation's website.

Following full approval of the Project, a number of key contracts and purchase orders were awarded.

- Key contracts were awarded for EPCM, sulfide process plant construction, and the long-term oxygen supply.
- Key purchase orders were placed for Grinding Mills, Autoclave Vessels, Field Fabricated Tanks, Thickeners, Positive Displacement Pumps, Sizer, Structural Steel Fabrication, Autoclave Agitators, and Autoclave Lining.

As of June 30, 2016, the bulk earthworks for the process plant was completed and the first concrete had been poured. Commitments of $204 million have been placed. The Corporation has spent $71 million of the $744 million Project capital estimate.



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

Updated Mineral Resources and Mineral Reserves Estimates

The results of the Mineral Resources in the Updated Technical Report are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Further information is provided in the Updated Technical Report issued on June 9, 2016 and is available on the Corporation's website at www.alacergold.com and on SEDAR at www.sedar.com.

Mineral Resources for the Çöpler Deposit (As of December 31, 2015) (100% Basis)							
Gold Cut-off Grade (g/t)	**Material Type**	**Mineral Resources Category Material**	**Tonnes (x1000)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Contained Au Ounces**
Variable	*Oxide*	Measured	-	-	-	-	-
		Indicated	24,959	1.04	3.19	0.13	836,000
		Stockpile - Indicated	148	0.87	-	-	4,000
		Measured + Indicated	**25,106**	**1.04**	**3.17**	**0.13**	**840,000**
		Inferred	20,863	0.83	6.40	0.13	557,000
1.0	*Sulfide*	Measured	-	-	-	-	-
		Indicated	70,151	2.12	5.94	-	4,771,000
		Stockpile - Indicated	5,102	3.67	-	-	602,000
		Measured + Indicated	**75,253**	**2.22**	**5.53**	**-**	**5,373,000**
		Inferred	12,739	1.99	12.00	-	814,000
Variable	*Stockpiles*	Indicated	5,250	3.59	-	-	606,000
Variable	***Total***	Measured	-	-	-	-	-
		Indicated	100,359	1.93	4.95	0.03	6,213,000
		Measured + Indicated	**100,359**	**1.93**	**4.94**	**0.03**	**6,213,000**
		Inferred	**33,602**	**1.27**	**8.52**	**0.08**	**1,371,000**

Mineral Reserves for the Çöpler Deposit (As of December 31, 2015) (100% Basis)						
Mineral Reserves Category Material	**Tonnes (x1000)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Contained Au Ounces**	**Recoverable Au Ounces**
Proven - Oxide In-Situ	-	-	-	-	-	-
Probable - Oxide In-Situ	17,836	1.13	3.53	0.13	650,000	494,000
Probable - Oxide Stockpile	148	0.87	-	-	4,000	3,000
Total - Oxide	**17,984**	**1.13**	**3.50**	**0.13**	**654,000**	**497,000**
Proven - Sulfide In-Situ	-	-	-	-	-	-
Probable - Sulfide In-Situ	34,879	2.63	7.23	-	2,944,000	2,829,000
Probable - Sulfide Stockpile	5,102	3.67	-	-	602,000	579,000
Total - Sulfide	**39,982**	**2.76**	**6.30**	**-**	**3,546,000**	**3,408,000**
Proven - Oxide + Sulfide + Stockpile	-	-	-	-	-	-
Probable - Oxide + Sulfide + Stockpile	57,965	2.25	5.44	0.04	4,200,000	3,905,000
Total - Oxide + Sulfide	**57,965**	**2.25**	**5.44**	**0.04**	**4,200,000**	**3,905,000**

Notes: Further information on this resource estimate is in the Updated Technical Report, which can be found on the Corporation's website at *www.AlacerGold.com*. Mineral Resources are quoted after mining depletion and are inclusive of Mineral Reserves. The Mineral Reserve methodology and cut-off grades are discussed in the Updated Technical Report. Mineral Resources and Mineral Reserves are shown on a 100% basis, of which Alacer owns 80%. The key assumptions, parameters, and methods used to estimate the Mineral Resources and Mineral Reserves are provided in the Updated Technical Report. 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)

Results of Operations

Çöpler Gold Mine: [1]	Q2 2016		Q2 2015		YTD 2016		YTD 2015
Waste tonnes mined		7,670,656		6,201,925		14,545,042	10,433,481
Oxide ore mined - tonnes		1,128,038		1,813,797		2,209,294	3,543,220
Oxide ore mined - grade (g/t)		0.85		1.29		0.91	1.53
Oxide ore mined - ounces		30,939		75,435		64,847	174,663
Sulfide ore mined - tonnes [2]		639,731		483,725		1,345,925	939,186
Sulfide ore mined - grade (g/t) [2]		2.27		2.93		2.55	2.85
Sulfide ore stockpiled - ounces [2]		46,691		45,641		110,143	86,116
Oxide ore treated - tonnes		1,224,549		1,832,079		2,352,047	3,503,302
Oxide ore treated - head grade (g/t)		0.87		1.37		0.91	1.55
Gold ounces produced		30,047		53,757		61,973	104,706
Gold ounces sold		30,263		53,784		62,013	104,796
Attributable: (80% ownership)							
Gold ounces produced		24,038		43,006		49,578	83,765
Gold ounces sold		24,210		43,027		49,610	83,837
Cash Operating Costs/ounce sold (C1) [3]	$	739	$	383	$	690	$ 400
Total Cash Costs/ounce sold (C2) [3]	$	752	$	386	$	705	$ 414
All-in Sustaining Costs/ounce sold [3]	$	940	$	598	$	892	$ 643
All-in Costs/ounce sold [3]	$	2,149	$	725	$	1,809	$ 794
Average realized gold price	$	1,252	$	1,193	$	1,219	$ 1,202

[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 6.4 million tonnes at 3.43 g/t gold).
[3] Cash Operating Costs per ounce (C1), Total Cash Costs per ounce (C2), 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, see the "*Non-IFRS Measures*" section of this MD&A.

Second Quarter 2016 vs. Second Quarter 2015

Gold production of 30,047 ounces in Q2 2016 declined 44% as compared to Q2 2015. This decrease is due to oxide ore tonnes mined decreasing 38% and oxide ore grade declining 34% as compared to Q2 2015. These declines have driven a 95% increase in Total Cash Costs per ounce (C2) from Q2 2015 to Q2 2016. As per guidance, 2016 gold production is expected to increase in the second half of the year as mining reaches higher grade oxide ore.

Waste tonnes mined were 24% higher in Q2 2016 as compared to Q2 2015 due to the Marble Pit layback and Manganese Pit pushback. While these activities resulted in an increase in waste material mined, it is expected to facilitate access to higher grade oxide ore tonnes in the second half of the year as per the mine plan.

Cash Operating Costs per ounce (C1) in Q2 2016 of $739 were 93% higher than Q2 2015. The increase reflects the impact of fewer ounces sold due to a decline in oxide ore grade and oxide ore tonnes processed, higher waste tonnes mined and higher processing unit costs.

Total Cash Costs per ounce (C2) in Q2 2016 of $752 were 95% higher than Q2 2015, primarily reflecting the increase in Cash Operating Costs (C1). C2 costs are expected to decrease in the second half of 2016 as production increases from the mining of higher grade oxide ore tonnes.

All-in Sustaining Costs per ounce in Q2 2016 of $940 were 57% higher than Q2 2015, primarily due to higher Total Cash Costs per ounce (C2) noted above, partly offset by lower sustaining capital expenditures ($20 per ounce in Q2 2016 versus $126 per ounce in Q2 2015).

All-in Costs per ounce in Q2 2016 of $2,149 were higher than Q2 2015. The increase reflects higher growth capital spending due to the ramp up in construction of the Sulfide Project ($1,038 per ounce in Q2 2016 versus $113 per ounce in Q2 2015), and higher All-in Sustaining Costs noted above.

Year-to-Date 2016 vs. Year-to-Date 2015

Gold production of 61,973 ounces in YTD 2016 declined 41% as compared to YTD 2015. This decrease is due to oxide ore tonnes mined decreasing 38% and oxide ore grade declining 41% as compared to YTD 2015. These declines have driven a 70% increase in Total Cash Costs per ounce (C2) from YTD 2015 to YTD 2016. As per guidance, 2016 gold production is expected to increase in the second half of the year as mining reaches higher grade oxide ore.

Waste tonnes mined were 39% higher YTD 2016 as compared to YTD 2015 due to the Marble Pit layback and Manganese Pit pushback. While these activities resulted in an increase in waste material mined, it is expected to facilitate access to higher grade oxide ore tonnes in the second half of the year as per the mine plan.

Cash Operating Costs per ounce (C1) YTD 2016 of $690 were 73% higher than YTD 2015. The increase reflects the impact of fewer ounces sold due to a decline in oxide ore grade and oxide ore tonnes processed, higher waste tonnes mined and higher processing unit costs.

Total Cash Costs per ounce (C2) YTD 2016 of $705 were 70% higher than YTD 2015, primarily reflecting the factors noted above in Cash Operating Costs (C1). C2 costs are expected to decrease in the second half of 2016 as production increases from the mining of higher grade oxide ore tonnes.

All-in Sustaining Costs per ounce YTD 2016 of $892 were 39% higher than YTD 2015 due to the increase in Total Cash Costs per ounce (C2) noted above, partly offset by lower sustaining capital expenditures ($29 per ounce YTD 2016 versus $138 per ounce YTD 2015).

All-in Costs per ounce YTD 2016 of $1,809 were 128% higher than YTD 2015. The higher cost per ounce reflects higher growth capital spend due to the ramp up in construction of the Sulfide Project ($788 per ounce YTD 2016 versus $134 per ounce YTD 2015) and higher All-in Sustaining Costs noted above.

(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 2016 and YTD 2016 is presented below:

Capital Investments (in '000)	Q2 2016		YTD 2016	
	100%	Attributable[1]	100%	Attributable[1]
Sustaining and general capital				
Heap Leach Pad Phase 4 expansion	$ 303	$ 243	$ 1,056	$ 845
General plant and other assets	295	236	766	613
Sustaining capital - Total	$ 598	$ 479	$ 1,822	$ 1,458
Growth capital				
Sulfide Project Costs	$ 31,403	$ 25,122	$ 48,865	$ 39,092
Other growth	1,756	1,572	3,665	3,259
Growth capital - Total	$ 33,159	$ 26,694	$ 52,530	42,351
Total capital expenditures	**$ 33,757**	**$ 27,173**	**$ 54,352**	**$ 43,809**
Long-term asset - Çöpler Sulfide Stockpiles	**$ 7,599**	**$ 6,079**	**$ 15,410**	**$ 12,328**

[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 YTD 2016 totaled $1.8 million, including $1.1 million for the HLP4 expansion. Expenditures to complete the HLP4 expansion are expected to continue into 2017.

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 $48.9 million for YTD 2016 were as planned and included advancement of the detailed engineering phase, the execution of key contracts, contractor site mobilization, and construction work. Expenditures are forecast to total $265 million for 2016 as project construction advances. Other growth capital expenditures of $3.7 million for YTD 2016 were primarily related to capitalized waste material for construction activities.

Long-term asset - Çöpler Sulfide Stockpiles reflects sulfide ore mined and stockpiled. YTD 2016, 1.3 million tonnes of sulfide ore at an average grade of 2.55 g/t were added to the sulfide stockpiles. Costs related to the mining and stockpiling of sulfide ore totaled $15.4 million. The high grade, medium grade and low grade sulfide stockpiles at June 30, 2016 totaled 6.4 million tonnes at an average grade of 3.43 g/t gold (over 0.7 million contained ounces) and carried a total cost of $61.2 million (or approximately $9.50 per tonne).

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

Exploration and Evaluation

The Corporation holds a significant portfolio of highly prospective under-explored land holdings across Turkey. The Corporation continues to explore for opportunities to further expand current operations and to become a sustainable multi-mine producer with a focus on Turkey.

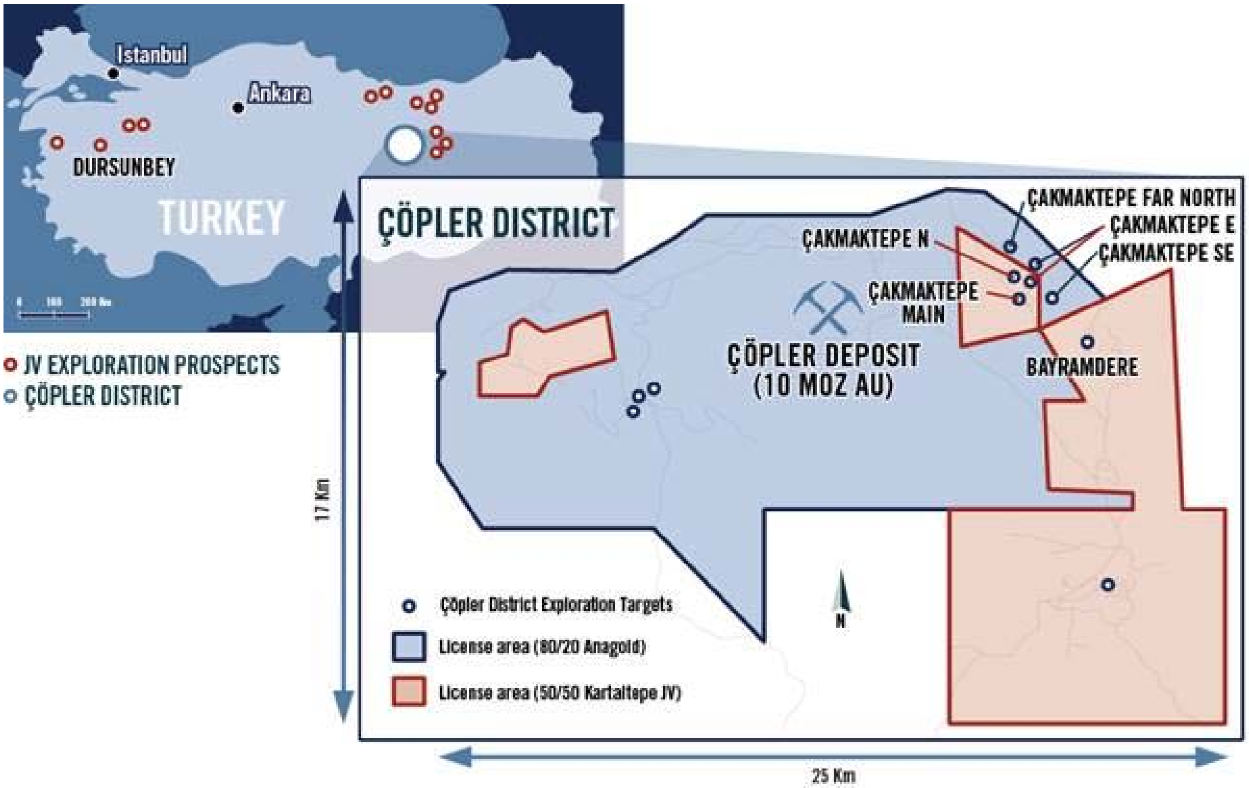
The Corporation is taking a disciplined and systematic approach to the exploration program with efforts focused in two parts. Firstly, exploration continues for satellite oxide deposits in the Çöpler District at Çakmaktepe and Bayramdere that can add near-term value by leveraging Çöpler's existing infrastructure, including the excess capacity arising from the HLP4 expansion. Secondly, drilling and metallurgical work was completed in 2015 and is being evaluated on the Dursunbey discovery in western Turkey. The Corporation expects to provide a comprehensive update on the Dursunbey Project in Q3 2016. The early exploration results from the Çöpler District and the Dursunbey Project have been encouraging and have increased the confidence that these prospects will add to the Corporation's near-term and mid-term organic growth pipeline.

Overall exploration activities for YTD 2016 as well as activities planned for the remainder of 2016 are discussed below.

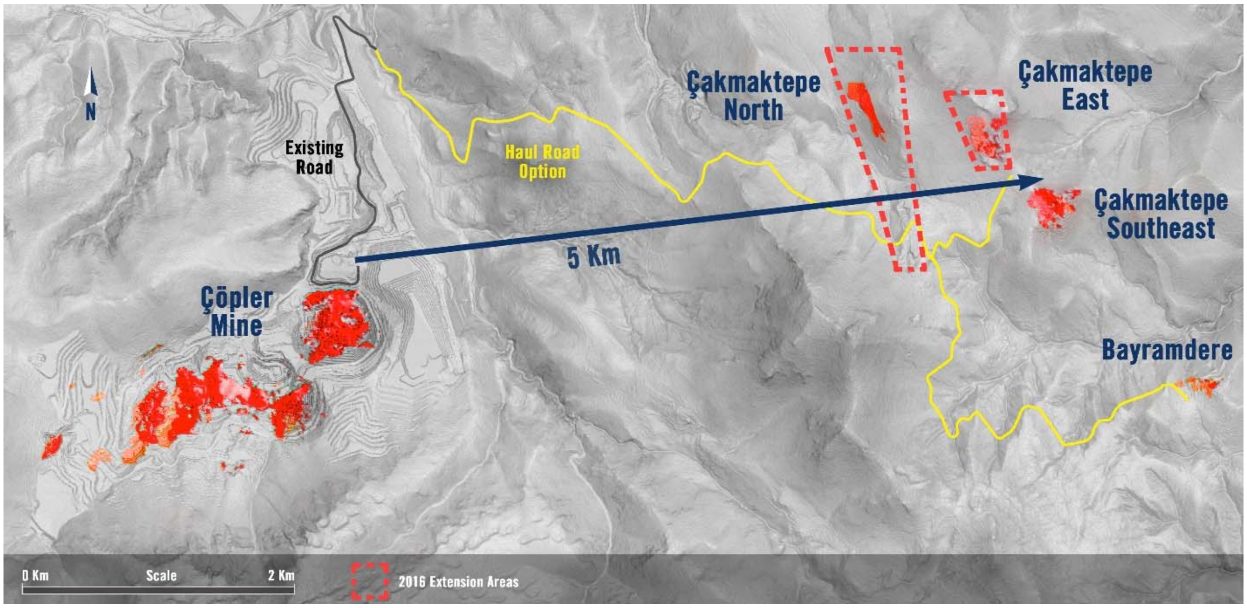
YTD 2016 Exploration spending (in '000)[1]	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler District 80/20	80%	$ 1,119	$ 895
Çöpler District 50/50	50%	6,863	3,432
Turkey Regional - Dursunbey[2]	20%	4,223	845
Turkey Regional and other	Varied	882	364
Total		$ 13,087	$ 5,536

[1] Exploration attributable to joint venture spending is accounted for as other losses under the equity method of accounting.
[2] Dursunbey Project ownership will be 50% after claw-back amount is invested. Claw-back cost as of June 30, 2016 estimated to be $7.1 million.

Çöpler District Exploration Program



The recent Çöpler District exploration updates announced on December 9, 2015, March 31, 2016, and July 21, 2016 discussed the progress achieved to date. 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 prospects of particular focus are Çakmaktepe Southeast, Çakmaktepe East, Çakmaktepe North and Bayramdere. These are shallow oxide ore targets and have the potential to add to our oxide production within the next two years. Based on the results to date, the Çakmaktepe prospects will continue to advance in 2016 with the intention of releasing a maiden Mineral Resource later this year.



The **Çakmaktepe North** prospect is a relatively new discovery and is located on the 50% Alacer-owned (Kartaltepe) area. As announced on July 21, 2016, Çakmaktepe North is the largest of the defined gold prospects within the Çöpler District. The drilling conducted between January 1 to May 31, 2016 included infill drilling and continues to expand on the initial 2015 discovery. The Çakmaktepe area contains a network of structures allowing for gold mineralization to occur within multiple lithologies. The mineralization style is similar to the Çöpler Deposit and is expected to be processed through the existing crushing and agglomeration circuit and stacked on the existing heap leach pad facility at the Çöpler Mine. The mineralized system is currently open in all directions, providing the potential for additional mineralization. Initial design work for the proposed haul road to the Çöpler Mine infrastructure has been undertaken and the permitting process is under way.

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, but significantly, the main body of mineralization appears to be associated with a subvertical shear zone referred to as the 'Main Shear'. This domain is over 40m wide and has a potentially mineralized strike length of over 1,000m. Work to date has identified high grade gold over a strike length of 700m. There are currently 8 diamond drill rigs and 1 reverse circulation drill rig completing resource definition drilling across the Çakmaktepe North prospect.

The **Çakmaktepe Southeast** prospect is on the 80% Alacer-owned (Anagold) area and is characterized by gold-copper-silver mineralization, mainly hosted within iron rich gossans and altered wallrocks 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 grade continuity and varied in 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) 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 the diorite contacts. The majority of mineralization is within 50m of surface and the prospect currently has a 350m strike extent and is 150m wide across-strike. The mineralized gossans have very 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) 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 high, but are restricted to localized areas of gossan. The prospect mineralization is stratigraphically constrained with mineralization daylighting 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 can support a high strip ratio to access mineralization.

The Bayramdere and the Çakmaktepe prospects are geologically connected, being 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 tenements. A major component of the 2016 drilling program is focused on further testing of the geologic model to potentially extend the model and discover new mineralization, and to complete the work necessary to report NI 43-101 and JORC compliant resources on the Çakmaktepe and Bayramdere prospects.

Other Exploration Joint Ventures in Turkey

The Dursunbey Project is located in Balıkesir Province, about 370 km west of Ankara and 190 km to the south of Istanbul. The Dursunbey deposit was discovered in April 2013 when its second drill hole (DRD-002) intersected 26.5m at 7.9 g/t gold and 77 g/t silver from surface. The Corporation has elected to exercise its right to claw back ownership in the Dursunbey Project from 20% to 50% with an estimated claw back cost of $7.1 million at June 30, 2016. Evaluation work is advancing and an update on the Dursunbey Project will be provided in Q3 2016.

(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 2016 and YTD 2016 as compared to the same periods of 2015 are presented below.

Consolidated Financial Summary (in '000, except for per share)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Gold sales	$ 37,881	$ 64,138	$ 75,570	$ 125,954
Less:				
Production costs	22,760	20,785	43,691	43,372
Depreciation, depletion and amortization	10,507	11,579	20,546	24,548
Mining gross profit	$ 4,614	$ 31,774	$ 11,333	$ 58,034
Less:				
Other costs	10,380	8,321	13,391	13,886
Exploration and evaluation	4,079	1,432	5,536	2,849
Income tax (benefit) expense	(25,985)	2,972	(27,709)	424
Total net profit and comprehensive profit	$ 16,140	$ 19,049	$ 20,115	$ 40,875
Amounts attributable to owners of the Corporation:				
Total net profit	**$ 12,189**	**$ 13,921**	**$ 14,286**	**$ 29,125**
Total net profit per share - basic	$ 0.04	$ 0.05	$ 0.05	$ 0.10
Total net profit per share – diluted	$ 0.04	$ 0.05	$ 0.05	$ 0.10
Cash Flows				
Operating cash flows	$ 11,761	$ 24,025	$ 26,159	$ 47,913
Investing cash flows	(44,969)	(16,583)	(73,333)	(36,150)
Financing cash flows	(1,083)	(498)	(1,546)	(904)
Subtotal - Cash flows	(34,291)	6,944	(48,720)	10,859
Effect of exchange rate changes on cash	$ (454)	$ (279)	$ (630)	$ (889)
Change in cash	$ (34,745)	$ 6,665	$ (49,350)	$ 9,970
Ending cash and cash equivalents	$ 311,395	$ 356,585	$ 311,395	$ 356,585

	As of 30-Jun-16	As of 31-Dec-15
Financial Position		
Working capital	$ 351,733	$ 403,871
Total assets	$ 856,108	$ 815,618
Non-current liabilities	$ 34,687	$ 25,193
Total liabilities	$ 70,883	$ 51,367
Total equity	$ 785,225	$ 764,251

Second Quarter 2016 vs. Second Quarter 2015

Attributable Net Profit of $12.2 million was $1.7 million lower than Q2 2015, reflecting a $26.3 million (41%) decrease in revenues and an $8.9 million unrealized hedge loss, offset by a $29.0 million reduction in income tax expense. The Income Tax Benefit of $26.0 million in Q2 2016 was driven by the recognition of incentive tax credits.

Gold sales of $37.9 million were 41% lower than Q2 2015, reflecting a 44% decrease in ounces sold partly offset by a $59 per ounce (5%) higher average realized gold price. Total cost of sales in Q2 2016 increased 3% as compared to Q2 2015, mainly driven by higher cash operating cost per ounce (93%) offset by lower production (44%) and lower DD&A (9%). Mining gross profit in Q2 2016 of $4.6 million decreased 85% compared to Q2 2015 of $31.8 million due primarily to lower gold sales.

Cash and cash equivalents decreased $34.7 million during Q2 2016 as compared to an increase of $6.7 million in Q2 2015. While operating cash flows were $11.8 million in Q2 2016, they were offset by $45.0 million of investing activities related primarily to the Sulfide Project and build of sulfide stockpiles. Operating cash flows in Q2 2016 were $12.3 million lower than Q2 2015 reflecting the decrease in mining gross profit. Financing outflows of $1.1 million during Q2 2016 were due to finance facility holding costs as compared to a $0.5 million outflow in Q2 2015.

Year-to-Date 2016 vs. Year-to-Date 2015

Attributable Net Profit of $14.3 million was $14.8 million lower than YTD 2015, reflecting a $50.4 million (40%) decrease in revenues and an $8.9 million unrealized hedge loss, partly offset by a $28.1 million reduction in income tax expense. The Income Tax Benefit of $27.7 million for YTD 2016 was driven by the recognition of incentive tax credits.

Gold sales of $75.6 million were 40% lower than YTD 2015, reflecting a 41% decrease in ounces sold partly offset by a $17 per ounce (1%) higher average realized gold price. Total cost of sales for YTD 2016 decreased 5% as compared to YTD 2015, due to lower DD&A. Production costs YTD 2016 were essentially equal to YTD 2015. DD&A costs YTD 2016 were lower than YTD 2015 due to lower production. Mining gross profit YTD 2016 of $11.3 million was lower than YTD 2015 of $58.0 million due to lower gold sales.

Cash and cash equivalents decreased $49.4 million YTD 2016 as compared to an increase of $10.0 million for YTD 2015. While operating cash flows were $26.2 million YTD 2016, they were offset by $73.3 million of investing activities related primarily to the Sulfide Project and sulfide stockpiles. Operating cash flows YTD 2016 were lower than YTD 2015 of $47.9 million reflecting the decrease in mining gross profit. Financing outflows during YTD 2016 totaled $1.5 million for finance facility costs versus an outflow of $0.9 million YTD 2015 for finance facility costs. Dividend payments were suspended in 2015 and 2016 due to the capital funding requirements for the Sulfide Project.

Through June 30, 2016, total assets increased by $40.5 million, total liabilities increased by $19.5 million, and total equity increased by $21.0 million. The increase in total assets is due to higher property, plant and equipment, capitalized costs for the sulfide stockpile, and an increase in deferred tax asset. The increase in total liabilities represents higher trade payables, and the obligation for forward gold sales contracts. The increase in equity primarily represents the net profit YTD 2016.

Gold Sales

Details of gold sales for Q2 2016 and YTD 2016 as compared to the same periods of 2015 are presented below:

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Gold ounces sold[1]	30,263	53,784	62,013	104,796
Gold sales ($000)	$ 37,881	$ 64,138	$ 75,570	$ 125,954
Averaged realized price	$ 1,252	$ 1,193	$ 1,219	$ 1,202
Average London PM Fix	$ 1,260	$ 1,192	$ 1,221	$ 1,206

[1] Includes 100% of Çöpler.

For Q2 2016, Alacer's average realized gold price of $1,252 per ounce was $8 per ounce below the quarterly average London PM Fix of $1,260 per ounce. The increase in average realized gold price during Q2 2016 and YTD 2016 as compared to Q2 2015 and YTD 2015 is consistent with price volatilities as discussed below under "*Business Conditions and Trends*". As announced on June 24, 2016, the Corporation has executed a forward gold sales hedging program of 160,000 ounces to be settled from July 2016 to September 2018 in order to secure gold price during construction of the Sulfide Project. As of the date of this MD&A, the hedge program totals 175,000 ounces at an average gold price of $1,282.

Hedging Contracts		
Quarter Ending	**Ounces**	**Average Price**
September 30, 2016	21,236	$1,273
December 31, 2016	27,927	$1,273
March 31, 2017	14,836	$1,273
June 30, 2017	12,219	$1,273
September 30, 2017	20,945	$1,273
December 31, 2017	24,436	$1,273
March 31, 2018	21,819	$1,273
June 30, 2018	10,473	$1,273
September 30, 2018	6,109	$1,273
TOTAL as of June 30, 2016	**160,000**	**$1,273**
Subsequent to June 30, 2016	15,000	$1,372
TOTAL as of July 24, 2016	**175,000**	**$1,282**

Other Costs & Income Tax Expense

Details of other costs, excluding exploration and evaluation, and income tax (benefit) expense for Q2 2016 and YTD 2016 as compared to the same periods of 2015 are presented below:

(In $000's)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
General and administrative	$ 2,036	$ 2,430	$ 4,695	$ 5,576
Share-based employee compensation costs	2,444	1,843	4,066	3,267
Foreign exchange loss	922	3,244	453	4,641
Other loss	4,978	804	4,177	402
Total corporate and other costs	10,380	8,321	13,391	13,886
Income tax (benefit) expense	(25,985)	2,972	(27,709)	424
Total other costs	$ (15,605)	$ 11,293	$ (14,318)	$ 14,310

General and administrative costs YTD 2016 decreased 16% versus YTD 2015. This reflects the impact of the Corporation taking a continued disciplined approach to cost reductions in response to gold price volatility.

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. Costs in Q2 2016 and YTD 2016 were higher than the same periods of 2015 primarily due to a higher share price and equity grants.

Foreign exchange loss results from movements in the USD to TRY exchange rate as applied to Turkish operations. The loss of $0.5 million for YTD 2016 reflects the devaluation that occurred in Q2 2016 as compared to Q1 2016. The loss of $4.6 million for YTD 2015 was due to a higher rate of devaluation in 2015.

Other loss for YTD 2016 of $4.2 million includes an unrealized hedge loss of $8.9 million for forward gold sales, partly offset by a gain of $4.4 million for settlement of an Australian tax matter, and interest income of $0.6 million. The unrealized hedge loss relates to the forward gold sales executed to secure gold price during the construction of the Sulfide Project. The forward gold sales will settle over the period from July 2016 through September 2018.

Income tax benefit for Q2 2016 and YTD 2016 results primarily from 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. Additionally, as the TRY has strengthened YTD 2016, a reduction of deferred taxes on the revaluation of non-monetary balance sheet accounts was derived.

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

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, 2016.

(in '000, except for per share)	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Total revenues	$ 37,881	$ 37,689	$ 51,050	$ 60,260	$ 64,138	$ 61,816	$ 76,509	$ 79,581
Amounts attributable to owners of the Corporation:								
Net Profit (loss)	$ 12,189	$ 2,097	$ 10,004	$ 7,356	$ 13,921	$ 15,204	$ 31,979	$ 14,809
Per share profit (loss):								
- basic	$ 0.04	$ 0.01	$ 0.03	$ 0.03	$ 0.05	$ 0.05	$ 0.11	$ 0.06
- diluted	$ 0.04	$ 0.01	$ 0.03	$ 0.03	$ 0.05	$ 0.05	$ 0.11	$ 0.05

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, credit facility obligations, and other contractual obligations when due. Historically, the Corporation has used cash flow from operations and existing bank credit facilities as primary sources of liquidity. For potential funding of large transactions such as acquisitions, mine development and expansion, and debt financing transactions, Alacer may look to the private and public capital markets as a source of financing. Currently, capital resources at June 30, 2016 are sufficient to fund planned operations, forecasted exploration and capital expenditures, and reclamation and remediation obligations in 2016. 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 undrawn finance facility of $350 million, with a syndicate of lenders (BNP Paribas (Suisse) SA, ING Bank A.S., Societe Generale Corporate & Investment Banking and UniCredit Bank Austria AG). The facility agreement has no mandatory hedging, has an 8-year term and interest rates of LIBOR plus 3.5% to 3.95%. Advances under the facility are subject to customary conditions precedent including execution of security documentation and a minimum of $220 million capital spend at Çöpler. As of June 30, 2016, the Corporation has sufficient liquidity to meet this minimum spend requirement.

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 decreased $36.9 million during Q2 2016 to $351.7 million primarily due to expenditures on the Sulfide Project. Current assets are available 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 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

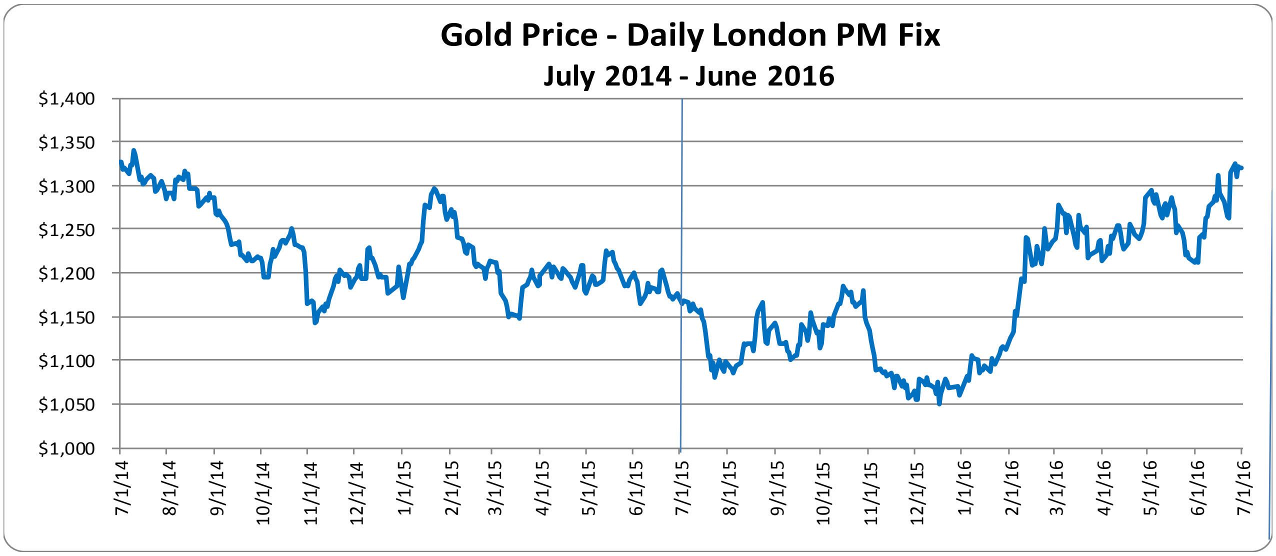
The Corporation's results of operations, financial condition, financial performance and cash flows are affected by various business conditions and trends. The variability of gold prices, fluctuating currency rates and increases and decreases in costs of materials and consumables associated with the Corporation's mining activities are the primary economic factors that have impacted financial results during YTD 2016.

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 and 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. On June 24, 2016, the Corporation announced it sold 160,000 ounces of forward gold contracts under a hedge program to further de-risk the Sulfide Project. As of the date of this MD&A, the hedge program totals 175,000 ounces at an average gold price of $1,282.

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

During Q2 2016, the gold price continued to experience volatility, with the closing London PM Fix price ranging from $1,212 to $1,325 per ounce. The price of gold closed at $1,321 per ounce on June 30, 2016 and the average Q2 2016 market price of $1,260 per ounce represents a $68 per ounce increase over the $1,192 per ounce average market price for Q2 2015.



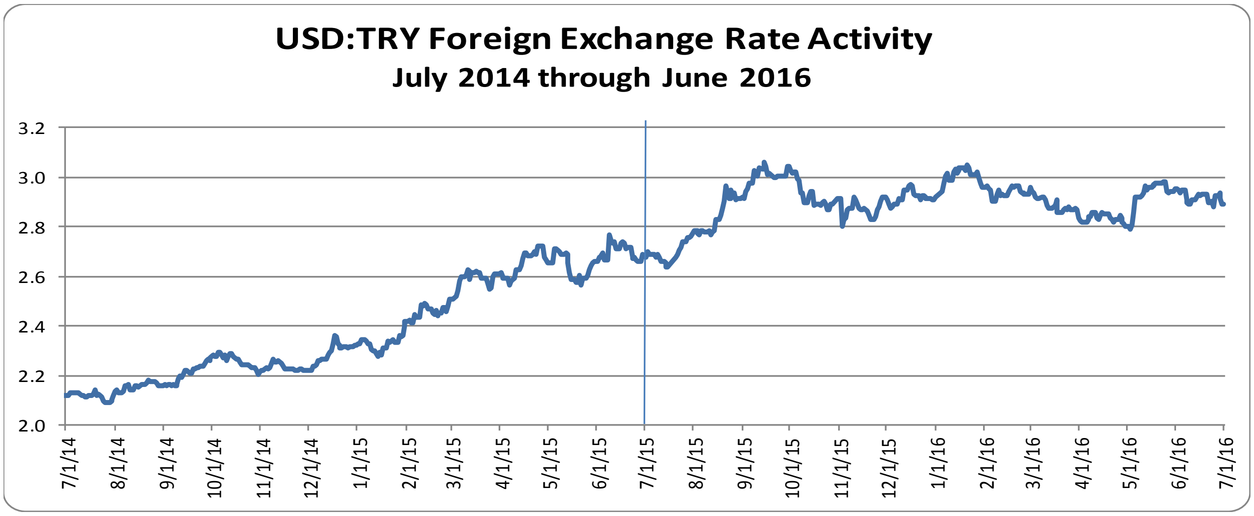
Currency Rates

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

The Corporation's earnings and cash flow may also be affected by fluctuations in the exchange rate between the USD and the TRY. Such fluctuations may give rise to foreign currency exposure, which may affect future financial results. The Corporation has not entered into any foreign currency forward contracts or other similar financial instruments to manage foreign currency risk. Period-end 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 2016	31-Dec 2015	30-June 2015	31-Dec 2014	Q2 2016	Q2 2015	YTD 2016	YTD 2015
USD:TRY	2.89	2.91	2.69	2.32	2.89	2.66	2.92	2.56

The chart below shows the movement in the USD:TRY foreign exchange rate from July 1, 2014 through June 30, 2016.



Inflation Rates

Inflation rates in Turkey have averaged between approximately 7.5%[1] and 8.0%[1] from 2015 through June 30, 2016. Currently, the Corporation has not experienced any material direct liability 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 to protect against movements in the cost of commodities, materials or services.

Transactions with Related Parties

In the second quarter of 2016, the Corporation entered into a new related party agreement for the construction of the sulfide process plant with an affiliate of our joint venture partner, GAP İNŞAAT YATIRIM VE DIŞ TİCARET A.Ş. ("GAP"). The current scope of work under the contract is valued at an estimated $89 million of which cash of $4.3 million was advanced to GAP in Q2 2016 for mobilization and related costs.

Additionally, key management compensation is deemed a related party transaction and as outlined in the Management Information Circular and in Note 22 to the Corporation's audited annual consolidated financial statements for the year ended December 31, 2015.

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 audited annual consolidated

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

financial statements for the year ended December 31, 2015. There have been no changes from the accounting policies applied in the December 31, 2015 financial statements during the six-month period ended June 30, 2016, with the exception of Financial Assets. Financial Assets at fair value has been updated to include the forward gold contracts under the hedge program**.**

The preparation of the Corporation's unaudited interim consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may materially differ from the amounts included in the financial statements. A full discussion of these estimates and assumptions is included in Note 5 to the Corporation's audited annual consolidated financial statements for the year ended December 31, 2015, with the exception of fair value estimates related to the forward gold contracts under the hedge program as the program did not exist until Q2 2016. The relevant estimate related to these financial instruments is discussed in Note 11 to the Corporation's interim unaudited quarterly consolidated financial statements for the six-months ended June 30, 2016.

Financial Instruments and Other Instruments

The Corporation's financial instruments as of June 30, 2016 consist of the forward gold sales hedging program, cash and cash equivalents, receivables, investments in publicly traded securities, trade and other payables, presented at fair value. The Corporation's financial instruments are denominated primarily in USD. The Corporation recorded an unrealized loss of $8.9 million on the forward gold sales in Q2 2016. There were no other material gains or losses associated with other financial instruments in Q2 2016.

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 Corporations oxide gold production through forward gold sales agreements. The hedge program objectives are to secure gold price during the construction of the Sulfide Project. As of the date of this MD&A, the hedge program totals 175,000 ounces at an average gold price of $1,282.

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, 2016, Turkish VAT receivable totaled $9.0 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. The Corporation does not presently engage in hedging or speculative activities to manage foreign currency risk. The Corporation holds USD and TRY in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately $3.3 million denominated in TRY as of June 30, 2016. Therefore, the Corporation remains exposed to future currency fluctuations in the USD:TRY foreign exchange rate.

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 per ounce (C1), Total Cash Costs per ounce (C2), All-in Sustaining Costs per ounce and All-in Costs per ounce, and are explained further below.

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

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

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

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

All-in Costs include All-in Sustaining Costs plus growth capital costs and regional joint venture exploration expenditures.

Cash Operating Costs per ounce (C1), Total Cash Costs per ounce (C2), 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, 2016 and 2015.

In $000s, except for per ounce measures	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Production costs - IFRS	$ 22,760	$ 20,785	$ 43,691	$ 43,372
Adjustments: (none)	-	-	-	-
Total Cash Costs	$ 22,760	$ 20,785	$ 43,691	$ 43,372
Divided by: gold ounces sold	30,263	53,784	62,013	104,796
Total Cash Costs per ounce (C2)	**$ 752**	**$ 386**	**$ 705**	**$ 414**
Total Cash Costs	$ 22,760	$ 20,785	$ 43,691	$ 43,372
Less: Royalties and severance taxes	401	179	915	1,415
Cash Operating Costs	$ 22,359	$ 20,606	$ 42,776	$ 41,957
Divided by: gold ounces sold	30,263	53,784	62,013	104,796
Cash Operating Costs per ounce (C1)	**$ 739**	**$ 383**	**$ 690**	**$ 400**
Total Cash Costs – from above	$ 22,760	$ 20,785	$ 43,691	$ 43,372
Add portions of:				
Exploration	$ 662	$ 681	$ 1,200	$ 1,063
General and administrative[1]	1,984	2,063	4,537	5,209
Share-based employee compensation costs	2,444	1,843	4,066	3,267
Sustaining capital expenditures	598	6,766	1,822	14,447
All-in Sustaining Costs	$ 28,448	$ 32,138	$ 55,316	$ 67,358
Divided by: gold ounces sold	30,263	53,784	62,013	104,796
All-in Sustaining Costs per ounce	**$ 940**	**$ 598**	**$ 892**	**$ 643**
Total All-in Sustaining Costs, from above	$ 28,448	$ 32,138	$ 55,316	$ 67,358
Add: Non-sustaining costs[2]	36,577	6,848	56,867	15,879
Total All-in Costs	$ 65,025	$ 38,986	$ 112,183	$ 83,237
Divided by: gold ounces sold	30,263	53,784	62,013	104,796
All-in Costs per ounce	**$ 2,149**	**$ 725**	**$ 1,809**	**$ 794**

[1] Excludes administrative depreciation costs.

[2] Includes growth capital expenditures and attributable regional 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, 2016. 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, 2016 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, 2016 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, 2016.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares*			291,939,701
Convertible Securities	Various	N /A	3,690,672
			295,630,373

* Common shares outstanding include 68,186,175 shares represented by CDI as of June 30, 2016, being a unit of beneficial ownership in an Alacer share and traded on the ASX.

Subsequent Event

On July 17, 2016, Alacer issued a press release commenting on the events surrounding the failed coup attempt in Turkey. The press release confirmed that Alacer had successfully initiated its contingency plans and was able to confirm that all personnel were safe and accounted for and that all activities at the Çöpler Mine were operating as normal with no local disruptions. The Çöpler Mine is located in east-central Turkey in the Erzincan Province, approximately 700 miles southeast from Istanbul, Turkey and 340 miles east from Ankara, Turkey's capital city. Alacer continues to monitor the situation closely and there are currently no matters to report outside of what is already publicly available.

Cautionary Statements

Forward-Looking Information

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

Forward-looking information includes statements concerning, among other things, preliminary cost reporting in this document; production, cost and capital expenditure guidance; ability to expand the current heap leach pad, development plans for processing sulfide ore at Çöpler; results of any gold reconciliations; ability to discover additional oxide gold ore, the generation of free cash flow and payment of dividends; matters relating to proposed exploration, communications with local stakeholders and community relations; negotiations of joint ventures, negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates; the development approach, the timing and amount of future production, timing of studies, announcements and analysis, the timing of construction and development of proposed mines and process facilities; capital and operating expenditures; ability to draw under the credit facility and satisfy conditions precedent including execution of security and construction documents; 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, geopolitical, regulatory and political matters that may influence or be influenced by future events or conditions.

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any other of Alacer's filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders and community and governmental relations; status of negotiations of joint ventures; weather conditions at Alacer's operations, commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer; the timing and amount of future production and ability to meet production, cost and capital expenditure targets; timing and ability to produce studies and analysis; capital and operating expenditures; economic conditions; availability of sufficient financing; the ultimate ability to mine, process and sell mineral products on economically favorable terms and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, 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 filings at *www.sedar.com* and other unforeseen events or circumstances. Other than as required by law, Alacer does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Additional Information and Risk Factors

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

Qualified Person Statement

All Mineral Reserves and Mineral Resources referenced in this document are estimated in accordance with NI 43-101 standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. While terms associated with various categories of "Mineral Reserve" or "Mineral Resource" are recognized and required by Canadian regulations, they may not have equivalent meanings in other jurisdictions outside Canada and no comparison should be made or inferred. Actual recoveries of mineral products may differ from those estimated in the Mineral Reserves and Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. Investors are cautioned not to assume that all or any part of the Mineral Resources that are not Mineral Reserves will ever be converted into Mineral Reserves.

The information in this MD&A which relates to exploration results was previously issued by Alacer in its Exploration Results Announcement, available on the Corporation's website at *www.alacergold.com* and on SEDAR at *www.sedar.com*. The Exploration Results Announcement details that the information is based on information reviewed by Mr. James Francis, who is a Qualified Person pursuant to NI 43-101 and a Competent Person as defined in the JORC Code. Alacer confirms that: (a) it is not aware of any new information or data that materially affects the information in the Exploration Results Announcement and that, to the extent the information is an exploration target, none of the material assumptions or technical parameters underpinning such estimates have materially changed; and (b) the form and content in which information in the Exploration Results Announcement is presented has not materially changed.

The resource model was constructed by Loren Ligocki, Alacer's Resource Geology Manager, and verified by external consultant, Gordon Seibel, SME Registered Member, Amec Foster Wheeler's Principal Geologist. The updated Mineral Resources estimates were developed and reviewed by external consultant, Dr. Harry Parker, SME Registered Member, Consulting Mining Geologist and Geostatistician for Amec Foster Wheeler.

The information in this document which relates to the updated Mineral Resources estimate is based on, and fairly represents, the information and supporting documentation prepared by Dr. Parker and Mr. Seibel. Dr. Parker and Mr. Seibel are Qualified Persons pursuant to NI 43-101, and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The Mineral Reserves disclosure in this document was estimated and approved by Mr. Stephen K. Statham, PE, SME Registered Member, Alacer's Mining Services Manager, who is a full-time employee of Alacer. The information in this document which relates to Mineral Reserves is based on, and fairly represents, the information and supporting documentation prepared by Mr. Statham. Mr. Statham is a Qualified Person pursuant to NI 43-101, and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The scientific and technical information in this document is based on information compiled by Robert D. Benbow, PE, who is a full-time employee of Alacer. Mr. Benbow has sufficient experience with respect to the technical and scientific matters set forth above to be a "qualified person" for the purposes of NI 43-101.

Messrs. Francis, Ligocki, Seibel, Parker, Statham and Benbow consent to the inclusion in this document of the matters based on this information in the form and context in which it appears.

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 Updated Technical Report available on the Corporation's website at *www.alacergold.com* and on SEDAR at *www.sedar.com*.