



# MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Three-Month Period Ended March 31, 2016

The following management discussion and analysis ("MD&A") is as of May 12, 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 March 31, 2016. The MD&A supplements and complements the Corporation's unaudited interim consolidated financial statements for the three-month period ended March 31, 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 for the year ended December 31, 2015, the MD&A for the year ended December 31, 2015, and the Annual Information Form for the year ended December 31, 2015. Comparison herein is provided to the three-month period ended March 31, 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](http://www.alacergold.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The March 31, 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*. 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-month period ended March 31, 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. 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.

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 at All-in Sustaining Costs<sup>1</sup> 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 Press Release dated May 12, 2016 entitled "Alacer Gold Announces Çöpler Sulfide Project Approval" ("The Sulfide Project Update Press Release") available on SEDAR at [www.sedar.com](http://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. Yakuplu Southeast, Yakuplu East, Yakuplu 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.

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<sup>1</sup> 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 May 12, 2016, the Corporation announced the Board of Directors has approved full construction of the Sulfide Project. Details can be found in the Sulfide Project Update Press Release.
- 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.
- A credit-approved term sheet to increase the current financing facility to \$350 million was agreed to with a syndicate of lenders (BNP Paribas (Suisse) SA, ING Bank A.S., Societe Generale Corporate & Investment Banking and UniCredit Bank Austria AG).
- On March 31, 2016, the Corporation released additional drilling results from the Yakuplu North prospect in the Çöpler District indicating favorable metallurgy and rapid development potential.
- On January 14, 2016, the Corporation announced the Sulfide Project will move forward with a twin horizontal autoclave design, on an Engineering, Procurement and Construction Management ("EPCM") basis.

### Operational

- A lost-time injury ("LTI") occurred on January 11, 2016, the first LTI at the Çöpler Mine in 3 years.
- Gold production of 31,926 ounces and attributable gold production<sup>1</sup> of 25,541 ounces was in line with guidance whereby production is expected to increase in the second half of the year.
- Total Cash Costs<sup>2</sup> per ounce (C2) were \$659 and All-in Sustaining Costs<sup>2</sup> per ounce were \$846.
- Expansion of the existing heap leach pad to 58 million tonnes continues to advance to plan.
- Sulfide stockpiles at the end of the first quarter were 5.8 million tonnes at an average grade of 3.56 g/t gold or approximately 665,000 contained gold ounces.

### Financial

- The Corporation ended the first quarter with cash of \$346.1 million.
- An undrawn finance facility of \$250 million is in place, with a credit-approved term sheet to increase the facility to \$350 million.
- Working capital was \$388.6 million at March 31, 2016.
- Cash flow from operating activities during the quarter totaled \$14.4 million.
- Attributable net profit<sup>1</sup> was \$2.1 million or \$0.01 per share.

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<sup>1</sup> Attributable gold production and net profit are reduced by the 20% non-controlling interest at the Çöpler Gold Mine.

<sup>2</sup> 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.

## Sulfide Project Update

The Sulfide Project (“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<sup>1</sup> averaging \$645 per ounce. The Environmental Impact Assessment and all required land use permits for construction have been approved.

The Project secures gold production for the long term, adding substantial value for all of our shareholders.

- The mine life of the Çöpler operation now exceeds 20 years, with remaining gold production of 4.0 million ounces
- Life-of-mine average costs:
  - Total Cash Costs<sup>1</sup> of \$570 per ounce
  - All-in Sustaining Costs<sup>1</sup> of \$645 per ounce
  - All-in Costs<sup>1</sup> of \$844 per ounce
- Project capital expenditure of \$744 million, with remaining spend of \$697 million as of May 1, 2016
- Project after-tax, unlevered internal rate of return (“IRR”) of 19.2%
- Project after-tax net present value at 5% (“NPV”) has increased to \$728 million
- NPV of \$822 million for the overall Çöpler operation (oxides and sulfides)
- Project payback achieved in 3 years from start of sulfide gold production
- Free cash flow of \$1.6 billion generated over the life-of-mine
- Gold recovery for the sulfide plant to average 96% over the life-of-mine
- First gold pour expected in third quarter 2018 and the plant will achieve initial design capacity of 1.9Mt throughput rate per year by end of 2019
- Twin horizontal autoclaves allow for incremental improvements to increase the throughput rate to 2.2 Mt per year by 2021
- Updated Mineral Reserves resulting in an increase in the average sulfide gold grades from 2.6 g/t to 2.8 g/t and sulfide gold production by 7% or 245,000 ounces

The updated Project capital expenditure in 2016 is projected to be \$265 million, versus original 2016 guidance of \$315 million. The updated All-in Costs<sup>1</sup> including sulfide growth per ounce in 2016 is projected to be \$2,200 per ounce to \$2,700 per ounce, versus original guidance of \$2,500 per ounce to \$3,000 per ounce.

An updated National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“NI 43-101”) compliant Technical Report on the Çöpler Mine will be filed on [www.sedar.com](http://www.sedar.com) and on the Australian Securities Exchange within 45 days of The Sulfide Project Update Press Release referenced above.

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<sup>1</sup> Total Cash Costs per ounce, All-in Sustaining Costs per ounce and All-in 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.

### Updated Mineral Resources and Mineral Reserves Estimates

The results of the Mineral Resources in The Sulfide Project Update Press Release are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Further information will be provided in an updated NI 43-101 Çöpler Mine Technical Report that will be filed on [www.sedar.com](http://www.sedar.com) and with the Australian Securities Exchange within 45 days of The Sulfide Project Update Press Release referenced above.

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
		<b>Measured + Indicated</b>	<b>25,106</b>	<b>1.04</b>	<b>3.17</b>	<b>0.13</b>	<b>840,000</b>
		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
		<b>Measured + Indicated</b>	<b>75,253</b>	<b>2.22</b>	<b>5.53</b>	-	<b>5,373,000</b>
		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
		<b>Measured + Indicated</b>	<b>100,359</b>	<b>1.93</b>	<b>4.94</b>	<b>0.03</b>	<b>6,213,000</b>
		Inferred	<b>33,602</b>	<b>1.27</b>	<b>8.52</b>	<b>0.08</b>	<b>1,371,000</b>

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
<b>Total - Oxide</b>	<b>17,984</b>	<b>1.13</b>	<b>3.50</b>	<b>0.13</b>	<b>654,000</b>	<b>497,000</b>
Proven - Sulfide In-Situ	-	-	-	-	-	-
Probable - Sulfide In-Situ	34,879	2.63	7.23	-	2,945,000	2,830,000
Probable - Sulfide Stockpile	5,102	3.67	-	-	601,000	578,000
<b>Total - Sulfide</b>	<b>39,982</b>	<b>2.76</b>	<b>6.30</b>	-	<b>3,546,000</b>	<b>3,408,000</b>
Proven - Oxide + Sulfide + Stockpile	-	-	-	-	-	-
Probable - Oxide + Sulfide + Stockpile	57,965	2.25	5.44	0.04	4,200,000	3,905,000
<b>Total - Oxide + Sulfide</b>	<b>57,965</b>	<b>2.25</b>	<b>5.44</b>	<b>0.04</b>	<b>4,200,000</b>	<b>3,905,000</b>

**Notes:** Further information on this resource estimate is in The Sulfide Project Update Press Release which can be found on the Corporation's website at [www.AlacerGold.com](http://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 summarized in the appendices to The Sulfide Project Update Press Release. 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 appendices to The Sulfide Project Update Press Release. 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.

## Results of Operations

<b>Çöpler Gold Mine: <sup>1</sup></b>	<b>Q1 2016</b>	<b>Q1 2015</b>
Waste tonnes mined	6,874,386	4,231,556
Oxide ore mined - tonnes	1,081,256	1,729,423
Oxide ore mined - grade (g/t)	0.98	1.78
Oxide ore mined - ounces	33,908	99,228
Sulfide ore mined - tonnes <sup>2</sup>	706,194	455,461
Sulfide ore mined - grade (g/t) <sup>2</sup>	2.79	2.76
Sulfide ore stockpiled - ounces <sup>2</sup>	63,451	40,475
Oxide ore treated - tonnes	1,127,498	1,671,223
Oxide ore treated - head grade (g/t)	0.95	1.75
Gold ounces produced	31,926	50,949
Gold ounces sold	31,750	51,012
<b>Attributable: (80% ownership)</b>		
Gold ounces produced	25,541	40,759
Gold ounces sold	25,400	40,810
Cash Operating Costs/ounce sold (C1) <sup>3</sup>	\$ 643	\$ 419
Total Cash Costs/ounce sold (C2) <sup>3</sup>	\$ 659	\$ 443
All-in Sustaining Costs/ounce sold <sup>3</sup>	\$ 846	\$ 690
All-in Costs/ounce sold <sup>3</sup>	\$ 1,485	\$ 867
Average realized gold price	\$ 1,187	\$ 1,212

<sup>1</sup> Çöpler Gold Mine production data represents 100% for all periods presented, except for attributable production and sales.

<sup>2</sup> Sulfide ore is being stockpiled and reported as a non-current asset (Total of 5.8 million tonnes at 3.56 g/t gold).

<sup>3</sup> 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.

### First Quarter 2016 vs. First Quarter 2015

Gold production of 31,926 ounces in Q1 2016 declined 37% as compared to Q1 2015. This decrease is due to oxide ore tonnes mined decreasing 37% and oxide ore grade declining 45% as compared to Q1 2015. These declines have driven a 49% increase in Total Cash Costs per ounce (C2) from Q1 2015 to Q1 2016.

Oxide ore tonnes mined were in line with the mine plan. Mining of waste tonnes were higher due to the Marble Pit layback and Manganese Pit pushback. While these activities resulted in a 62% increase of waste material mined from Q1 2015, it will facilitate the operations reaching higher grade oxide ore tonnes in the second half of the year.

As expected, the oxide ore grades were lower than Q1 2015. As per guidance, 2016 gold production is expected to increase in the second half of the year as mining reaches higher grade oxide ore.

Sulfide ore tonnes mined were 55% higher than Q1 2015 mainly due to sulfide ore contained in the Marble Pit layback.

Cash Operating Costs per ounce (C1) in Q1 2016 of \$643 were 53% higher than Q1 2015. The increase reflects the impact of fewer ounces sold due to a decline in oxide ore grade and oxide ore tonnes processed, and higher waste tonnes mined.

Total Cash Costs per ounce (C2) in Q1 2016 of \$659 were 49% higher than Q1 2015, primarily reflecting the increase in Cash Operating Costs (C1).

All-in Sustaining Costs per ounce in Q1 2016 of \$846 were 23% higher than Q1 2015, primarily due to higher Total Cash Costs per ounce (C2) noted above, partly offset by lower sustaining capital expenditures (\$39 per ounce in Q1 2016 versus \$151 per ounce in Q1 2015).

All-in Costs per ounce in Q1 2016 of \$1,485 were 71% higher than Q1 2015. The increase reflects higher All-in Sustaining Costs noted above and higher growth capital spending related to the Sulfide Project (\$610 per ounce in Q1 2016 versus \$157 per ounce in Q1 2015).

## Investments in Mineral Properties and Equipment

A summary of the investments in capital for the three months ended March 31, 2016 is presented below:

Capital Investments (in '000)	Q1 2016	
	100%	Attributable <sup>1</sup>
<b>Sustaining and general capital</b>		
Heap Leach Pad Phase 4 expansion	\$ 753	\$ 602
General plant and other assets	471	377
Sustaining capital - Total	\$ 1,224	\$ 979
<b>Growth capital</b>		
Sulfide Project Costs	\$ 16,499	\$ 13,199
Other growth	2,872	2,458
Growth capital - Total	\$ 19,371	\$ 15,657
<b>Total capital expenditures</b>	<b>\$ 20,595</b>	<b>\$ 16,636</b>

<sup>1</sup> 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. Growth capital expenditures are generally defined as those that grow production and/or increase future earnings and are considered discretionary.

### **Sustaining and General Capital**

Sustaining capital expenditures for Q1 2016 totaled \$1.2 million. This includes expenditures on the HLP4 expansion to 58 million tonnes as planned. Further expenditures to complete the HLP4 expansion are expected to continue into 2017.

### **Growth Capital**

Expenditures on the Sulfide Project of \$16.5 million in Q1 2016 included advancement of the detailed engineering phase, and progress on procurement of long-lead time items. As planned, expenditures are forecast to increase in 2016 as project construction advances.

Other growth capital expenditures of \$2.9 million in Q1 2016 were primarily related to capitalized waste material.

### **Long-term Asset – Çöpler Sulfide Stockpiles**

During Q1 2016, 0.7 million tonnes of sulfide ore at an average grade of 2.79 g/t were added to the sulfide stockpiles. Costs related to the mining and stockpiling of sulfide ore totaled \$7.8 million. The high grade, medium grade and low grade sulfide stockpiles at March 31, 2016 totaled 5.8 million tonnes at an average grade of 3.56 g/t gold (approximately 0.7 million contained ounces) and carried a total cost of \$53.6 million (or \$9.23 per tonne).

## 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 Yakuplu 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.

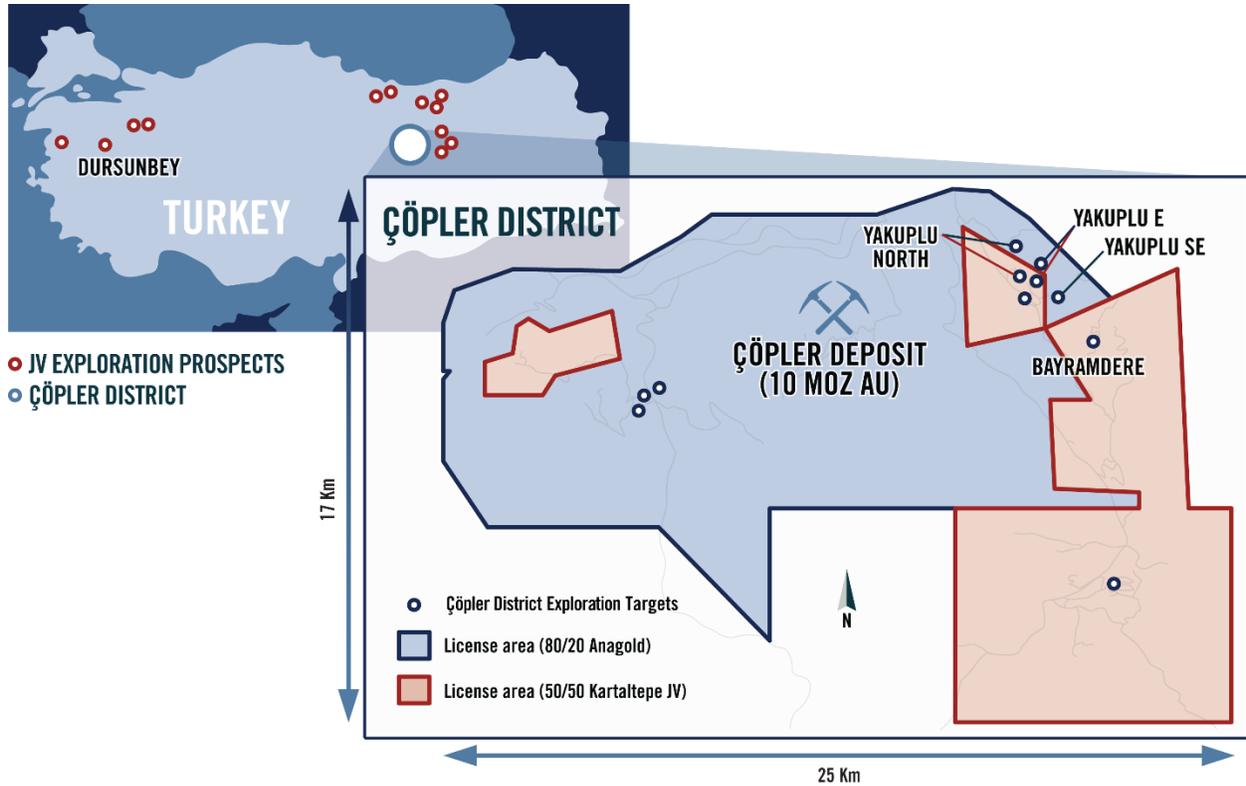
Overall exploration activities planned for 2016 are discussed below. Additional details related to recent exploration activities can be found in the press release dated March 31, 2016 entitled "Alacer Gold Announces Further Exploration Results for the Çöpler District in Turkey" and is available on [www.sedar.com](http://www.sedar.com) and on the Corporation's website.

Q1 2016 Exploration spending (in '000) <sup>1</sup>	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler District 80/20	80%	\$ 483	\$ 386
Çöpler District 50/50	50%	1,297	649
Turkey Regional - Dursunbey <sup>2</sup>	20%	1,784	357
Turkey Regional	Varied	369	118
Total		\$ 3,933	\$ 1,510

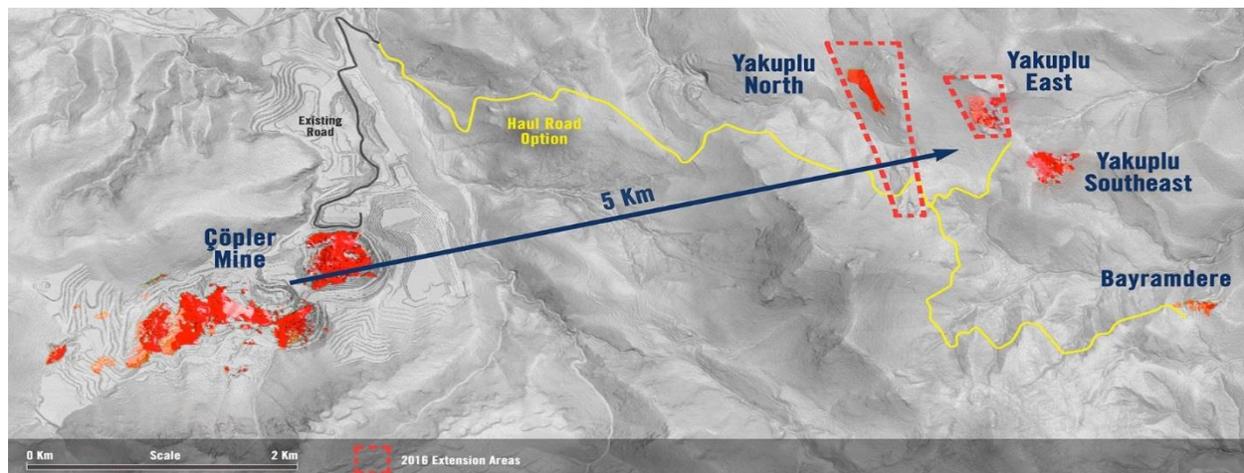
<sup>1</sup> Exploration attributable to joint venture spending is accounted for as other losses under the equity method of accounting.

<sup>2</sup> Dursunbey Project ownership will be 50% after claw-back amount is invested. Claw-back cost as of March 31, 2016 estimated to be \$6.4 million.

**Çöpler District Exploration Program**



The recent Çöpler District exploration updates on December 9, 2015 and March 31, 2016 demonstrates that positive progress continued during 2015 and Q1 2016. 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 Yakuplu Southeast, Yakuplu East, Yakuplu North and Bayramdere. These are shallow oxide ore targets with favorable metallurgy for heap leaching and have the potential to add to our oxide production within the next two years. The formal reporting of these exploration prospects as resources is a key objective for 2016.



The **Yakuplu North** prospect is a relatively new discovery and is located on the 50% Alacer-owned (Kartaltepe) area. The current understanding is there are multiple controls on mineralization with strong epithermal textures and associated structural overprints. Similar to the other Yakuplu 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. 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. Metallurgical and geotechnical test work has been initiated as part of the progression of the prospect from exploration to resource development stage. There are currently 8 diamond drill rigs and 1 reverse circulation drill rig completing resource definition drilling across the Yakuplu North prospect.

The **Yakuplu 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 **Yakuplu East** prospect is on the 50% Alacer-owned (Kartaltepe) area and is a gold-copper prospect with mineralization occurring near surface in stacked iron rich gossans and associated oxidized host rocks. As with the Yakuplu 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 Yakuplu East and Yakuplu 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 Yakuplu 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 will focus on further testing this 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 Yakuplu 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 \$6.4 million at March 31, 2016.

Drilling during 2015 continued the delineation of mineralized zones within a 1,500m by 300m area. These near-surface zones dip to the northwest and remain open at depth. Evaluation work is advancing and an update on the Dursunbey Project will be provided in Q3 2016.



## Financial Highlights

A summary of the Corporation's consolidated financial results for the periods ended March 31, 2016 and 2015 are presented below.

<b>Consolidated Financial Summary (in '000, except for per share)</b>	<b>Q1 2016</b>	<b>Q1 2015</b>
Gold sales	\$ 37,689	\$ 61,816
Less:		
Production costs	20,931	22,587
Depreciation, depletion and amortization	10,039	12,969
Mining gross profit	\$ 6,719	\$ 26,260
Less:		
Other costs & income tax	\$ 2,744	\$ 4,434
<b>Total net profit and comprehensive profit</b>	<b>\$ 3,975</b>	<b>\$ 21,826</b>
<b>Amounts attributable to owners of the Corporation:</b>		
Total net profit	\$ 2,097	\$ 15,204
Total net profit per share - basic	\$ 0.01	\$ 0.05
Total net profit per share – diluted	\$ 0.01	\$ 0.05
<b>Cash Flows</b>		
Operating cash flows	\$ 14,398	\$ 23,482
Investing cash flows	(28,364)	(19,567)
Financing cash flows	(463)	-
Change in cash	(14,429)	3,915
Effect of exchange rate changes on cash	(176)	(610)
Change in cash	\$ (14,605)	\$ 3,305
Ending cash and cash equivalents	\$ 346,140	\$ 349,920
	<b>As of</b>	
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
<b>Financial Position</b>		
Working capital	\$ 388,602	\$ 394,575
Total assets	\$ 822,723	\$ 779,752
Non-current liabilities	\$ 26,506	\$ 22,456
Total equity	\$ 768,657	\$ 718,834

### First Quarter 2016 vs. First Quarter 2015

Attributable Net Profit of \$2.1 million was \$13.1 million lower than Q1 2015, reflecting a \$24.1 million (39%) decrease in revenues offset by a \$4.6 million (13%) decrease in total cost of sales, a \$4.7 million (72%) decrease in non-controlling interest and a \$1.9 million increase in foreign exchange gains related to the strengthening of the Turkish Lira ("TRY"). An Income Tax Benefit in Q1 2016 was driven by the recognition of incentive tax credits, and deferred tax on the revaluation of non-monetary balance sheet accounts.



Gold sales of \$37.7 million were 39% lower than Q1 2015, reflecting a 38% decrease in ounces sold and a \$25 per ounce (2%) lower average realized gold price. Total cost of sales in Q1 2016 decreased 13% as compared to Q1 2015, mainly driven by lower production (37%) and lower DD&A (23%) offset by a higher cash operating cost per ounce (53%). Mining gross profit decreased 74% compared to Q1 2015 due primarily to lower gold sales.

Cash and cash equivalents decreased \$14.6 million during Q1 2016 as compared to an increase of \$3.3 million in Q1 2015. While operating cash flows were \$14.4 million in Q1 2016, they were offset by \$28.4 million of investing activities related primarily to the Sulfide Project and build of sulfide stockpiles. Operating cash flows in Q1 2016 were \$9.1 million lower than Q1 2015 reflecting the decrease in mining gross profit partially offset by the working capital increase that occurred in Q1 2015. Financing outflows of \$0.5 million during Q1 2016 were due to finance facility holding costs as compared to no outflows in Q1 2015.

### Gold Sales

Details of gold sales for the three months ended March 31, 2016 and 2015 are presented below:

	Q1 2016	Q1 2015
Gold ounces sold <sup>1</sup>	31,750	51,012
Gold sales (\$000)	\$ 37,689	\$ 61,816
Averaged realized price	\$ 1,187	\$ 1,212
Average London PM Fix	\$ 1,183	\$ 1,218

<sup>1</sup> Includes 100% of Çöpler.

For Q1 2016, Alacer's average realized gold price was slightly above the average London PM Fix. The decrease in average gold price realized during Q1 2016 as compared to Q1 2015 is consistent with price volatilities as discussed below under "*Business Conditions and Trends*". The Corporation is not currently using forward sales contracts or other derivative products for future gold sales.

### Other Costs

Details of other costs for the three months ended March 31, 2016 and 2015 are presented below:

(In \$000's)	Q1 2016	Q1 2015
General and administrative	\$ 2,659	\$ 3,146
Share-based employee compensation costs	1,622	1,424
Foreign exchange (gain) loss	(469)	1,397
Other (gain) loss, net	(801)	(402)
Total corporate and other costs	3,011	5,565
Income tax (benefit) expense	(1,724)	(2,548)
Total other costs	\$ 1,287	\$ 3,017

*General and administrative costs* decreased 15% in Q1 2016 as compared to the same period in 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.

*Foreign exchange (gain) loss* results from movements in the USD to TRY exchange rate as applied to Turkish operations. A foreign exchange loss in Q1 2015 resulted from the devaluation of the TRY, while the gain in Q1 2016 reflected the marginal strengthening of the TRY against the USD.

*Income tax (benefit)* for Q1 2016 and Q1 2015 resulted 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 income tax expense in the current period and offsets current and future cash tax payments. Additionally, as the TRY strengthened in Q1 2016, a reduction of deferred taxes on the revaluation of non-monetary balance sheet accounts was derived.

## 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 March 31, 2016.

(in '000, except for per share)	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Total revenues	\$ 37,689	\$ 51,050	\$ 60,260	\$ 64,138	\$ 61,816	\$ 76,509	\$ 79,581	\$ 63,707
Amounts attributable to owners of the Corporation:								
Net Profit (loss)	\$ 2,097	\$ 10,004	\$ 7,356	\$ 14,084	\$ 15,204	\$ 31,979	\$ 14,809	\$ 9,102
Per share profit (loss):								
- basic	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.05	\$ 0.11	\$ 0.06	\$ 0.03
- diluted	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.05	\$ 0.11	\$ 0.05	\$ 0.03

Generally, the Corporation does not experience significant effects of seasonality with regard to revenues or expenses. Market fluctuations in the gold price have affected revenues 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 March 31, 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 \$250 million, with an agreed credit-approved term sheet to increase the facility to \$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 amended facility under the agreed term sheet 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 execution of an amended facility agreement and customary conditions precedent including execution of security and construction documentation and a minimum of \$220 million capital spend at Çöpler. As of March 31, 2016, the Corporation has sufficient liquidity to meet this minimum spend requirement. The \$250 million facility agreement is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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. Despite present market conditions, changes in the Corporation's business, unforeseen opportunities or events, and other external factors may also adversely affect liquidity and the availability of additional capital resources. Due to these factors, Alacer cannot be certain that funding, if needed, will be available to the extent required, or on acceptable terms. If Alacer is unable to access funding when needed on acceptable terms, the Corporation may not be able to fully implement 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 \$15.3 million during Q1 2016 to \$388.6 million. 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.

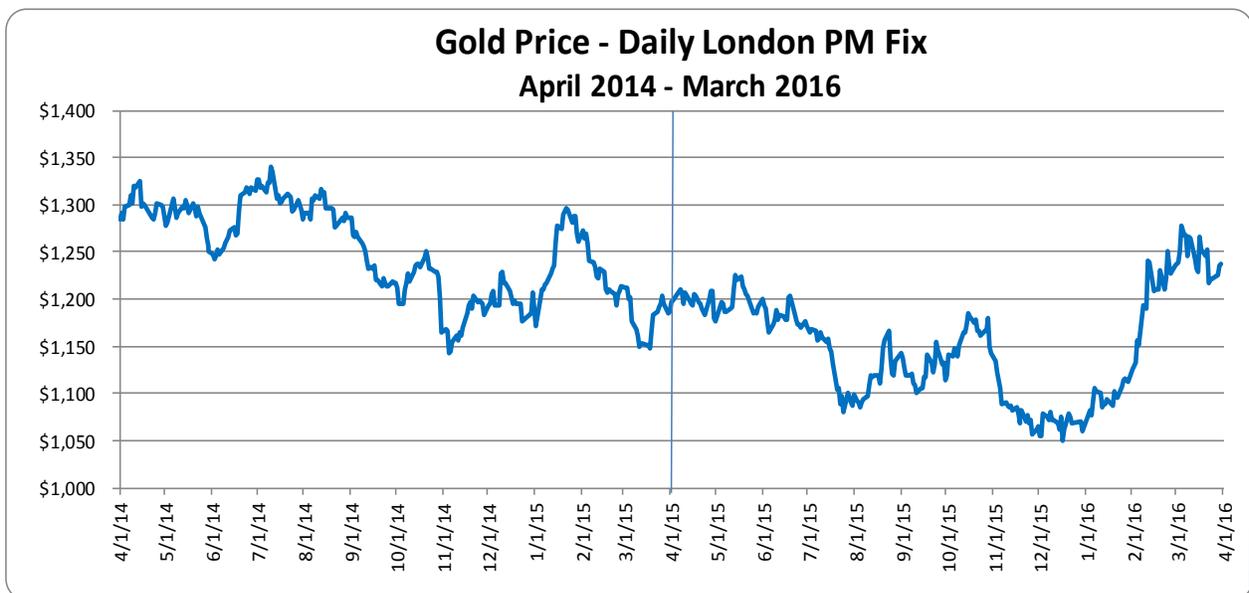
## Business Conditions and Trends

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 Q1 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. Further deterioration in gold prices may negatively affect future cash flow such that the Corporation may curtail or determine it may not be economical to continue with existing or planned exploration or capital development and expansion activities for existing operations.

During Q1 2016, the gold price continued to experience volatility, with the closing London PM Fix price ranging from \$1,077 to \$1,278 per ounce. The price of gold closed at \$1,237 per ounce on March 31, 2016 and the average Q1 2016 market price of \$1,183 per ounce represents a \$35 per ounce decrease over the \$1,218 per ounce average market price for Q1 2015.



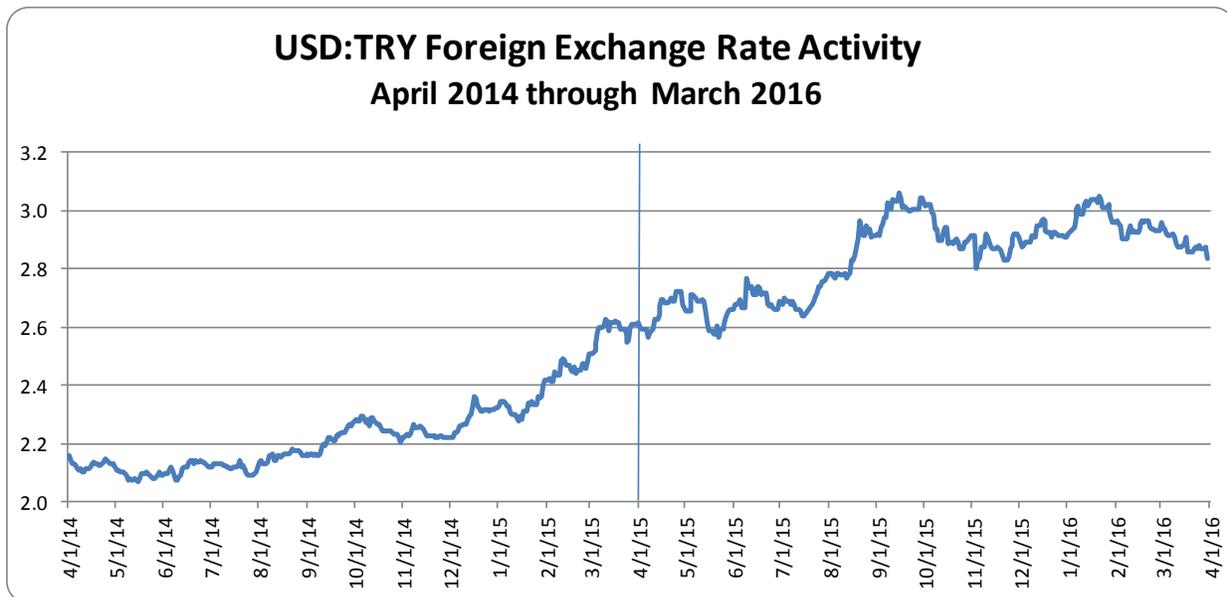
**Currency Rates**

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 currency rates, as well as average 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	
	31-March 2016	31-Dec 2015	31-March 2015	31-Dec 2014	Q1 2016	Q1 2015
USD:TRY	2.83	2.91	2.61	2.32	2.94	2.46

The chart below shows the movement in the USD:TRY foreign exchange rate from April 1, 2014 through March 31, 2016.



### **Inflation Rates**

Inflation rates in Turkey averaged approximately 8.5%<sup>1</sup> during Q1 2016 compared with approximately 7.5%<sup>1</sup> during Q1 2015. 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**

As of March 31, 2016, the Corporation does not have any transactions with related parties other than key management compensation 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 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 for the three month period ended March 31, 2016.

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.

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<sup>1</sup> Inflation rates obtained from [www.treasury.gov.tr](http://www.treasury.gov.tr), Republic of Turkey Prime Ministry, Undersecretariat of Treasury

## Financial Instruments and Other Instruments

The Corporation's financial instruments as of March 31, 2016 consist of cash and cash equivalents, receivables, investments in publicly traded securities, trade and other payables, and are presented at amortized cost which approximates fair value. The Corporation's financial instruments are denominated primarily in USD and TRY. There were no material income or expense transactions or gains or losses associated with the instruments in Q1 2016.

*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"). The Corporation is also exposed to credit risk to the extent the timing of receiving refunds for VAT payments is delayed. As of March 31, 2016, Turkish VAT receivable totaled \$9.1 million. Management monitors its exposure to credit risk on a continual basis.

*Interest rate risk* is generally associated with variable rate financial instruments and available market interest rates at the time financial instruments are acquired. The Corporation holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Short-term investments are purchased at market interest rates and result in fixed yields to maturity. All other financial assets and liabilities in the form of receivables, payables and provisions are non-interest bearing. Future net cash flows from interest income on cash and cash equivalents and interest expense on variable rate borrowings, if any, will be affected by interest rate fluctuations. The Corporation manages interest rate risk by maintaining an investment policy for short-term investments and cash held in banks. This policy focuses primarily on preservation of capital and liquidity. The Corporation currently does not engage in any hedging or derivative transactions to manage interest rate risk.

*Foreign currency risk* is generally associated with financial instruments and transactions denominated in non-USD currencies. The Corporation is exposed to financial gain or loss as a result of foreign exchange movements against the USD. The Corporation does not presently engage in hedging or speculative activities. The Corporation holds USD and TRY in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately \$2.0 million denominated in TRY as of March 31, 2016. Therefore, the Corporation remains exposed to future currency fluctuations in the USD:TRY foreign exchange rate. Other foreign currency balances are immaterial in nature.

## Non-IFRS Measures

The Corporation has identified certain measures that it believes will assist with understanding the performance of the business. As 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 ended March 31, 2016 and 2015.

In \$000s, except for per ounce measures	Q1 2016	Q1 2015
Production costs - IFRS	\$ 20,931	\$ 22,587
Adjustments: (none)	-	-
<b>Total Cash Costs</b>	<b>\$ 20,931</b>	<b>\$ 22,587</b>
Divided by: gold ounces sold	31,750	51,012
<b>Total Cash Costs per ounce (C2)</b>	<b>\$ 659</b>	<b>\$ 443</b>
Total Cash Costs	\$ 20,931	\$ 22,587
Less: Royalties and severance taxes	514	1,236
Cash Operating Costs	\$ 20,417	\$ 21,351
Divided by: gold ounces sold	31,750	51,012
<b>Cash Operating Costs per ounce (C1)</b>	<b>\$ 643</b>	<b>\$ 419</b>
Total Cash Costs – from above	\$ 20,931	\$ 22,587
Add portions of:		
Exploration	\$ 538	\$ 382
General and administrative <sup>1</sup>	2,553	3,146
Share-based employee compensation costs	1,622	1,424
Sustaining capital expenditures	1,224	7,681
All-in Sustaining Costs	\$ 26,868	\$ 35,220
Divided by: gold ounces sold	31,750	51,012
<b>All-in Sustaining Costs per ounce</b>	<b>\$ 846</b>	<b>\$ 690</b>
Total All-in Sustaining Costs, from above	\$ 26,868	\$ 35,220
Add: Non-sustaining costs <sup>2</sup>	20,290	9,031
Total All-in Costs	\$ 47,158	\$ 44,251
Divided by: gold ounces sold	31,750	51,012
<b>All-in Costs per ounce</b>	<b>\$ 1,485</b>	<b>\$ 867</b>

<sup>1</sup> Excludes administrative depreciation costs.

<sup>2</sup> Includes growth capital expenditures and attributable regional joint venture exploration expenditures.

## 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 March 31, 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 March 31, 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 March 31, 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 April 30, 2016.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares*			291,939,701
Convertible Securities	Various	N / A	3,541,686
			<u>295,481,387</u>

\* Common shares outstanding include 66,988,850 shares represented by CDI as of April 30, 2016, being a unit of beneficial ownership in an Alacer share and traded on the ASX.

## 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; execution of the amended credit facility; 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, 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, regulatory and political factors that may influence future events or conditions. While we consider these factors and

assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons including, but not limited to, risks and uncertainties disclosed in Alacer's filings at [www.sedar.com](http://www.sedar.com) and other unforeseen events or circumstances. Other than as required by law, Alacer does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

### **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](http://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 news release entitled, "Alacer Gold Announces Further Exploration Results for the Çöpler District in Turkey" dated March 31, 2016 ("Exploration Results Announcement"), available on the Corporation's website at [www.alacergold.com](http://www.alacergold.com) and on SEDAR at [www.sedar.com](http://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 data audit and 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 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" and are Qualified Persons pursuant to NI 43-101.

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 has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a Qualified Person pursuant to NI 43-101.

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. 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 Sulfide Project Update Press Release available on the Corporation's website at [www.alacergold.com](http://www.alacergold.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).