MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Year Ended December 31, 2013

This management's discussion and analysis ("MD&A") relates to the financial condition and results of operations of Alacer Gold Corp. and its subsidiaries ("Alacer Gold" or the "Corporation"), as of March 12, 2014, and is intended to supplement and complement the Corporation's audited annual consolidated financial statements for the year ended December 31, 2013 (the "consolidated financial statements") and the notes thereto, as well as the Annual Information Form. Comparison is provided to the year ended December 31, 2012. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from Management's expectations. Readers are encouraged to read the Cautionary Statements included with this MD&A and to consult the Corporation's consolidated financial statements for 2013 and corresponding notes, which are available on the Corporation's website at www.alacergold.com and on SEDAR at www.sedar.com. The December 31, 2013 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"). This discussion addresses matters the Corporation considers important for an understanding of our financial condition and results of operations as at and for the year ended December 31, 2013, as well as our Outlook for 2014.

Table of Contents

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Alacer Gold, 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 Gold. Forward-looking information often relates to statements concerning Alacer Gold's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

Forward-looking information includes statements concerning, among other things, production, cost and capital expenditure guidance; development plans for processing sulfide ore at Çöpler; amount of contained ounces in sulfide ore; results of any grade 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 analyses, the timing of construction and development of proposed mines and process facilities; capital and operating expenditures; economic conditions; availability of sufficient financing; exploration plans 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 Gold'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 Gold's operations, commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and final receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer; the timing and amount of future production and ability to meet production, cost and capital expenditure targets; timing and ability to produce studies and analyses; capital and operating expenditures; economic conditions; availability of sufficient financing; the ultimate ability to mine, process and sell mineral products on economically favorable terms and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, 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 Gold's filings at www.sedar.com and other unforeseen events or circumstances. Other than as required by law, Alacer Gold does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Non-IFRS Measures

This MD&A contains the following non-IFRS financial performance measures with no standardized definitions under IFRS: Cash Operating Costs per ounce; Total Cash Costs per ounce; All-in Sustaining Costs per ounce; All-in Costs per ounce and Adjusted Net Profit. For further information and detailed reconciliations, see the "Non-IFRS Measures" section of this MD&A.

Mineral Reserves and Resources

All mineral reserves and resources referenced in this MD&A and the Corporation's other public filings are determined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and Canadian Institute of Mining, Metallurgy and Petroleum standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. While terms associated with various categories of "reserve" or "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 mineral reserves and resources due to inherent uncertainties in acceptable estimating techniques. In particular, "indicated" and "inferred" mineral resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an "indicated" or "inferred" mineral resource will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves.

The information in this MD&A which relates to exploration results and mineral resources is based on, and fairly represents, information and supporting documentation prepared by James Francis, BSc (Hons) Geology and MSc Mining Geology, MAusIMM, MAIG, who is a full-time employee of Alacer Gold. Mr. Francis has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and a qualified person pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. Mr. Francis consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Additional Information and Risk Factors

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

Overview

Alacer Gold is a leading intermediate gold mining company with an 80% interest in the world-class Çöpler Gold Mine in Turkey. Alacer Gold also has eleven active exploration projects in Turkey which are joint ventures with our Turkish partner, Lidya Mining.

Alacer Gold is a Canadian corporation incorporated in the Yukon Territory with its primary listing on the Toronto Stock Exchange. CHESS Depository Interests ("CDI") trade on the Australian Securities Exchange ("ASX").

Strategy and Outlook

Alacer Gold is focused on delivering strong operating results, strong financial results and value-adding growth by adhering to four guiding principles:

- Maximize portfolio value;
- Minimize project risk;
- Maximize free cash flow; and
- Create value for shareholders

During 2013, Alacer Gold demonstrated its commitment to these principles by undertaking transformational changes to its business. The changes primarily involved divesting all of its poorly performing Australian assets (the "ABU") through two strategic transactions, and redirection of focus to Turkey. Following the changes, Alacer Gold is in a strong position to leverage its world-class asset base in Turkey which produces gold in the industry's lowest cost quartile.

Alacer Gold has been successfully operating in Turkey since 1996 and is a well-respected gold producer. Alacer Gold has an excellent local partner, Lidya Mining, with joint venture agreements to operate the Çöpler Mine, undertake exploration and jointly share in any future acquisitions by either company in Turkey.

Çöpler Sulfides

Alacer remains on track to deliver the sulfide DFS in Q2 2014. The design, engineering and procurement studies are nearing completion and will soon be subject to the Corporation's internal review. In addition, the supplemental Environmental Impact Assessment for the project contemplated in the DFS will be submitted during March 2014.

During 2013 more than 1.3 million tonnes of sulfide ore were added to stockpiles with an average gold grade of 4.94g/t. The grade of the sulfide ore mined is significantly higher than was predicted by the resource block models. In 2013 there has been a positive reconciliation of 39% on a contained ounce basis, composed of lower than expected tonnage and higher than expected gold grade.

The positive sulfide gold reconciliation was initially encountered in the Manganese Pit where the majority of mining took place in 2013. During 2013, sulfide ore stockpiled from this pit totaled 0.8 million tonnes at 4.50g/t gold, a positive reconciliation of 36% on a contained ounce basis. In July 2013, the Corporation began initial steps to investigate why this positive bias was occurring in the Manganese Pit. The positive gold reconciliation continued as mining of sulfide ore progressed into the Main and

Marble Pits towards the end of 2013. Sulfide ore stockpiled from the Main and Marble Pits in 2013 totaled 0.5 million tonnes at 5.57 g/t gold, a positive reconciliation of 41% on a contained ounce basis.

The continuing trend of substantial positive gold reconciliation across all three pits has recently led the Corporation to commence a systematic and structured project to understand the causes of the positive reconciliations on a mine-wide basis. This work includes reviewing the drilling database, the sulfide resource estimation methodology, the characteristics of the sulfide ore mined to date and completing a discrete validation drilling program. This reconciliation bias has the potential to provide significant upside to the DFS, especially from the Main Pit which contains the majority (+60%) of Çöpler's sulfide ore. However, until such work is complete, the impact on the DFS is unknown and therefore subject to uncertainty.

To the extent possible, the outcomes of this resource reconciliation project will be incorporated into the DFS. The ability to incorporate this work will be dependent on the timely completion of the project and the validation drilling program. While this ongoing work may be very important to the DFS, it will not preclude the completion of the DFS in Q2 2014.

Strong Balance Sheet

Alacer Gold had cash and cash equivalents[1] of $289.6 million at December 31, 2013 and is debt free. The balance sheet is expected to strengthen in the short-term as working capital continues to increase and strong cash flow is generated from Çöpler operations. The strong balance sheet provides Alacer Gold with the ability to fund strategic investments to provide value for our shareholders.

Low Cost Producer

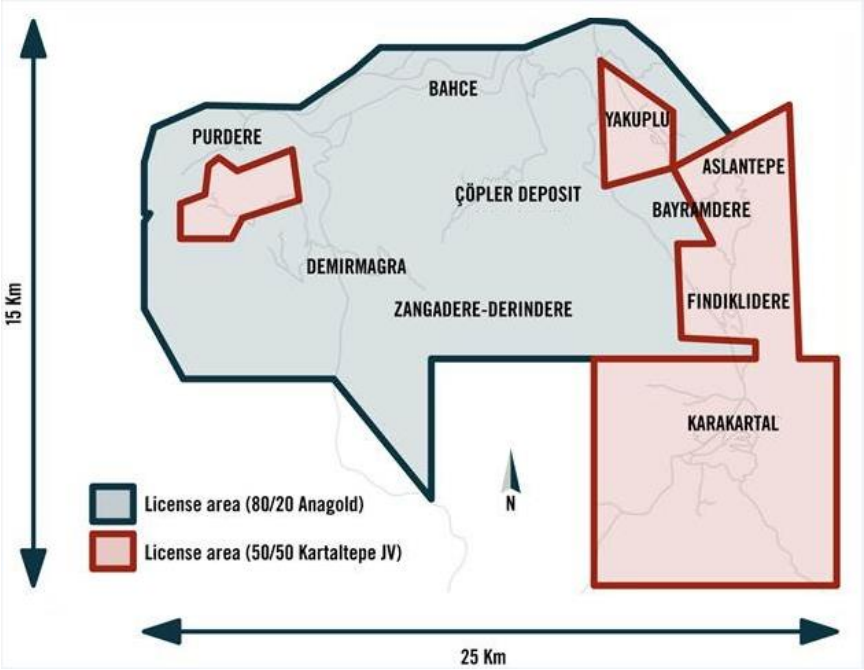
Alacer Gold's immediate focus for Çöpler is to maximize value from the existing open pit and heap leach oxide operations. Çöpler continues to perform extremely well and is projected to be one of the lowest All-in Costs[2] gold producers globally in 2014, providing our shareholders with industry-leading margins on each ounce of gold produced. Alacer Gold expects costs at Çöpler to remain low for the next few years as gold is extracted from oxide ore, through heap leaching exclusively.

Turkey – Organic Growth Potential

Alacer Gold is exploring the existing Çöpler District with the primary focus being to discover additional oxide ore. Alacer Gold believes that Çöpler is likely to be the first of several gold deposits in the Çöpler District.

The Çöpler District surrounds the Çöpler orebody and is a key focus area for Alacer Gold. As shown in the map below, Alacer Gold holds licenses through its 80% owned subsidiary, Anagold Madencilik Sanayi Ve Ticaret Anonim Şirketi ("Anagold"), and through a 50/50 joint venture with Lidya Mining. These licenses cover an area approximately 15x25 kilometer ("km") in size.

[1] Includes approximately $25.5 million expected to be paid to Lidya Mining in the first half of 2014 as a distribution of its share of 2013 Çöpler profits
[2] All-in Cost is a non-IFRS financial performance measures with no standardized definition under IFRS. For further information and detailed reconciliations, see the *"Non-IFRS Measures"* section of this MD&A.



Exploration of the Çöpler District is in the early stages. Geochemical surveys undertaken during 2012 and 2013 identified numerous gold-in-soil anomalies that were significantly stronger than typically expected over such a large area and demonstrate the scale and potential of this mineralized system. Çöpler District exploration progressed rapidly during 2013 with $12.1 million of exploration spending. The exploration program included taking soil samples over the remainder of the licenses in the Çöpler District as well as ground geophysics and mapping to better define drill targets on these gold anomalies. Early drill testing of the most prospective targets was undertaken and results are currently being assessed. Just over 70% of the Çöpler District has been tested using soil geochemistry as of December 2013.

Beyond the Çöpler District, Alacer Gold continued regional exploration activities in Turkey, the most advanced of which is the Cevizlidere copper-gold porphyry deposit, located in the Tunceli Province, and the Dursunbey polymetallic deposit, which is located in the Balıkesir Province. Drilling continues at Dursunbey as part of the Polimetal Joint Venture ("Polimetal JV") with our partner, Lidya Mining. Preparatory work is currently being undertaken prior to recommencing drilling at Cevizlidere.

Sale of Australian Assets

On April 8, 2013, the Corporation completed the sale of its 49% minority interest in the Frog's Leg Mine joint venture and related assets to La Mancha Resources Australia Pty Limited for total consideration of $149.2 million. On October 29, 2013, the Corporation completed the sale of its remaining Australian assets to a subsidiary of Metals X Limited, an Australian public company for total consideration of $40.3 million. The results of ABU operations up to the date of disposal have all been presented as components of discontinued operations in the Consolidated Statements of Profit (Loss). The Corporation recorded a Net loss from discontinued operations of $515.2 and $552.3 million for 2013 and 2012, respectively.

2014 Guidance

In 2014, The Corporation expects to produce approximately 160,000 to 180,000 attributable gold ounces[1] at an All-in Costs/ounce[2] of $730 to $780.

Assumptions underlying Alacer Gold's 2014 outlook include the minerals reserves and resources as set out in the Corporation's Annual Information Form for the year ended December 31, 2013, a gold price of $1,300 per ounce and a USD:TRY exchange rate of 2.00. Approximately 50% of the Corporation's costs are denominated in Turkish Lira.

Capital expenditures for 2014 are forecast to be approximately $17 million on an 80% attributable basis, of which $14 million are estimated to be sustaining capital expenditures.

The 2014 forecast for exploration expenditure is approximately $9.4 million on an attributable basis.

[1] Attributable gold production is reduced by the 20% non-controlling interest at Çöpler.

[2] All-in Costs/ounce is a non-IFRS financial performance measures with no standardized definition under IFRS. For further information and detailed reconciliations, see the *"Non-IFRS Measures"* section of this MD&A.

2013 Highlights

Strategic

- The DFS for a 5,000 tonne per day whole-ore pressure oxidation processing method for Çöpler sulfide ore is progressing to plan and is on track to be released in Q2 2014.
- On September 23, 2013 the Corporation released a four-year oxide production profile for Çöpler, highlighting the continued contributions through 2017 from its low-cost heap leach operation in Turkey.
- The executive management team was reduced in conjunction with the Corporation's new strategy to focus on Turkey. The reductions will result in decreased general and administrative costs in 2014.
- On April 30, 2013, the Corporation paid a special dividend of $0.24 per share totaling $70.3 million.
- The Corporation divested its Australian assets during the year via two strategic transactions that completed on April 8 and October 29, 2013.

Operational - Çöpler

- A milestone was passed in November 2013 when Çöpler reached two million man-hours worked without a lost-time injury.
- Record annual gold production was achieved, with 216,850 attributable ounces[1] poured for the year.
- Improvements to the crushing/agglomerating and stacking circuits during 2013 led to increased ore throughput and gold recoveries. The ratio between gold produced and contained gold in ore stacked increased to 66% for 2013.
- All-in Costs/ounce[2] were $864 for 2013.
- SART plant construction was completed and the plant dry-commissioned during Q4 2013 with operation expected to start in 2014 as copper volumes in the leach solution increase.
- The Corporation announced on July 25, 2013 that the Çöpler Measured and Indicated Resource increased to 8.5 million ounces of gold.
- 1.3 million tonnes of sulfide ore were added to stockpiles during 2013 with an average grade of 4.94 g/t. Sulfide ore mined is providing significant positive gold reconciliation to the resource block models and to date has led to a 39% positive reconciliation on a contained ounce basis composed of lower than expected tonnage and higher than expected gold grade. Extensive work is being undertaken to understand the factors contributing to these positive gold reconciliations and until such work is complete, the impact of such reconciliation on the DFS is unknown and therefore subject to uncertainty.

Financial

- The Corporation ended 2013 with cash and cash equivalents of $289.6 million[3].
- The Corporation had no external debt at December 31, 2013.
- Working capital increased by $126.7 million during the year to $315.3 million.
- Attributable net profit from continuing operations was $68.0 million for 2013.
- Adjusted Net Profit[5] was $111.7 million, or $0.39 per share, for 2013.
- Operating cash flow from continuing operations totaled $184.5 million for 2013.
- Free cash flow[4] for the Corporation totaled $12.4 million and on March 12, 2014, the Corporation's Board of Directors declared a dividend of $0.02 per share (approximately $5.8 million) payable on April 15, 2014 (in Canada) to shareholders of record at the close of business on March 31, 2014.

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[1] Attributable gold production is reduced by the 20% non-controlling interest at Çöpler.
[2] All-in Costs/ounce and Adjusted Net Profit are non-IFRS financial performance measures with no standardized definition under IFRS. For further information and detailed reconciliations, see the *"Non-IFRS Measures"* section of this MD&A.
[3] Includes approximately $25.5 million expected to be paid to Lidya Mining in the first half of 2014 as a distribution of its share of 2013 Çöpler profits.
[4] Free cash flow is a non-IFRS measure and represents the net change in cash balance subject to the Corporation's dividend policy.

Discontinued Operations

The Australian assets met the criteria to be classified as a discontinued operations as set forth in IFRS 5, "*Non-current Assets Held for Sale and Discontinued Operations*". As a result, the Corporation has presented the results of these mines as discontinued operations in the consolidated financial statements for the year ended December 31, 2013, and has made the following adjustments to previously reported amounts:

	Current Period Presentation	**Prior Period Presentation**
Consolidated Statements of Financial Position	As of December 31, 2013 all Australian assets have been sold and are no longer presented in the statements.	Balances for the prior period (December 31, 2012) are not restated.
Consolidated Statements of Profit (Loss)	All results of Australian operations are presented in a single line, net of taxes, after presentation of net profit of continuing operations. Further details regarding the net amounts presented on the face of the consolidated financial statements are included in footnote 21.	All prior period Australian operations amounts have been restated to reflect the current classification as discontinued operations.
	Note: For all periods presented, continuing operations in these statements have been restated to represent the results of the Turkish Business Unit and Corporate operations only.	
Consolidated Statements of Cash Flows	All results of Australian operations are presented in a single line, after presenting the cash flows from continuing operations. Further details regarding the net amounts presented on the face of the statements are included in footnote 21.	All prior period Australian operations amounts have been restated to reflect the current classification as discontinued operations.
	Note: For all periods presented, continuing operations in these statements have been restated to represent the results of the Turkish Business Unit and Corporate operations only.	

In accordance with the discontinued operations categorization in the consolidated financial statements, the results of the Australian operations are presented in a consolidated form throughout this MD&A, and general disclosures and updates are presented to allow the reader to understand the discontinued operations. The term "Group" refers to instances where continuing and discontinued operations are reported together.

Results of Continuing Operations

The following table summarizes production results from continuing operations of the Corporation.

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013	2012
Çöpler Gold Mine: [1]						
Waste tonnes mined	4,914,386	5,241,673	4,694,066	5,833,161	20,683,286	18,071,316
Oxide ore mined - tonnes	1,787,169	1,773,536	1,715,571	1,397,244	6,673,520	7,036,221
Oxide ore mined - grade (g/t)	2.11	2.17	1.67	1.57	1.90	1.61
Oxide ore mined - ounces	121,049	123,692	91,969	70,680	407,390	364,000
Sulfide ore mined - tonnes[2]	238,121	414,703	336,787	356,271	1,345,882	190,024
Sulfide ore mined - grade (g/t)[2]	4.92	4.68	5.34	4.86	4.94	4.16
Sulfide ore stockpiled - ounces[2]	37,699	62,367	57,865	55,661	213,592	25,413
Oxide ore treated - tonnes	1,802,973	1,778,827	1,704,528	1,410,881	6,697,209	7,077,727
Oxide ore treated - head grade (g/t)	2.14	2.13	1.70	1.59	1.91	1.65
Ratio between gold produced and contained gold in ore stacked	44%	56%	87%	93%	66%	50%
Gold ounces produced	54,604	68,195	81,059	67,205	271,063	188,756
Gold ounces sold	55,954	66,109	81,326	69,963	273,352	202,851
Çöpler Attributable: (80% ownership)						
Gold ounces produced[3]	43,683	54,556	64,847	53,764	216,850	151,005
Gold ounces sold[3]	44,763	52,887	65,061	55,970	218,682	162,281
Cash Operating Costs/ounce sold[4]	$ 397	$ 360	$ 377	$ 525	$ 414	$ 335
Total Cash Costs/ounce sold[4]	$ 439	$ 395	$ 342	$ 554	$ 429	$ 375
All-in Sustaining Costs/ounce sold[4,5]	$ 899	$ 885	$ 697	$ 833	$ 820	N/A
All-in Costs/ounce sold[4,5]	$ 951	$ 916	$ 701	$ 902	$ 864	N/A
Average realized gold price	$ 1,618	$ 1,356	$ 1,338	$ 1,259	$ 1,379	$ 1,664

1 Çöpler production data represents 100% for all periods presented, unless indicated by footnote 3.
2 Sulfide ores are being stockpiled and reported as long-term inventory.
3 Reflects impacts of 20% non-controlling interest.
4 Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "*Non-IFRS Measures*" section below.
5 Reporting of All-in Sustaining Costs/ounce and All-in Costs/ounce commenced during 2013, no comparative calculations have been made.

Full Year 2013 vs. Full Year 2012

Attributable gold production of 216,850 ounces was 44% higher than 2012. This increase in production was due to a trend of higher head grades stacked on the leach pad and improved gold recoveries from irrigated ore. In addition, improvements in material handling and the efficiency of leaching activities contributed to the higher gold production achieved as discussed below.

Total material mined in 2013 of 28.7 million tonnes included oxide ore, sulfide ore and waste, compared to 25.3 million tonnes in 2012. Contained oxide ounces mined increased by 12%, reflecting an 18% increase in oxide ore grade mined offset by a 5% decrease in oxide tonnes mined. This increase in grade was driven by access to higher grades in the Manganese Pit following re-scheduling of the pit sequence and continuing positive grade reconciliation from the Manganese Pit. During the year, the mining sequence was changed to address material handling challenges from the higher clay ore from the Marble and Main Pits. This higher clay ore was blended with harder ore from the Manganese Pit to provide suitable product to the crushing circuit. Overall improvements in the crushing circuit were implemented during 2013 and resulted in a 35% increase in throughput to 5.8 million tonnes, with a corresponding 67% decrease in run-of-mine ore ("ROM ore") placed directly onto the leach pad. The placement of ROM ore to the leach pad was substantially eliminated by the end of September 2013 and

is not planned to occur in 2014. Total ore placed on the leach pad decreased by 5% to 6.7 million tonnes in 2013. This included 1.1 million tonnes of high clay content ore which was processed predominantly through the clay-handling bypass circuit, and with a minor amount of material processed through the new clay-handling circuit during initial commissioning in December 2013.

The improvements in the primary crushing circuit and commissioning of the new clay-handling circuit have substantially increased operational flexibility to mine both harder ore from the Manganese pit and high clay content ore from the Marble and Main Pits. Improvement efforts included work done on chutes, conveyor system and stacking system at the leach pad. Improvements have also been made to the stacking sequence and irrigation of stacked ore following the completion of the Heap Leach Pad Phase 3 construction work in Q4 2013.

These improvements in the ore handling system and heap leach activities, plus the cumulative recoverable gold now stacked on the leach pad, have resulted in the ratio between gold produced and contained gold in ore stacked increasing to 66% for 2013, from 50% in 2012. The Corporation continues to focus on improving the ore handling system's efficiency to process high clay content ore and on optimizing the agglomeration, stacking sequence and leach cycles.

Sulfide ore stockpiles at December 31, 2013 totaled 1.5 million tonnes at 4.84 g/t or 239,005 contained gold ounces. Sulfide ore mined is providing significant positive grade reconciliation to the reserve block models. To date, on a contained ounce basis this has led to a 39% positive reconciliation. This reconciliation bias could have the potential to provide significant positive impacts to the DFS and extensive work is being undertaken to understand the factors contributing to these positive grade reconciliations. This work includes reviewing the drilling database, how the sulfide resource has been estimated and the characteristics of the sulfide ore mined to date. Until such work is complete, the impact of such reconciliation and its impact on the DFS is unknown and therefore subject to uncertainty.

Cash Operating Costs/ounce[1] of $414 were 24% higher than 2012. Factors influencing the increase were an 11% increase in processing costs due to an increase in reagent consumption which provided a higher concentration of cyanide in irrigation solution, the operation of the new clay handling bypass circuit, and increased maintenance costs associated with the pad stacking conveyors. Overall crushing and stacking related costs also increased in 2013 due to the 35% increase in throughput rates noted above. Cash Operating Costs/ounce[1], as compared to 2012, increased due to the higher opening weighted average cost of ounces in the inventory accounting model.

During 2013, the Corporation renegotiated terms with the mining contractor, resulting in a cost decrease of 20% on a per tonne mined basis. This decrease in unit rate, coupled with a 16% improvement in ore grade processed, drove a reduction in mining cost per ounce which was offset by a reduction in capitalized stripping costs in 2013 compared to 2012 to give a flat net mining cost per ounce processed in 2013.

A thorough review of the inventory costing model was conducted in Q4 2013 which identified $5.7 million of non-cash adjustments between inventory balances and cost of goods sold.

[1] Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "Non-IFRS Measures" section below.

Total Cash Costs/ounce[1] of $429 includes both the impact of the inventory adjustment noted above and the benefit of a reduction in royalty expenses arising from confirmation that an allowable concession may be applied.

All-in Sustaining Costs/ounce[1] were $820 and All-in Costs/ounce[1] were $864. The cost basis for both measures include one-time sustaining capital project costs related to SART development ($26.5 million), the clay-handling circuit and agglomerator upgrade ($16.7 million) and information systems upgrade ($1.9 million). These costs represent approximately $165/ounce in both of these measures.

Investments in Mineral Properties and Equipment

A summary of the cash invested in capital activities for the year ended 2013 is presented below:

Capital Investments (in '000)		2013
Sustaining and general capital - Çöpler[1]		
Open-pit mine development	$	12,133
Sulfidization, Acidification, Recirculation and Thickening ("SART") Plant		26,535
General plant, deferred stripping asset and other		28,455
		67,123
Growth capital - Çöpler[1]		
Sulfide project		7,383
		7,383
Corporate office		1,939
Total capital spending – Continuing operations		76,445

[1] Amounts presented for Çöpler represent 100% of investments made.

Sustaining capital expenditures are generally defined as those that support the ongoing operation of the asset or business without any associated increase in capacity or future earnings and are mostly considered non-discretionary. Growth capital expenditures are generally defined as those that expand existing capacity and/or increase future earnings and are considered discretionary.

Sustaining and general capital – Çöpler

The Çöpler Heap Leach Phase 3 expansion construction started in Q4 2012 and was completed in Q4 2013 at a total cost of $11.6 million. Overliner placement was also completed during 2013 and stacking commenced in Q4 2013. The addition of Phase 3 increased total leach pad capacity to 42 million tonnes of ore.

[1] Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "*Non-IFRS Measures*" section below.

The Corporation has installed a SART plant to control copper in heap leach solutions and all major construction activities were completed during 2013. The plant was dry-commissioned during Q4 2013 with operation expected to start in mid-2014 as copper volumes in the leach solution increase. The SART plant is estimated to cost $31.6 million. To date, the Corporation has spent $31.4 million.

Other capital expenditures include the clay-handling circuit and new agglomerator. Work on the clay-handling circuit was completed in late October 2013 and commissioned in December 2013. The agglomerator construction continues to be targeted for completion and commissioning during Q2 2014. The clay-handling circuit and new agglomerator have incurred costs of $16.7 million to date with an estimated total cost at completion of $19.1 million. Additional capital projects currently under construction include a new storm pond and new assay lab, with a combined total project cost of $6.1 million, of which $4.2 million was spent in 2013.

Growth capital – Çöpler

Amounts incurred represent continuing technical evaluations and reviews associated with determining the method to be used for processing sulfide ore at Çöpler. As noted above, the Corporation has commenced a DFS for whole-ore pressure oxidization as the processing method for sulfide ore at Çöpler. The DFS is progressing to plan and is on track to be released in Q2 2014.

Exploration and Evaluation

2013 Exploration spending (in '000)	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler	80%	$ 11,309	$ 9,047
Çöpler district	50%	6,088	3,044
Turkey Regional - Polimetal	20%	6,310	1,262
Turkey Regional - Cevizlidere	50%	607	304
Other	100%	512	512
Total		$ 24,826	$ 14,169
Reconciliation:			
Amounts capitalized to exploration properties (100%)		$ 9,707	
Amounts expensed, continuing operations (100%)		3,081	
Corporation's share of Joint venture exploration expenditures		4,801	
Exploration costs borne by JV partner		7,237	

Exploration Results

Çöpler Exploration Program

Drilling in 2013 focused on infill and extensional drilling of oxide mineralization at West Zone and Main Zone to define the open-pit limits and infrastructure layouts at the western margin of the Çöpler valley. A total of 35,912 meters ("m") of drilling was completed to identify extensions to known oxide and sulfide mineralization to the west of Çöpler as well as below the limits of the current open pit design.

The Corporation released an updated Çöpler resource estimate on July 25, 2013 that incorporated mining depletion and drilling assay results from August 1, 2012 up until May 31, 2013. This update has resulted in Measured and Indicated ("M+I") resources increasing to 194.2 million tonnes at a grade of 1.4 g/t gold, containing a total of 8.5 million ounces (inclusive of reserves) as at June 30, 2013, and forms the basis of ongoing Çöpler oxide and sulfide mine studies.

Mineral Resource for the Çöpler Deposit (100%) as at June 30, 2013					
Gold Cut-off Grade (g/t)	**Material Type**	**Resource Category**	**Tonnes (million)**	**Gold Grade (g/t)**	**Contained Gold (million ounces)**
0.3	*Oxide*	Measured	16.3	1.7	0.9
		Indicated	36.5	0.8	1.0
		Measured + Indicated	**52.8**	**1.1**	**1.8**
		Inferred	25.7	0.6	0.5
0.8	*Sulfide*	Measured	74.0	1.6	3.8
		Indicated	46.9	1.5	2.2
		Measured + Indicated	**120.9**	**1.5**	**6.0**
		Inferred	23.9	1.2	1.0
Variable	*Stockpiles*	Measured	20.4	1.0	0.7
Variable	***Total***	Measured	110.7	1.5	5.4
		Indicated	83.4	1.2	3.2
		Measured + Indicated	**194.2**	**1.4**	**8.5**
		Inferred	49.6	0.9	1.4

Note: Resources are quoted after mining depletion and are inclusive of reserves. Resources are shown on a 100% basis, of which Alacer Gold owns 80%. Stockpiles include both oxide and sulfide stockpiles and residual ore stacked on the heap leach stockpiles. Pursuant to ASX listing rule 5.23.2, Alacer confirms that it is not aware of any new information or data that materially affects the information in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed

Çöpler District Exploration Program

Alacer Gold believes that the Çöpler Mine could be the first of several gold deposits to be discovered and mined in the Çöpler District. The current priority for Çöpler District exploration is to discover shallow oxide gold ore which could leverage the existing infrastructure at the Çöpler Mine.

Geological, geochemical and geophysical survey activities increased across the Çöpler District in 2013. A total of 20,758m of drilling including 9,943m of diamond drilling and 10,814m of reverse circulation ("RC") drilling were completed, along with 161 line kilometers of induced polarization ("IP") geophysical survey, 820 line kilometers of magnetic geophysical survey, 4,953 soil samples and 1,587 rock samples.

Drill testing commenced on several coincident gold geochemical anomalies and geophysical targets along the Karakartal-Findiklidere-Bayramdere-Yakuplu trend.

The Yakuplu prospect is located about 6 km to the northeast of Çöpler gold mine. Surface geochemical anomalism and mapping highlighted an area of near-surface potential oxide gold mineralization within recrystallized limestone and at the contact with ophiolites. The RC program is currently continuing in

order to define down dip and lateral extension of near-surface oxide gold mineralization intersected in the previous drilling phase.

The Bayramdere prospect is also located about 6 km to the southeast of Çöpler along the north-northwest mineralized trend. Encouraging near-surface high-grade oxide gold mineralization has been confirmed by the drilling completed in late 2013.

The new Aslantepe prospect, which contains porphyry-style copper-gold mineralization, is located about 2 km east-southeast of the Bayramdere target area under alluvial cover which hides the mineralization. The highest rock grab sample from the potassically altered porphyry mineralization returned 1.3g/t gold and 0.6% copper. Detailed exploration work is in progress and drilling is planned for the area in 2014.

Demirmağara lies approximately 6 km to the southwest of Çöpler along the strike of the regional Çöpler Fault. Oxide gold mineralization was identified from surface mapping with initial drill testing by three diamond drill holes completed in 2005 (that included 23m at 1.1g/t gold from 129m in DMH003). A total of four diamond drill holes were recently completed at Demirmağara and identified narrow intervals of moderately oxidized skarn mineralization. Further drilling is required to determine the size and scale of the identified mineralization. Additional drill targets including Demirmağara south, Bahçe and Yakuplu have been defined following regional geochemical and geophysical surveys and detailed geological mapping. The targets are planned to be drill tested in 2014.

The Corporation owns 80% of the licenses adjacent to Çöpler under the Anagold Joint Venture and 50% of the remaining licenses in the Çöpler District under the Kartaltepe Joint Venture, both in partnership with Lidya Mining. All of the prospects discussed above are in the Kartaltepe Joint Venture except for Demirmağara and Bahçe.

Other Turkey exploration joint ventures

Cevizlidere is the most advanced project in Alacer's regional exploration portfolio, located in the Tunceli Province. Alacer Gold is currently undertaking preparatory work prior to recommencing drilling at Cevizlidere. Cevizlidere is 50% owned through the Tunçpinar Joint Venture.

Cevizlidere contains a copper-gold-molybdenum porphyry deposit that has not been drilled since 2005 and remains open to the southeast and at depth. The mineralization is associated with multiple porphyry intrusions and zoned alteration. Supergene alteration and redistribution of copper mineralization has created a near-surface enriched zone. An Inferred Resource has been estimated of 445.7 million tonnes at 0.38% copper, 0.11g/t gold, and 48ppm molybdenum, containing 1.7 million tonnes of copper and 1.6 million ounces gold. Further information on this resource is available in the Technical Report on the Cevizlidere Porphyry Deposit file on www.sedar.com. Geophysics and geological mapping indicates several other alteration and porphyry systems within the Cevizlidere project licenses.

Drilling continued on two other gold projects in Turkey at Dursunbey and Akoluk as part of the Polimetal Joint Venture ("Polimetal JV") with our partner, Lidya Mining. The Polimetal JV is managed by Lidya Mining, and covers 18 licenses and 43,088 hectares across Turkey. The Corporation elected to dilute its ownership in Polimetal Madencilik Sanayi Ticaret Anonim Şirketi joint venture (Polimetal), from 50% in 2012 to 20% during 2013. The Corporation retains the right to claw back its full 50% interest in any

project by matching Lidya's historical project exploration spend within 60 days of the completion of a Preliminary Economic Assessment.

The Dursunbey property is located approximately 190 km to the south south-east of Istanbul in the Balıkesir Province. An ore definition grid drilling program commenced in November 2013 at Dursunbey and is in progress with one RC and 4 diamond rigs. The Corporation has elected to exercise the right to claw back ownership in the Dursunbey Project to 50%.

Financial Highlights

A summary of the Corporation's financial results for the years ended December 31, 2013, 2012 and 2011 are presented below. Unless otherwise noted, this table relates to continuing operations. See Note 21 in the Consolidated Financial Statements for further information regarding discontinued operations.

Consolidated Financial Summary (in '000, except for per share)	2013	2012	2011
Gold sales	$ 377,081	$ 337,575	$ 230,693
Less:			
Production costs	117,169	76,145	47,776
Depreciation, depletion and amortization	37,387	23,979	10,851
Mining gross profit	$ 222,525	$ 237,451	$ 172,066
Amounts attributable to owners of the corporation:			
Net profit from continuing operations	**$ 67,998**	**$ 166,358**	**$ 58,200**
Net profit from continuing operations per share – basic	$ 0.24	$ 0.58	$ 0.22
Net profit from continuing operations per share – diluted	$ 0.23	$ 0.58	$ 0.22
Net loss from discontinued operations	**$ (515,199)**	**$ (552,320)**	**$ 17,049**
Net loss from discontinued operations per share – basic	$ (1.78)	$ (1.93)	$ 0.07
Net loss from discontinued operations per share – diluted	$ (1.78)	$ (1.93)	$ 0.07
Total net profit (loss)	**$ (447,201)**	**$ (385,962)**	**$ 75,249**
Total net profit per share - basic	$ (1.55)	$ (1.35)	$ 0.29
Total net profit per share – diluted	$ (1.55)	$ (1.35)	$ 0.29
Adjusted Net Profit from continuing operations[1]	**$ 111,669**	**$ 111,301**	**$ 108,513**
Adjusted Net Profit from continuing operations per share[1]	$ 0.39	$ 0.39	$ 0.42
Dividend paid	$ (70,309)	$ -	$ -
Dividend paid - per share	$ 0.24		
Cash Flows			
Operating cash flows from continuing operations	$ 184,542	$ 174,186	$ 154,977
Investing cash flows from continuing operations	(37,413)	(61,268)	58,398
Financing cash flows from continuing operations	(112,826)	(27,678)	14,841
Change in cash flows from continuing operations	34,303	85,240	228,216
Net increase/(decrease) in cash from discontinued operations	(20,033)	(58,200)	4,482
Effect of exchange rate changes on cash	(1,879)	653	(1,859)
Change in total Group cash	$ 12,391	$ 27,693	$ 230,839
Ending cash and cash equivalents (Continuing operations)	$ 289,649	$ 277,258	$ 249,565

	As of		
	31-Dec-13	31-Dec-12	31-Dec-11
Financial Position			
Working capital[1]	$ 315,265	$ 188,567	$ 44,198
Total assets[2]	$ 712,155	$ 1,460,381	$ 1,802,912
Non-current liabilities[2]	29,875	$ 64,845	$ 109,007
Total equity	633,626	$ 1,167,037	$ 1,392,765

[1] Adjusted Net Profit (Loss) and Adjusted Net Profit (Loss) per share are non-IFRS financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, see the "*Non-IFRS Measures*" section of this MD&A.

[2] Excludes assets classified as held for sale of $111,641 and $878,328, and liabilities associated with assets classified for sale of $71,626 and $166,684, as of December 31, 2013 and December 31, 2012, respectively.

Full Year 2013 vs. Full Year 2012

Gold sales from continuing operations of $377.1 million were 12% higher than 2012, reflecting a 35% increase in sales volume driven by an increase in gold production. This increase in sales volume was offset by a $285 or 17% decline in realized sale prices from $1,664 to $1,379. Total cost of sales for 2013 (production costs and DD&A) increased 54% as compared to 2012. This increase is mainly driven by increases in sales volume and unit price. Mining gross profit for 2013 declined from 2012 by 6%. Factors influencing these period over period changes are predominantly production volume, sales price and costs per unit which are further discussed in *"Results of Operations"* above and *"Gold Sales"* below.

Net loss from discontinued operations includes the impacts of post-tax impairment losses on re-measurement taken in 2012 and 2013, and the results of operations for both periods. The change in net loss from discontinued operations from 2012 to 2013 primarily reflects the impacts of post-tax impairment losses taken in the respective periods.

Adjusted Net Profit for 2013 remained flat from 2012, and principally reflects the impacts of lower gold prices and higher per-ounce unit costs in 2013.

Cash and cash equivalents increased $12.4 million during 2013 as compared to net increase of $27.7 million for 2012. This increase is mainly due to factors discussed in the following paragraph.

Operating cash flows from continuing operations increased $10.4 million in 2013 as compared to 2012, reflecting higher sales volumes partially offset by lower unit prices for sales and higher operating costs. Investing outflows (excluding proceeds from discontinued operations) during 2013 exceeded those of 2012 by $16.5 million and were primarily associated with the projects described above in *"Investments in Mineral Properties and Equipment"*. Financing outflows during 2013 increased $85.1 million as compared to 2012 primarily reflecting payment of a $70.3 million shareholder dividend in April 2013, a $31.2 million dividend payment to the non-controlling interest owner, and $11.9 million repayment of borrowings. Discontinued operations cash and cash equivalents decreased $20.0 and $58.2 million for 2013 and 2012, respectively.

As noted above under *"Discontinued Operations",* the December 31, 2012 presentation of assets and liabilities were not restated to remove components related to the Australian Business Unit. The working capital increase of $127 million reflects the net Turkish operations working capital increase of $62 million, net proceeds received from the Australian asset sale of $40 million, and the portion of December 31, 2012 working capital amounts related to Australia which are no longer reflected due to the asset sale totaling approximately $30 million.

Through December 31, 2013, total assets decreased by $748.2 million, total liabilities decreased by $214.8 million, and total equity decreased $533.4 million. The changes are primarily due to the sale of Australian assets, the Q2 2013 dividend payment to shareholders and the Q1 2013 dividend payment to the Çöpler minority interest owner, Lidya Mining. These decreases in equity were partially offset by net profits from continuing operations.

Gold Sales

Details of gold sales for the year ended December 31, 2013 and 2012 are presented below:

	2013	2012
Gold ounces sold from continuing operations [1]	273,352	202,851
Gold sales from continuing operations ($000)	$ 377,081	$ 337,575
Average realized price	$ 1,379	$ 1,664
Average London PM Fix	$ 1,411	$ 1,669

[1] Includes 100% of Çöpler.

For 2013, Alacer Gold's average realized gold prices were consistent with the corresponding average London PM Fix. The decline in average price realized during both periods in 2013 as compared to 2012 is consistent with price volatilities as discussed below under "*Business Conditions and Trends*". The Corporation is not currently using forward sale contracts or other derivative products for future gold sales.

Other Costs related to continuing operations

Details of other costs for the years ended December 31, 2013 and 2012 are presented below:

	2013	2012
General and administrative	$ 29,470	$ 25,421
Restructuring costs	4,990	-
Share-based employee compensation costs	5,292	7,069
Foreign exchange (gain) loss	4,102	2,806
Finance (income) expense	(657)	(29,675)
Other (gain) loss	(1,221)	1,353
Total corporate and other costs	41,976	6,974
Income tax expense	75,144	16,636
Total other costs	$ 117,120	$ 23,610

Other costs reflect management costs, general expenditures and income taxes, which are not related to individual mining operations. Significant variations from the prior period results are discussed below:

General and administrative costs increased 16% for 2013. This increase mainly reflects the impact of community donations of $3.5 million, including the construction of a primary school near the Çöpler gold mine and one-time donation paid to Colorado School of Mines. Cost cutting measures in the second half of 2013 are expected to be fully realized in 2014.

Restructuring costs for 2013 reflect severance payments associated with management restructuring undertaken as a result of the Corporation's transformational changes to its business.

Share-based employee compensation costs are non-cash charges relating to the amortization of costs associated with stock options and restricted stock units ("RSU") over their respective vesting periods. The decline in expense during 2013 is due to the reclassification of relevant costs as restructuring and RSU cancellations.

Finance (income) expense, represent interest expense, gains and losses on financial instruments, unwinding of rehabilitation provision discount and interest income. The 2013 finance income decreased as compared to 2012 primarily due to the 2012 maturity of convertible debentures, as the change in debenture-related option valuation in 2012 resulted in a gain of $32.9 million.

Other (gain) loss, includes miscellaneous operating and non-operating gains and losses. 2013 results includes $2.6 million related to the recovery of insurance for fire damage and reversal of provision for settled litigation related to the construction of Çöpler Mine in 2008.

Income tax expense for 2013 increased as compared the same period in 2012 due to an increase in the effective tax rate for Turkish operations from approximately 13% to 20%. Factors contributing to this increase include a reduction in the incentive tax credit rate applied to qualifying expenditures from 70% to between 20%-40%, as well as a reduction in capital asset expenditures that qualify for incentive tax credits. In addition, during 2013 the Turkish Tax Authority completed an audit of Anagold corporate tax returns for the years 2010 through 2013 which included the claimed incentive tax credit. As a result, the Corporation recognized an additional tax expense of $7.0 million and $5.8 million in Q2 and Q4 2013, respectively, related to the reversal of deferred tax assets associated with the disallowance of a portion of the investment tax credits. 2013 tax expense was also negatively impacted by the devaluation in the TRY as compared to USD, which resulted in the recognition of additional tax expenses of $23.0 million in Q4 2013 to reflect non-cash movements in deferred tax balances. The following table reconciles taxes at the statutory Canadian rate to the net amount recognized in the financial statements.

	2013	2012
Net profit before income tax for the year	$ 172,667	$ 226,597
Income tax expense at Canadian statutory rate of 30%	$ 51,800	$ 67,979
Effect of difference in foreign tax rates	(20,556)	(22,494)
Investment tax credits	6,584	(27,952)
Unrecognized income tax assets	9,410	(2,622)
Foreign currency valuations	23,012	(4,923)
Other	4,894	6,648
Provision for income taxes	$ 75,144	$ 16,636

Summary of Quarterly Results

The following table summarizes the Corporation's total revenues, profit (loss) and profit (loss) per share for each of the preceding eight quarterly periods ended December 31, 2013.

(in '000, except for per share)	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Total revenues, continuing operations	$ 88,102	$ 108,814	$ 89,627	$ 90,538	$ 88,694	$ 74,634	$ 90,373	$ 83,874
Amounts attributable to owners of the Corporation:								
Profit (loss) from continuing operations	$ (20,925)	$ 36,559	$ 18,376	$ 33,988	$ 38,145	$ 26,044	$ 46,462	$ 55,707
Profit (loss) from discontinued operations	25,053	(58,269)	(452,149)	(29,834)	(528,791)	(2,679)	(19,066)	(1,784)
Net profit (loss)	$ 4,128	$ (21,710)	$ (433,773)	$ 4,154	$ (490,646)	$ 23,365	$ 27,396	$ 53,923
Per share profit from continuing operations:								
- basic	$ (0.04)	$ 0.09	$ 0.06	$ 0.12	$ 0.13	$ 0.09	$ 0.16	$ 0.20
- diluted	$ (0.04)	$ 0.09	$ 0.06	$ 0.12	$ 0.13	$ 0.09	$ 0.16	$ 0.20
Per share profit (loss) from discontinued operations:								
- basic	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)	$ (1.83)	$ (0.01)	$ (0.06)	$ (0.01)
- diluted	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)	$ (1.83)	$ (0.01)	$ (0.06)	$ (0.01)
Per share profit (loss):								
- basic	$ 0.06	$ (0.11)	$ (1.50)	$ 0.01	$ (1.70)	$ 0.08	$ 0.10	$ 0.19
- diluted	$ 0.06	$ (0.11)	$ (1.50)	$ 0.01	$ (1.70)	$ 0.08	$ 0.10	$ 0.19

Generally, the Corporation does not experience the effects of seasonality with regard to revenues or expenses. During Q4 2012, Q2 2013 and Q3 2013, the Corporation recorded post-tax impairment charges of $490 million, $412 million, and $72 million respectively for Australian non-current assets carried as discontinued operations. In addition, year-end tax provision adjustments made in Q4 2013 resulted in a net loss from continuing operations for the quarter.

Fourth Quarter Results

During Q4 2013, Alacer Gold produced 67,205 attributable ounces as the ore handling and heap leach improvements discussed above continued. Cash Operating Costs/ounce[1], Total Cash Costs/ounce[1], All-in sustaining Costs/ounce[1] and All-in Costs/ounce[1] all increased during the quarter, principally reflecting the non-cash adjustment of $5.7 million discussed above under "Full Year 2013 vs. Full Year 2012", and a reduction in recoverable ounces placed on the pad during the quarter. The Loss from continuing operations in the quarter is largely due to $30.8 million of income tax expense related to the full year expense of $75.1 million. Working capital increased $39.3 million, reflecting cash inflows from the sale of the ABU and net impacts of operating activities. Overall, investing outflows continued to be associated with the projects described above in the *"Investments in Mineral Properties and Equipment."*

Liquidity and Capital Resources

The Corporation manages its liquidity and capital resources to provide sufficient cash and cash equivalents to meet short and long-term operating and development plans, credit facility obligations, and other contractual obligations when due. Historically, the Corporation has used cash flow from operations and existing bank credit facilities as primary sources of liquidity. For potential funding of large transactions such as acquisitions, mine development and expansion, and debt refinancing

[1] Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "*Non-IFRS Measures*" section below.

transactions, Alacer Gold may look to the private and public capital markets as a source of financing. Management believes capital resources at December 31, 2013 are sufficient to fund operations, forecasted exploration and capital expenditures, debt repayments and reclamation and remediation obligations in 2014.

With respect to longer-term funding requirements, the Corporation believes current cash, additional future cash flows and other sources of liquidity will be available. Under present conditions, the Corporation believes it has sufficient access to capital and debt markets. There is a risk that the cost of obtaining capital resource 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 Gold cannot be certain that funding, if needed, will be available to the extent required, or on acceptable terms. If Alacer Gold is unable to access funding when needed on acceptable terms, the Corporation may not be able to fully implement current business plans, take advantage of business opportunities, respond to competitive pressures, or refinance existing or future debt obligations as they come due, any of which could have a material adverse effect on the Corporation's operational and financial results. However, the Corporation may elect to reduce its planned expenditures concurrent with prevailing conditions. The Corporation believes that this financial flexibility to adjust its spending levels will provide it with sufficient liquidity to meet its future operational goals and financial obligations.

On March 6, 2013, the Corporation adopted a dividend policy to return a minimum of 20% of free cash flow to the Corporation's shareholders annually beginning in 2014, subject to pertinent financial and operational considerations by the Board of Directors. Free cash flow totaled to $12.4 million and on March 12, 2014, the Corporation's Board of Directors declared a dividend of $0.02 per share (approximately $5.8 million) payable on April 15, 2014 (in Canada) to shareholders of record at the close of business on March 31, 2014.

Working Capital

Working capital increased $126.7 million at December 31, 2013 as compared to December 31, 2012 primarily due to the sale of discontinued operations, payment of stamp duties, as well as increased cash and inventories associated with mining operations.

Current assets are available at varying times within 12 months following the balance sheet date. Cash and cash equivalents are readily available to meet expenditures. The ability to distribute cash to the parent entity may be subject to jurisdictional regulations or joint venture provisions. Management believes these provisions will not adversely affect the Corporation's ability to meet its commitments when due.

Credit Facilities and Term Notes

In July 2013, the Corporation canceled an AUD$50 million outstanding revolving credit facility held at the Australian Business Unit. In September 2013, the Turkish Business Unit repaid the remaining balance of the original $25 million term note scheduled to mature in December 2013, and as of December 31, 2013, the Corporation does not have any outstanding balances related to credit facilities or debt arrangements.

Contractual Obligations

The Corporation's contractual obligations as of December 31, 2013 were:

	Less than one year	Between one and five years	More than five years	Total
Non-cancellable operating leases	$ 667	$ 1,036	$ 11	$ 1,714

Lidya Mining is entitled to receive dividend payments equaling its share of legally declarable dividends from Anagold. The estimated amount subject to distribution for 2013 operating results is $25.5 million, and is scheduled for payment in the first half of 2014.

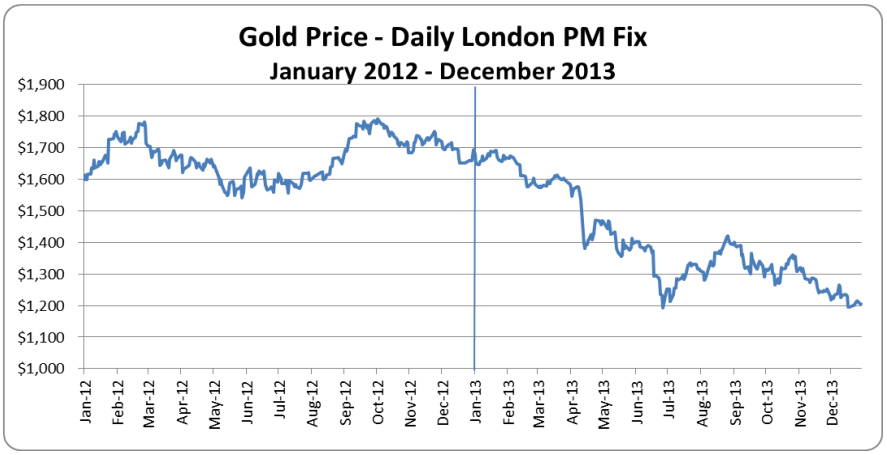
Business Conditions and Trends

The Corporation's results of operations, financial condition, financial performance and cash flows are affected by various business conditions and trends. The variability of gold prices, fluctuating currency rates and increases in costs of materials and consumables associated with the Corporation's mining activities are the primary economic factors that impacted financial results during 2013.

Gold Price

The price of gold is the most significant external factor affecting profitability and cash flow of the Corporation. The price of gold is subject to volatile price movements over short periods of time and is affected by numerous macroeconomic and industry factors that are beyond the Corporation's control. Major influences on the gold price include currency exchange rate fluctuations and the relative strength of the USD, the supply of and demand for gold and macroeconomic factors such as the interest rate levels and inflation expectations. Declines in gold prices have adversely affected, and in the future may adversely affect, the Corporation's operating results, cash flows, financial condition, access to capital markets, the economic viability of reserves, and ability to reinvest in order to maintain or grow the current asset base. Further deterioration in gold prices may negatively affect future cash flow such that the Corporation may curtail or determine it may not be economical to continue with existing or planned exploration or capital development activities for existing operations.

During 2013, the gold price experienced continued volatility, with the price ranging from $1,192 to $1,694 per ounce. The price of gold closed at $1,204 per ounce on December 31, 2013, while the average 2013 market price of $1,411 per ounce represents a $258 per ounce decrease from the $1,669 per ounce average market price for 2012. The following table depicts the daily historical London PM Fix market price per ounce for 2012 through 2013.



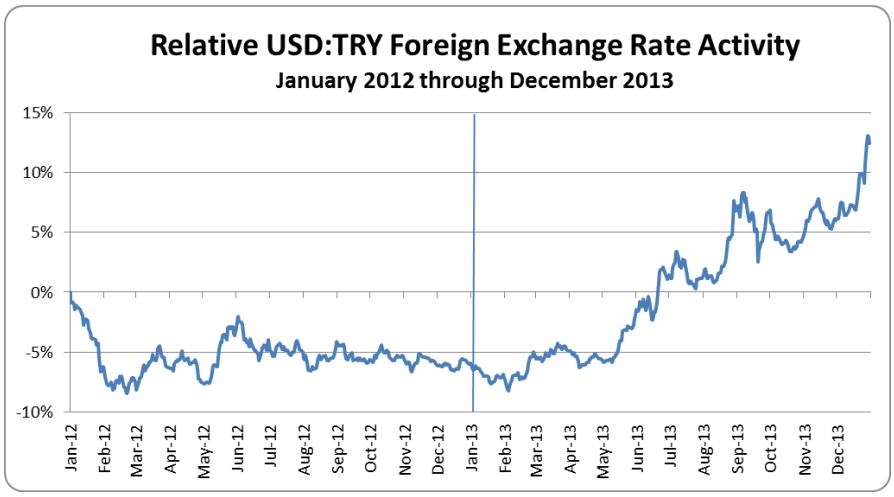
In light of the downward trend in the gold price during the first half of 2013, a comprehensive cash generation strategy was implemented during Q2 2013 focusing primarily on discontinued operations, which were sold in Q4 2013.

While management has implemented plans to mitigate the impact of decreased gold prices, as discussed above, further decreases in the realized price of gold sold are possible.

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, except for discontinued operations where AUD is the functional currency.

The Corporation's earnings and cash flow may also be affected by fluctuations in the exchange rate between the USD and the Turkish Lira which may give rise to foreign currency exposure and 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. The table below shows the USD:TRY foreign exchange rate from 2012 through 2013.



Overall inflation rates remained in line with prior year trends during 2013. Currently, the Corporation has not experienced any material direct liability resulting from changing commodity prices that have influenced its operations. However, additional indirect costs are expected to flow through from affected suppliers. The collective impact of changing prices may result in operating and capital cost variances beyond Management's control. The Corporation currently is not using derivative products to protect against movements in the cost of commodities, materials or services.

Transactions with Related Parties

As of December 31, 2013, the Corporation does not have any transactions with related parties.

Critical Accounting Policies, Estimates and Accounting Changes

The Corporation's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The significant accounting policies applied and recent accounting pronouncements are described in Note 3 to the Corporation's consolidated financial statements for the year ended December 31, 2013.

The preparation of the Corporation's 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. Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in the consolidated financial statements include:

Mineral reserve and resource estimates

Figures for reserves and resources are determined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and Canadian Institute of Mining, Metallurgy and Petroleum standards. Proven and probable reserves are the economically mineable parts of the Corporation's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Corporation estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of an orebody requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the orebody. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

Depreciation, depletion and amortization

Plant assets and other facilities used directly in mining activities are depreciated using the UOP method over a period not to exceed the estimated life of the orebody based on recoverable ounces to be mined from proven and probable reserves. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves. The calculation of the UOP rate, and therefore the annual depreciation, depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining, and differences in gold price used in the estimation of mineral reserves. Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Inventories

The assumptions used in the valuation of work-in-process inventories include estimates of gold contained in the ore stacked on leach pads, assumptions of the amount of gold stacked that is expected to be recovered from the leach pads, and an assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Group could be required to write-down the recorded value of its work-in-process inventories, which would reduce the Group's earnings and working capital.

Mine restoration provision estimates

The Group's calculation of rehabilitation and closure provisions (and corresponding capitalized closure cost assets where necessary) rely on estimates of costs required to rehabilitate and restore disturbed land to appropriate post-operations condition. Key assumptions are reviewed regularly and adjusted to reflect current estimates used to calculate these balances. Significant judgment is required in determining the provision for mine closure and rehabilitation as there are many transactions and other factors that will affect the ultimate costs required to rehabilitate the site. Factors that affect this liability include future development, changes in technology, price increases and changes in interest rates.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognizes tax-related assets and liabilities based on the Group's current understanding of tax laws as applied to the Group's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recoverability of long-lived assets

The Group reviews and evaluates long-term non-financial assets for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. This assessment is done at the cash generating unit level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. An impairment is

considered to exist if the recoverable amount, determined as the higher of the estimated fair value less costs to sell or value in use, is less than the carrying amount. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

Financial Instruments and Other Instruments

The Corporation's financial instruments as of December 31, 2013 consist of cash and cash equivalents, receivables, investments in publicly-traded securities, trade and other payables which are presented at fair value. The Corporation's financial instruments are denominated primarily in USD and TRY. There are no material income, expense, gains/losses associated with the instruments in 2013.

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, which may include such instruments as bankers' acceptances, guaranteed investment contracts, corporate commercial paper, U.S. and Canadian treasury bills, and U.S. and Canadian agencies investments in accordance with the Corporation's investment policy. Investment objectives are primarily directed towards preservation of capital and liquidity. The investment policy provides limitations on concentrations of credit risk, credit quality and the duration of investments, as well as minimum rating requirements for cash and cash equivalents held in banks and financial institutions. The majority of the Corporation's receivable balances consist of claims for recoverable Turkish value-added tax. The Corporation is also exposed to credit risk to the extent the timing of payments is delayed. As of December 31, 2013, Turkish VAT receivable totaled $10 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 also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Short-term investments are purchased at market interest rates and result in fixed yields to maturity. All other financial assets and liabilities in the form of receivables, payables and provisions are non-interest bearing. Future net cash flows from interest income on cash and cash equivalents and interest expense on variable rate borrowings will be affected by interest rate fluctuations. The Corporation manages interest rate risk by maintaining an investment policy for short-term investments and cash held in banks. This policy focuses primarily on preservation of capital and liquidity. The Corporation currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Foreign currency risk is generally associated with financial instruments and transactions denominated in non-USD currencies. The Corporation is exposed to financial gain or loss as a result of foreign exchange movements against the USD. The Corporation does not presently engage in hedging or speculative activities. The Corporation holds USD, TRY, and CAD in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately $6.5 million denominated in TRY as of December 31, 2013. Therefore, the Corporation remains exposed to future currency fluctuations.

Non-IFRS Measures

The Corporation has identified certain measures that it believes will assist understanding the performance of the business. As the measures are not defined under IFRS, they may not be directly comparable with other companies' adjusted measures. The non-IFRS measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but Management has included them as these are considered to be important comparables and key measures used within the business for assessing performance. These measures are explained further below.

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

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

All-in Sustaining Costs is 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 includes All-in Sustaining Costs plus expansion capital costs.

Cash Operating Costs/ounce, Total Cash Costs/ounce, All-in Sustaining Costs/ounce and All-in Costs/ounce are calculated by dividing the relevant costs, as determined using the cost elements noted above, by gold ounces sold for the periods presented. The data does not have a meaning prescribed by IFRS and therefore amounts presented may not be comparable to data presented by gold producers who do not follow the guidance provided by the Gold Institute or the World Gold Council. In particular, non-cash costs such as depreciation and amortization would be included in a measure of total costs of producing gold under IFRS, 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 Gold believes that cash cost measures are useful indicators of performance as they provide an indication of a company's profitability and efficiency, the trends in cash costs as the Corporation's operations mature, and a benchmark of performance to allow comparison to other companies.

The following table reconciles these non-IFRS financial measures to the consolidated statements of profit (loss) for the years ended December 31, 2013 and 2012, excluding discontinued operations.

In $000s, except for per ounce measures	2013	2012
Production costs (continuing operation) - IFRS	$ 117,169	$ 76,145
Adjustments: (none)	-	-
Total Cash Costs	$ 117,169	$ 76,145
Divided by: gold ounces sold	273,352	202,851
Total Cash Costs per ounce	**$ 429**	**$ 375**
Total Cash Costs	$ 117,169	$ 76,145
Less: Royalties and severance taxes	3,877	8,625
Cash Operating Costs	$ 113,292	$ 67,520
Divided by: gold ounces sold	273,352	202,851
Cash Operating Costs per ounce	**$ 414**	**$ 335**
Total Cash Costs – from above	$ 117,169	
Add portions of:		
Exploration	$ 3,081	
General and administrative	29,470	
Share-based employee compensation costs	5,292	
Sustaining capital expenditures	69,062	
All-in Sustaining Costs	$ 224,074	
Divided by: gold ounces sold	273,352	
All-in Sustaining Costs per ounce	**$ 820**	**N/A**
Total All-in Sustaining Costs, from above	$ 224,074	
Add-in non-sustaining costs[1]	12,184	
Total All-in Costs	$ 236,258	
Divided by: gold ounces sold	273,352	
All-in Costs per ounce	**$ 864**	**N/A**

[1] Includes Sulfide project costs and attributable regional joint venture exploration expenditures.

Adjusted Net Profit and Adjusted Net Profit per share attributable to owners of the Corporation are non-IFRS measures and reflect net profit (loss) attributable to owners of the Corporation as adjusted for non-recurring items, mark-to-market adjustments for convertible debentures, and normalization of tax expense to reflect statutory rates by jurisdiction. This information is provided to supplement information presented in the consolidated financial statements and this MD&A. Management believes that in addition to profit (loss) and related per share disclosures prepared in accordance with IFRS, these adjusted measures provide a basis for further evaluation of the Corporation's performance. Presentation of these adjusted measures is not a substitute for reported amounts presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The terms "Adjusted Net Profit attributable to owners of the Corporation" and "Adjusted Net Profit per share attributable to owners of the Corporation" do not have standardized meanings prescribed by IFRS. Therefore, the Corporation's definitions may not be comparable to similar measures presented by other companies or as used by various readers of these adjusted measures.

Calculation of these adjusted measures is presented below for the year ended December 31, 2013 and 2012.

In '000	2013	2012
Profit (loss) attributable to owners of the Corporation	$ (447,201)	$ (385,962)
Add back tax expense (benefit)	75,144	16,636
Pre-tax profit (loss) attributable to owners of the Corporation	(372,057)	(369,326)
Adjustments (pre-tax basis):		
Unrealized (gain)/loss on non-hedge financial instruments [1]	-	(34,436)
Results of Discountinued Operations [2]	515,199	552,320
Adjusted pre-tax profit attributable to owners of the Corporation	143,142	148,558
Tax expense on adjusted pre-tax profit [3]	31,473	37,257
Adjusted Net Profit	**$ 111,669**	**$ 111,301**
Divided by: Weighted average common shares outstanding	289,143,274	285,508,410
Adjusted Net Profit per share	**$ 0.39**	**$ 0.39**

[1] The unrealized (gain)/loss on non-hedge financial instruments reflects the period (gain) or loss resulting from the mark-to-market adjustment made in connection with convertible debentures that matured in April 2012. These amounts are non-cash in nature and reflect periodic changes in the fair value of the option component of the debentures.

[2] During 2012 and 2013, the Corporation recognized impairment losses resulting from the re-measurement of Australian assets to fair value less cost to sell, as further discussed in Note 21 in the Consolidated Financial Statements.

[3] This adjustment applies income taxes to reflect adjusted pre-tax profit attributable to owners of the Corporation at applicable statutory rates for each jurisdiction, as noted in the tables below.

The tables below set forth statutory yearly income tax calculations for the year ended December 31, 2013 and 2012 for continuing operations.

	Turkey	Corporate and Other	Total
2013:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 157,366	$ (14,224)	$ 143,142
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 31,473	$ -	$ 31,473
2012:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 186,284	$ (37,726)	$ 148,558
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 37,257	$ -	$ 37,257

Other

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Corporation, including its consolidated subsidiaries, is made known to the Corporation's certifying officers. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Corporation's DC&P and ICFR as of December 31, 2013 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Corporation is made known to them by others within the Corporation. The Corporation's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to evaluate the design and effectiveness of the Corporation's ICFR as of December 31, 2013 and have concluded that these controls and procedures are effective in providing 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. During the year ended December 31, 2013, significant changes to the Information System environment and key management positions were implemented. It is management's judgment that the related risks were properly managed and these changes in the Corporation's DC&P and ICFR did not have a material adverse effect, or are reasonably likely to have a material adverse effect, on the Corporation's internal control over financial reporting.

Subsequent Events

In February 2014, Howard Stevenson, President and Chief Operating Officer departed the Corporation. The role has been eliminated and will not be replaced.

Outstanding Share Data

The following common shares and convertible securities were outstanding as at February 28, 2014.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares*			290,305,243
Restricted Stock Units	Various	N /A	2,412,426
			292,717,669

* Common shares outstanding include 92,836,821 shares represented by CDI, being a unit of beneficial ownership in an Alacer Gold share and traded on the ASX.

Additional Information and Risk Factors

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