ALACER GOLD

Continuing to Deliver

2014 Annual Report

14

PRESIDENT & CEO LETTER

Dear Shareholder,

2014 has been an exciting year for Alacer as we reset the business and embarked on a new path. We established clear objectives for the year and delivered on our action plan. Our world-class Çöpler operation continued to deliver strong operating and financial results; we remained focused on near-term opportunities to optimize and extend the current oxide production beyond the current reserves; we released a positive Definitive Feasibility Study for the Sulfide Project; and we began checking off the necessary key milestones to capitalize on our growth strategy and commission the Sulfide Project at the end of 2017.

Looking to the longer term, Alacer has continued to pursue numerous high-potential exploration projects in Turkey with our Turkish joint venture partner, Lidya Mining. Throughout 2014, we have shown positive drilling results in the Çöpler District, specifically at Yakaplu SE, Yakaplu and Bayramdere, and also in western Turkey at Dursunbey.

During 2014, we further strengthened our financial position. By December, the Company had $350 million in cash and no debt, positioning itself to capitalize on the growth strategy at Çöpler and the other opportunities that may arise through our exploration projects.

Çöpler Continued to Deliver

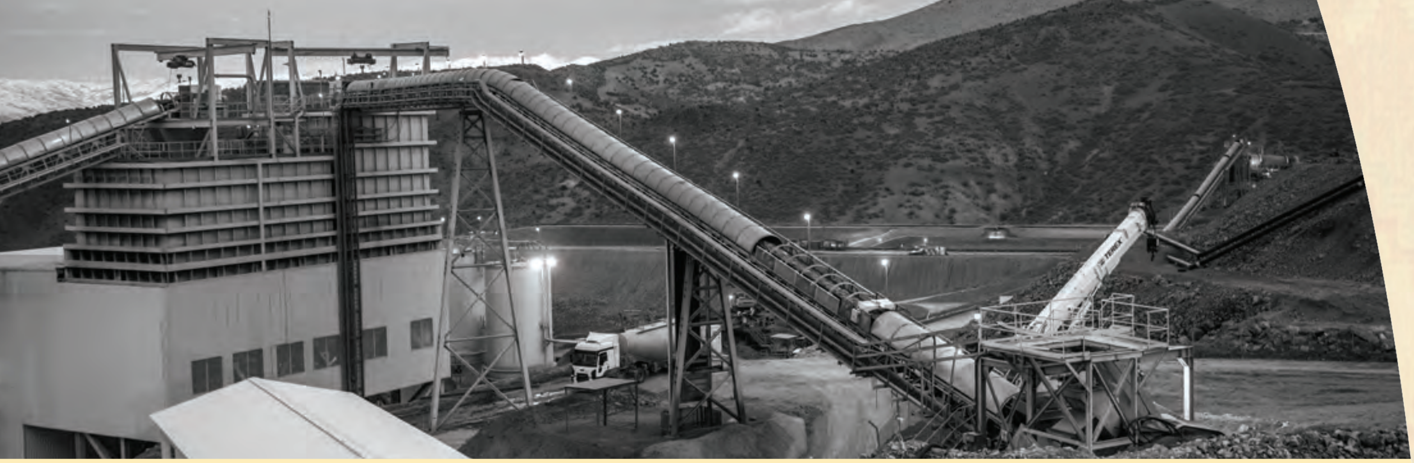
Throughout 2014, Çöpler continued to deliver superior safety records and by December 2014 we achieved 676 working days or 4.9 million man-hours without a lost-time injury. Safety is a core value of our business and this achievement reflects strong leadership and a focused and dedicated workforce.

Our low-cost, heap-leach operation at Çöpler generated $143 million of operating cash flow in 2014 and produced over 227,000 ounces, exceeding the top end of guidance for the year. Çöpler's Total Cash Costs were $524 per ounce and All-in Sustaining Costs were only $694 per ounce for 2014, which was below guidance. Production increased in the second half of 2014 as a result of processing improvements including: improving the ore feed from the clay handling circuit; better agglomeration of ore to the heap leach pad; improved stacking rates; and increasing the carbon-in-column circuit capacity. A total of 6.4 million tonnes of oxide ore was stacked on the heap leach pad during the year at an average grade of 1.68 g/t gold. As expected, the ore grade mined increased throughout the year, due to the higher grades from the Marble Pit. We continued to stockpile sulfide ore and at the end of the year had 3.3 million tonnes stockpiled at 4.18 g/t, containing over 440,000 ounces of gold. It is notable that the grade of the sulfide ores mined during 2014 continued to provide a 5-10% positive gold reconciliation against our new model.

Çöpler continues to be one of the lowest cost producing gold mines in the world delivering high-margin returns.

Alacer's Organic Growth Strategy

Alacer has held a significant land position in Turkey since 1996, which provides substantial organic growth potential for the Company. As an established gold producer in the region with a strong Turkish joint venture partner, Alacer holds a key strategic advantage in becoming a sustainable multi-mine producer with a focus on Turkey.



Our strategy is based on near, medium and long-term developments. In the near-term we are growing Çöpler's oxide production. In December 2014, we announced an increase to the Heap Leach Pad Phase 4 allowing for the extension of Çöpler's oxide production beyond 2017. The Company also continues to evaluate opportunities to optimize and extend the oxide production beyond the current reserves.

In the medium-term, the Sulfide Project will deliver growth with strong returns and an increased production life of 22 years. Life-of-Mine sulfide gold production is forecasted at 3.1 million ounces at industry low All-in Sustaining Costs of $637 per ounce. We continued to de-risk the delivery of this brownfield project and completed key milestones throughout the year. One of the most significant milestones was the approval of the Environmental Impact Assessment for the Sulfide Project in December 2014. The Sulfide Project remains on track to deliver production in the fourth quarter of 2017.

Our long-term growth comes from the numerous high-potential exploration projects in Turkey in various joint ventures with our Turkish partner, Lidya Mining. Together we have budgeted $22M for exploration in 2015, of which $10M is the Company's share. The Çöpler District is Alacer's highest priority area for exploration. We continue to explore for shallow oxide ore deposits to supplement the existing heap-leach feed at Çöpler, leveraging off of our existing infrastructure and support. Additionally, in 2014 we announced promising results in western Turkey at our exploration project, Dursunbey. We have continued infill and extensional drilling and recently started metallurgical work to determine the best processing method to treat the Dursunbey resource. This is an exciting new opportunity for the Company.

Outlook

We enter 2015 in a strong position and our production guidance for the year is 180,000 to 200,000 ounces with near industry low Total Cash Costs of $525 to $575 per ounce and All-in Sustaining Costs of $775 to $825 per ounce.

Alacer is now a leaner, stronger and more focused company. We have a world-class asset, an exceptional amount of organic growth opportunities and a prospective exploration portfolio in Turkey. As I look back on 2014 and how much we've achieved, I feel very proud and optimistic about Alacer's future. Although we still have a lot of hard work ahead, we have the right team in place to continue to deliver our strategy and capture the value it creates.

I would like to thank all of our employees for their hard work and dedication, as it is their skills, ideas and passion that are at the heart of Alacer's continued success. We look forward to the upcoming year and sharing our successes with all of our shareholders.

Sincerely,

Rodney P. Antal
President & Chief Executive Officer
May 7, 2015


SAVAS BUDAK

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Year Ended December 31, 2014

The following management discussion and analysis ("MD&A") is as of February 11, 2015 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 December 31, 2014. The MD&A supplements and complements the Corporation's audited annual consolidated financial statements for the year ended December 31, 2014 (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, 2013, the MD&A for the year ended December 31, 2013, and the Annual Information Form for the year ended December 31, 2013 ("AIF"). Comparison herein is provided to the year ended December 31, 2013. 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 2014 and related notes, which are available on the Corporation's website at www.alacergold.com and on SEDAR at www.sedar.com. The December 31, 2014 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, 2014, as well as our Outlook for 2015.

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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 MD&A, 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; economic conditions; availability of sufficient financing; exploration plans; receipt of regulatory approvals and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, regulatory and political matters that may influence or be influenced by future events or conditions.

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any of Alacer's other 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 final receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the Çöpler mine 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 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.

Non-IFRS Measures[1]

This MD&A contains the following non-IFRS financial performance measures with no standardized definitions under IFRS: Cash Operating Costs per ounce (C1); Total Cash Costs per ounce (C2); All-in Sustaining Costs per ounce; All-in Costs per ounce; Adjusted Net Profit and Adjusted Net Profit per share. For further information and detailed reconciliations, see the "Non-IFRS Measures" section of this MD&A.

Mineral Reserves and Mineral Resources

All Mineral Reserves and Mineral Resources referenced in this MD&A and the Corporation's other public filings are estimated 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 Mineral Reserves or Mineral Resources 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 estimates of Mineral Reserves and Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a greater amount of uncertainty as to their existence, and their economic and legal feasibility. It cannot be assumed that all or any Inferred Mineral Resources will ever be upgraded to a higher confidence category. Investors are cautioned not to assume that all or any Mineral Resources that are not Mineral Reserves will ever be converted into Proven Mineral Reserves or Probable Mineral Reserves.

The information in this MD&A which relates to exploration results is based on information compiled by James Francis, BSc (Hons) Geology and MSc Mining Geology, MAusIMM, MAIG, who is a full-time employee of Alacer. 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 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 a qualified person pursuant to NI 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. Mr. Francis consents to the

[1] References to non-IFRS measures are made throughout this MD&A. For further information and detailed reconciliations, see the *"Non-IFRS Measures"* section of this MD&A.

inclusion in this MD&A of the matters based on this information in the form and context in which it appears.

The competent person statements and consents for each of Dr. Harry Parker and Mr. Gordon Siebel (in relation to the Mineral Resource estimates in this MD&A) and Mr. Swanson (in relation to the Mineral Reserves estimates in this MD&A) are included on page 7 of Alacer's announcement dated June 16, 2014 titled "Alacer Gold Announces Results of Ongoing Resource Reconciliation Study for the Çöpler Gold Mine" (the "R&R Announcement").

Alacer confirms that it is not aware of any new information or data that materially affects the information included in the R&R Announcement and, in the case of Mineral Resources or Mineral Reserves, all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed, save for, in both cases, depletion.

Basis for production targets and forecast financial information

The production targets and forecast financial information in this MD&A are based on the estimates of Mineral Resources and Mineral Reserves included in the NI 43-101 Technical Report dated July 29, 2014 ("Technical Report"), available on the Corporation's website at *www.alacergold.com* and on SEDAR at *www.sedar.com*. These estimates are also included in the "Strategy and Outlook" section of this MD&A. The production targets are underpinned solely by Probable Mineral 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. All forecast information in this MD&A has been derived from the production targets set out in the Technical Report and Alacer confirms that such information continues to apply and has not materially changed save for depletion.

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*.

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") owned 80% by Alacer and 20% by Lidya Madencilik Sanayi ve Ticaret A.S. ("Lidya Mining"). The Corporation's primary focus is 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 56 million tonnes has started, and the Corporation continues to evaluate opportunities to optimize and extend the oxide production beyond the current reserves.

- Çöpler Sulfide Project – the Environmental Impact Assessment ("EIA") has been approved and the project is progressing as planned. The Sulfide Project is forecast to produce a further 3.2 million ounces of gold at industry low All-in Sustaining Costs averaging $597 per ounce over a 20 year life of the mine as detailed in the Definitive Feasibility Study ("DFS").

- Alacer continues to pursue numerous high-potential exploration projects in Turkey in various joint ventures with our Turkish partner Lidya Mining.

Detailed information regarding the Çöpler Sulfide DFS can be found in the Technical Report available on SEDAR at *www.sedar.com* and on the Corporation's website.

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 Stock Exchange where CHESS Depository Interests ("CDI") trade.

Strategy and Outlook

Çöpler Oxide Production Optimization

As the Corporation advances various technical studies, optimization opportunities continue to become apparent. The opportunity to add additional economic oxide gold production at Çöpler beyond 2017 is possible as a result of the increased capacity of the heap leach pad.

The oxide reserves from the DFS were constrained by the former design capacity of the heap leach pad. As announced in the press release on December 18, 2014 titled "Alacer Gold Increases Heap Leach Pad Capacity by 14% at its Çöpler Gold Mine", the Corporation undertook a study to determine the extent to which the current heap leach capacity could be increased. The study determined the capacity of the heap leach pad could be extended by 14% to 56 million tonnes, thereby allowing the possible extension to oxide production beyond 2017. Work is underway to re-optimize the mine plan and the results will be announced at the end of the first quarter 2015. Additional oxide production opportunities being explored include the potential for a second heap leach pad to the west of the current Çöpler mine. An engineered design of this potential heap leach pad will be advanced in 2015.

Çöpler Sulfide Project

The Çöpler Sulfide Project, designed for whole ore pressure oxidation ("POX") processing of sulfide ore, is expected to increase life-of-mine gold production by 3.2 million ounces as outlined in the DFS. The results of the DFS and the associated Mineral Resources and Mineral Reserves update represent a material step forward for the Corporation, demonstrating the viability of processing sulfide ore at the mine and extending the mine life to 20 years while generating robust financial returns.

Following the DFS, the Corporation filed the Technical Report in July 2014 related to the updated Çöpler Mineral Resource and Mineral Reserve estimates.

Significant work has been completed to de-risk the Sulfide Project and it remains on track for Board approval in 2015 and commissioning in Q4 2017:

- Approval of the EIA from the Ministry of Environment and Urbanization of Turkey was received in December 2014 as planned.
- The Corporation began basic engineering for the Sulfide Project in the third quarter of 2014. Basic engineering is running in parallel with efforts to obtain land use permits through the first quarter of 2015.
- A highly professional and experienced project development team has been established to lead the construction and delivery of the Sulfide Project.
- The Corporation continues the Resource Reconciliation Study to provide greater definition to the plant ore feed, the results of which are being factored into the plant design, especially for sizing the gold recovery components.
- The Corporation has selected two Engineering, Procurement and Construction ("EPC") contractors to participate in basic engineering in order to achieve the optimum project delivery scope of work.

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

The following tables summarize the estimated mineral resources and mineral reserves for the Çöpler Gold Mine as of December 31, 2014 based on the mineral resources and mineral reserves as stated in the Technical Report and depleted based on the end-of-year 2014 mine survey:

Mineral Resource Statement for the Çöpler Deposit (As at December 31st, 2014)							
Gold Cut-off Grade (g/t)	**Material Type**	**Reserve Category Material**	**Tonnes (x1000)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Contained Au (oz x 1000)**
Variable	*Oxide*	Measured	-	-	-	-	-
		Indicated	62,040	1.02	2.68	0.15	2,033
		Stockpile - Indicated	59	2.53	-	-	5
		Measured + Indicated	**62,099**	**1.02**	**2.68**	**0.15**	**2,038**
		Inferred	28,844	0.97	4.58	0.11	901
1.0	*Sulfide*	Measured	-	-	-	-	-
		Indicated	78,814	1.94	5.58	0.11	4,905
		Stockpile - Indicated	3,283	4.18	9.12	0.11	441
		Measured + Indicated	**82,096**	**2.03**	**5.72**	**0.11**	**5,346**
		Inferred	22,884	1.92	10.85	0.15	1,411
Variable	*Stockpiles*	Indicated	3,341	4.15	-	-	446
Variable	***Total***	Measured	-	-	-	-	-
		Indicated	144,196	1.59	4.41	0.13	7,383
		Measured + Indicated	**144,196**	**1.59**	**4.41**	**0.13**	**7,383**
		Inferred	**51,729**	**1.39**	**7.35**	**0.13**	**2,312**

Mineral reserves for the Çöpler Mining area deposit (As at December 31st, 2014)						
Reserve 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	19,680	1.20	2.75	0.13	761,100	526,200
Probable - Oxide Stockpile	59	2.53	-	-	4,800	3,300
Total - Oxide	**19,739**	**1.21**	**2.74**	**0.13**	**765,900**	**529,500**
Proven - Sulfide In-Situ	-	-	-	-	-	-
Probable - Sulfide In-Situ	27,939	2.54	6.77	0.12	2,285,800	2,145,300
Probable - Sulfide Stockpile	3,283	4.18	9.12	0.11	441,100	414,600
Total - Sulfide	**31,222**	**2.72**	**7.02**	**0.12**	**2,726,900**	**2,559,900**
Proven - Oxide + Sulfide +	-	-	-	-	-	-
Probable - Oxide + Sulfide	*50,961*	*2.13*	*5.36*	*0.12*	3,492,800	3,089,400
Total - Oxide + Sulfide	***50,961***	***2.13***	***5.36***	***0.12***	***3,492,800***	***3,089,400***

Note: Mineral Resources are based on estimations stated in the Technical Report dated July 29, 2014, are quoted after mining depletion to December 31, 2014, and are inclusive of Mineral Reserves.
Mineral Reserves are based on estimations stated in the Technical Report dated July 29, 2014, and are quoted after mining depletion to December 31, 2014.
Mineral Resources and Mineral Reserves are shown on a 100% basis, of which Alacer owns 80%.
Rounding differences will occur.

Positive Çöpler Resource Reconciliation and Mineral Resource Update

Work on the Resource Reconciliation Study began in 2014 to determine the factors contributing to the positive gold reconciliations for sulfide ore as compared to the 2013 resource model. As of December 31, 2014, the sulfide ore stockpile contained 3.3 million tonnes at 4.18 g/t gold, containing 441,140 ounces of gold. The sulfide ore continues to deliver a positive reconciliation compared to the 2013 resource block model with 2014 ore mined yielding a 50% positive reconciliation on a contained ounce basis comprised of lower than expected tonnage and higher than expected gold grade.

To better understand the positive variance seen between the 2013 resource model and production data, a drill hole spacing study was completed in the fourth quarter of 2014. The study used blast-hole data to test the variability of gold mineralization and assess drill hole spacing required to more closely define gold mineralization in high grade zones. The study identified ore blocks defined by wide-spaced exploration drill data and in some areas high grade zones had very limited data resulting in the positive reconciliations encountered. As a result of the study, an infill drill plan for 2015 has been designed to penetrate high grade zones with closer drill hole spacing in order to reduce model variance. Likewise, comparisons to the revised Technical Report model commenced in August 2014 and results will be reported when an adequate data set is available.

Additional Growth

The Corporation continues to pursue further expansion of its current operating base to become a sustainable multi-mine producer with a focus on Turkey. The structured and focused exploration efforts in the Çöpler District on locating additional oxide deposits, as well as in other regions of Turkey are demonstrating continued positive results. Drilling and metallurgy work advanced at the Dursunbey project in western Turkey which will continue in 2015. The Corporation also continues to review strategic opportunities that have the potential to add value to its shareholders.

2015 Guidance

As announced in the press release dated January 20, 2015 titled "Alacer Exceeds 2014 Production Guidance and Provides 2015 Guidance", the Corporation expects to produce approximately 180,000 to 200,000 gold ounces at All-in Sustaining Costs per ounce of $775 to $825.

Assumptions underlying Alacer's 2015 outlook include the minerals reserves and mineral resources as set out in the Technical Report, depleted to December 31, 2014, a gold price of $1,200 per ounce and a USD to Turkish Lira ("TRY") foreign exchange rate of 2.2. Approximately half of the Corporation's costs are denominated in TRY.

Capital expenditures (100%) for 2015 are forecast to be approximately $135 million, of which $35 million is estimated as sustaining capital expenditures including the heap leach pad expansion and $100 million is estimated for the Sulfide Project, subject to Board approval.

The 2015 forecast for exploration expenditure (100%) is approximately $22 million with $10 million attributable.

In February 2015, the Board of Directors resolved to suspend the Corporation's dividend policy due to likely capital expenditure commitments, including the Sulfide Project.

2014 Highlights

Strategic

- The heap leach pad expansion study was completed which resulted in a 14% increase in ultimate capacity to 56 million tonnes. Expansion work commenced in Q4 and re-optimization of the mine plan to take advantage of the new capacity is underway.
- The Corporation completed the DFS for the processing of the sulfide ore reserves through whole ore pressure oxidation at the Çöpler Gold Mine.
- The Çöpler Sulfide Technical Report was filed in July following the completion of the DFS, which increased Çöpler's Measured Mineral Resources and Indicated Mineral Resources to 7.8 million ounces of contained gold and Mineral Reserves to 3.8 million ounces of contained gold.
- The Environmental Impact Assessment ("EIA") for the Çöpler Sulfide Project was approved on December 25, 2014.
- Basic engineering commenced for the Sulfide Project while the permitting process continued to advance to plan.
- Exploration drilling results were announced in September indicating continued positive trends at the Dursunbey project in western Turkey.

Operational

- At December 31, the Çöpler Gold Mine reached 4.9 million hours worked and 675 days without a lost-time injury ("LTI"). The mine achieved 5 million hours without a LTI on January 8, 2015.
- Total gold production was 227,927 ounces and attributable gold production[1] was 182,342 ounces.
- Total Cash Costs per ounce (C2) were $524 and All-in Sustaining Costs per ounce were $694.
- An additional 1.8 million tonnes of sulfide ore was stockpiled at an average grade of 3.72 g/t gold.
- Finalized chemical commissioning of the SART plant in Q3 with the first shipment of copper concentrate occurring in December.
- Full commissioning of the second Carbon-in-Column ("CIC") circuit was achieved in Q3, which is now operating at designed throughput.
- Processing improvements were realized with the addition of the clay-handling circuit, new agglomerator, and grasshopper stacking system.

Financial

- The Corporation ended 2014 with cash and cash equivalents of $346.6 million, and had no external debt. The cash and cash equivalents balance increased by $57.0 million for the full year.
- Working capital increased $64.1 million to $379.4 million.
- Attributable net profit was $65.3 million, or $0.23 per share.
- Cash flow from operating activities totaled $142.7 million.

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

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

Results of Operations

The following table summarizes the production results from the Çöpler Gold Mine.

	Q4 2014	Q4 2013	2014	2013
Çöpler Gold Mine: [1]				
Waste tonnes mined	5,272,339	5,833,161	22,959,588	20,683,286
Oxide ore mined - tonnes	1,782,923	1,397,244	6,474,401	6,673,520
Oxide ore mined - grade (g/t)	1.87	1.57	1.69	1.90
Oxide ore mined - ounces	107,427	70,680	351,298	407,390
Sulfide ore mined - tonnes [2]	490,072	356,271	1,788,127	1,345,882
Sulfide ore mined - grade (g/t) [2]	2.73	4.86	3.72	4.94
Sulfide ore stockpiled - ounces [2]	43,092	55,661	213,892	213,592
Oxide ore treated - tonnes	1,783,206	1,410,881	6,433,514	6,697,209
Oxide ore treated - head grade (g/t)	1.88	1.59	1.68	1.91
Ratio between gold produced and contained gold in ore stacked	57%	93%	66%	66%
Gold ounces produced	61,857	67,205	227,927	271,063
Gold ounces sold	63,295	69,961	229,954	273,352
Çöpler Attributable: (80% ownership)				
Gold ounces produced	49,486	53,764	182,342	216,850
Gold ounces sold	50,636	55,969	183,963	218,682
Cash Operating Costs/ounce sold (C1) [3]	$ 419	$ 525	$ 501	$ 414
Total Cash Costs/ounce sold (C2) [3]	$ 443	$ 554	$ 524	$ 429
All-in Sustaining Costs/ounce sold [3]	$ 660	$ 824	$ 694	$ 820
All-in Costs/ounce sold [3]	$ 829	$ 923	$ 788	$ 864
Average realized gold price	$ 1,209	$ 1,259	$ 1,268	$ 1,379

1 Çöpler Gold Mine production data represents 100% for all periods presented, except for attributable production and sales.
2 Sulfide ores are being stockpiled and reported as a non-current asset (Total of 3.3 million tonnes at 4.18 g/t).
3 Cash Operating Costs per ounce, Total Cash Costs per ounce, All-in Sustaining Costs per ounce and All-in Costs per ounce are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and detailed reconciliations, see the "*Non-IFRS Measures*" section below.

Fourth Quarter 2014 vs. Fourth Quarter 2013

Equipment upgrades and process improvements that were initiated in the second half of 2013 were realized throughout 2014 resulting in higher throughput rates, operating time and recoveries. Initiatives included improved ore feed through the clay-handling circuit, better agglomerated material for stacking on the heap leach pad, improved stacking rates through the grasshopper and conveyor system, and increased CIC circuit capacities. Attributable gold production in Q4 2014 of 49,486 ounces was 8% lower than Q4 2013 due to higher grade ore being stacked on the heap leach pad late in the quarter.

Total material mined in Q4 2014 of 7.5 million tonnes included oxide ore, sulfide ore and waste, and was slightly lower than the 7.6 million tonnes mined in Q4 2013. The 1% decline in total volume resulted primarily from lower waste tonnes mined. Oxide ore contained ounces increased 52% due to an increase in ore tonnes mined at higher grade. The increase in grade was the result of mining higher-grade tonnes from the Marble Pit. Total oxide ore placed on the leach pad increased 26% to 1.8 million tonnes in Q4 2014 and sulfide ore tonnes mined increased 38%. The increase in ore tonnes mined during

Q4 2014 was the result of mine plan sequencing that benefitted from a lower strip ratio as compared to Q4 2013 and higher operational throughputs resulting from process improvements.

Cash Operating Costs per ounce (C1) of $419 were $106 per ounce or 20% lower than Q4 2013. The decrease reflects a 19% improvement in the oxide ore grade and a lower strip ratio, partly offset by lower ounces sold.

Total Cash Costs per ounce (C2) of $443 were $111 per ounce or 20% lower than Q4 2013, principally reflecting the improvements noted above in Cash Operating Costs.

All-in Sustaining Costs per ounce were $660 and All-in Costs per ounce were $829 or 20% and 10% lower than Q4 2013, respectively. These variances reflect lower per ounce Total Cash Costs noted above and lower general and administrative costs. All-in costs per ounce include expansion capital spend related to the Sulfide Project of $106 per ounce.

Full Year 2014 vs. Full Year 2013

Equipment upgrades and process improvements that were initiated in the second half of 2013 were realized throughout 2014 resulting in higher throughput rates, operating time and recoveries. Initiatives included improved ore feed through the clay-handling circuit, better agglomerated material for stacking on the heap leach pad, improved stacking rates through the grasshopper and conveyor system, and increased CIC circuit capacities. The quantity and quality of oxide ore supplied to the process plant primary crusher was better than expected. Attributable gold production of 182,342 ounces declined 16% from 2013, due to lower stacked oxide ore tonnes at a lower head grade, offset by improved processing efficiencies.

Total material mined in 2014 of 31.2 million tonnes included oxide ore, sulfide ore and waste as compared to 28.7 million tonnes in 2013. The 9% increase in total volume largely relates to an 8% increase in strip ratio. Contained ounces in mined oxide ore decreased by 14% reflecting an expected 11% decrease in oxide ore grade and a 3% decrease in oxide ore tonnes mined. The decrease in grade was the result of planned sequencing of mining away from the Manganese Pit in 2013 to the higher-clay content ore from the Marble and Main Pits in 2014. The slight decrease in oxide ore tonnes mined reflects the elimination of placing run-of-mine ore ("ROM ore") directly on the leach pad in favor of agglomerating all ore to improve heap leach gold recoveries. Sulfide ore tonnes mined increased 33% as a result of the sequencing of ore removal in the mine plan.

Cash Operating Costs per ounce (C1) of $501 were 21% higher than 2013. This increase reflects an 11% decline in the oxide ore grade, the corresponding decrease in ounces sold, higher processing costs and an 8% increase in the stripping ratio over 2013. The per ounce cost increases were partially offset by further devaluation of the TRY during 2014.

Total Cash Costs per ounce (C2) of $524 were 22% higher than 2013, principally reflecting the increases in operating costs and unit costs noted above as well as the credit to royalty expense recorded in 2013 from the application of available concessions to royalty charges.

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

All-in Sustaining Costs per ounce were $694 and All-in Costs per ounce were $788, or 15% and 9% lower than 2013, respectively. These variances primarily reflect a 74% decrease in sustaining capital expenditures and a 56% decrease in general and administrative costs. All-in costs per ounce include expansion capital spend related to the Sulfide Project of $67 per ounce.

Investments and Mineral Properties and Equipment

A summary of investments in capital for the year ended 2014 is presented below:

Capital and Other Long-term Investments (in '000)	Q4 2014		2014	
	100%	Attributable1	100%	Attributable1
Sustaining and general capital				
General plant and other assets	$ 8,481	$ 6,785	$ 18,019	$ 14,415
Sulfide growth capital				
Sulfide project - Pre-DFS approval	-	-	5,453	4,362
Sulfide project - Post-DFS approval	6,727	5,381	10,148	8,118
Sulfide project - Total	6,727	5,381	15,601	12,480
Exploration Licenses[2]	1,700	850	1,700	850
Total capital expenditures	**$ 16,908**	**$ 13,016**	**$ 35,320**	**$ 27,745**

[1] Capital related to Anagold has been adjusted to reflect the impact of the 20% non-controlling interest, other investments are 100%.
[2] Exploration licenses relate to Kartaltepe and attributable amount shown at 50% ownership.

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

Sustaining and general capital expenditures during Q4 2014 total $8.5 million for ongoing projects at the operations, bringing the full year 2014 spend to $18.0 million.

Final chemical commissioning of the SART plant occurred in August and is expected to maintain CIC recoveries by removing copper from the pregnant solution. The first shipment of copper concentrate from the SART plant occurred in December 2014. Additionally, the second CIC circuit was commissioned and overall the circuit reached a combined operating capacity of 1,000 cubic meters per hour.

Construction started in Q4 2014 on the heap leach pad expansion.

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

Sulfide Growth Capital – Çöpler

Expenditures of $6.7 million during Q4 2014 include work on basic engineering and permitting discussed above under "*Strategy and Outlook*". For the full year 2014, $15.6 million was spent on the Sulfide Project.

Long-term Asset – Çöpler

Mining costs, including deferred waste, related to additions to the Sulfide Stockpiles total $4.6 million and $15.8 million for Q4 and full year 2014, respectively. This reflects an additional 0.5 million tonnes of sulfide ore stockpiled at an average grade of 2.73 g/t gold in the quarter and an additional 1.8 million tonnes at an average grade of 3.72 g/t gold for the full year. Sulfide stockpiles at year-end total 3.3 million tonnes at an average grade of 4.18 g/t and a total cost of $28.8 million.

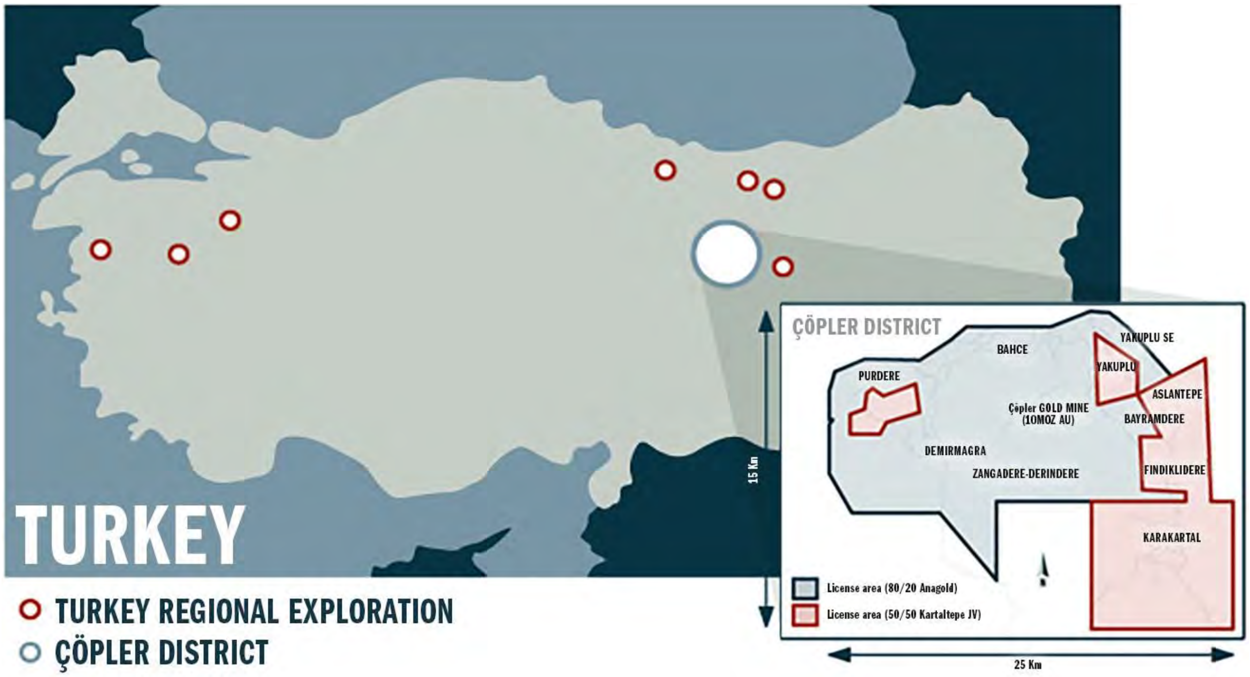
Exploration and Evaluation

The Çöpler District exploration strategy continues to focus on drilling for satellite oxide gold deposits, subject to receiving the necessary permits. The early exploration results from the Dursunbey project in western Turkey have been encouraging and have the potential to add to the Corporation's growth pipeline. Overall exploration activities during 2014 were in line with the plan, with drilling activities limited to the properties discussed below. Additional details related to the exploration activities can be found in the press release dated September 15, 2014 entitled "Alacer Announces Exploration Results in Turkey" and available on www.sedar.com and on the Corporation's website.

2014 Exploration spending (in '000)[1]	Alacer Contribution (%)	Exploration 100%	Exploration Attributable
Çöpler District 80/20	80%	$ 3,096	$ 2,477
Çöpler District 50/50	50%	5,114	2,557
Turkey Regional - Dursunbey[2]	20%	8,719	1,744
Turkey Regional	Varied	3,808	1,211
Other	100%	458	458
Total		$ 21,195	$ 8,447

[1] Exploration attibutable to joint venture spending is accounted for as other losses under the equity method of accounting.

[2] Dursunbey Project will be 50% ownership after claw-back cost of $3.1 million.



Çöpler District Exploration Program

A total of 14,819 meters ("m") of reverse circulation ("RC") and 9,562m of diamond drilling were completed across the Çöpler District in 2014 for a total of 24,381m. The drilling comprised a total of 255 holes, of which 146 were RC chip sampled and 109 were diamond drill cored.

The main focus of drilling activities was on the 80%-owned Anagold JV - Yakuplu Southeast ("SE") prospect, as well as the 50%-owned Kartaltepe JV - Yakuplu East ("E") and Bayramdere prospects. The prospects are within approximately 6 kilometers of the Çöpler Mine, host near-surface gold bearing oxide-gossan mineralization and are spatially close to each other. Leapfrog 3D mineralization modelling has been used to progressively assess drilling outcomes.

As at December 31, 2014, Yakuplu SE, Yakuplu E and Bayramdere still remain open for further extension, with focus in 2015 on extending and linking Yakuplu SE and E to significant soil and rock chip anomalies defining the Yakuplu North ("N") prospect. Results continue to be analyzed and will be announced as available.

Diamond drilling for a total of 680m from 8 holes was also completed across the 80%-owned Anagold JV - Demirmagara West prospect coupled with extensive trench, road cutting and rock-chip sampling.

Detailed regional geological mapping, geochemical and geophysical surveys were also carried out in 2014, as part of a strategy to replace projects advanced and/or eliminated, in the Çöpler exploration pipeline.

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 $3.1 million at December 31, 2014.

For 2014, a total of 34,741m of drilling in 276 drill holes at 50m and 25m centers were completed. The program comprised 174 diamond and 102 RC holes. Drilling during 2014 has 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. Initial metallurgical test work has been started to determine potential processing options for both near surface oxide and the deeper sulfide portion of this polimetallic mineralization. In addition, drilling results continue to be assessed and will be released with the next exploration update.

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

Financial Highlights

A summary of the Corporation's financial results for the fourth quarters of 2014 and 2013, and for the years ended December 31, 2014, 2013 and 2012 are presented below. In accordance with the presentation in the consolidated financial statements, 2013 and 2012 Australian operations have been summarized and treated as discontinued operations.

Consolidated Financial Summary (in '000, except for per share)	Q4 2014	Q4 2013	2014	2013	2012
Gold sales	$ 76,509	$ 88,102	$ 291,597	$ 377,081	$ 337,575
Less:					
Production costs	28,031	38,733	120,587	117,169	76,145
Depreciation, depletion and amortization	15,832	8,398	54,026	37,387	23,979
Mining gross profit	$ 32,646	$ 40,971	$ 116,984	$ 222,525	$ 237,451
Amounts attributable to owners of the corporation:					
Net profit from continuing operations	**$ 31,617**	**$ (9,624)**	**$ 65,344**	**$ 67,998**	**$ 166,358**
Net profit from continuing operations per share – basic	$ 0.11	$ (0.03)	$ 0.23	$ 0.24	$ 0.58
Net profit from continuing operations per share – diluted	$ 0.11	$ (0.04)	$ 0.22	$ 0.23	$ 0.58
Net profit (loss) from discontinued operations	**$ -**	**$ 24,135**	**$ -**	**$ (515,199)**	**$ (552,320)**
Net profit (loss) from discontinued operations per share – basic	$ -	$ 0.09	$ -	$ (1.78)	$ (1.93)
Net profit (loss) from discontinued operations per share – diluted	$ -	$ 0.09	$ -	$ (1.78)	$ (1.93)
Total net profit (loss)	**$ 31,617**	**$ 14,511**	**$ 65,344**	**$ (447,201)**	**$ (385,962)**
Total net profit per share - basic	$ 0.11	$ 0.05	$ 0.23	$ (1.55)	$ (1.35)
Total net profit per share – diluted	$ 0.11	$ 0.05	$ 0.22	$ (1.55)	$ (1.35)
Adjusted Net Profit from continuing operations[1]	**$ 12,710**	**$ 31,579**	**$ 49,795**	**$ 111,669**	**$ 111,301**
Adjusted Net Profit from continuing operations per share - basic[1]	$ 0.04	$ 0.11	$ 0.17	$ 0.39	$ 0.39
Dividend paid	$ -	$ -	$ (5,891)	$ (70,309)	$ -
Dividend paid - per share	$ -	$ -	$ 0.02	$ 0.24	$ -
Cash Flows					
Operating cash flows from continuing operations	$ 53,847	$ 33,055	$ 142,689	$ 184,542	$ 174,186
Investing cash flows from continuing operations	(26,452)	33,996	(56,023)	(37,413)	(61,268)
Financing cash flows from continuing operations	(1)	380	(28,043)	(112,826)	(27,678)
Change in cash flows from continuing operations	27,394	67,431	58,623	34,303	85,240
Net increase/(decrease) in cash from discontinued operations	-	(3,617)	-	(20,033)	(58,200)
Effect of exchange rate changes on cash	(445)	674	(1,657)	(1,879)	653
Change in cash	$ 26,949	$ 64,488	$ 56,966	$ 12,391	$ 27,693
Ending cash and cash equivalents (Continuing operations)	$ 346,615	$ 289,649	$ 346,615	$ 289,649	$ 277,258

		As of	
	31-Dec-14	31-Dec-13	31-Dec-12
Financial Position			
Working capital	$ 379,361	$ 315,265	$ 188,567
Total assets	$ 759,306	$ 712,155	$ 1,460,381
Non-current liabilities	24,108	$ 29,875	$ 64,845
Total equity	695,637	$ 633,626	$ 1,167,037

[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. For comparative purposes to 2013 and 2012, only continuing operations are reported.

Fourth Quarter Results

During Q4 2014, Alacer Gold produced 49,486 attributable ounces as the ore handling and heap leach improvements discussed above continued. Cash Operating Costs per ounce (C1), Total Cash Costs per ounce (C2), All-in sustaining Costs per ounce and All-in Costs per ounce all decreased versus Q4 2013 as operational improvements and lower sustaining capital expenditures were partly offset by lower ounces sold.

Fourth Quarter 2014 vs. Fourth Quarter 2013

Gold sales of $76.5 million were 13% lower than Q4 2013, reflecting a 10% decline in sales volume driven by an 8% reduction in gold production and a 4% decline in realized per-ounce sale price from $1,259 to $1,209. Total production costs of $28.0 million decreased 28% from Q4 2013 due to by-product credits, higher capitalization of sulfide stockpile costs as a result of a 38% increase in sulfide ore tonnes mined, and the impact of placing high grade ore in heap leach inventory in Q4 2014. DD&A of $15.8 million increased $7.4 million for Q4 2014 compared to Q4 2013. The increase in DD&A relates to bringing $73 million of additional assets into service during 2014 including the SART plant, Agglomerator, and Clay-Handling Circuit. The net impact of lower gold revenues, lower production costs and higher DD&A resulted in a 20% decline in mining gross profit.

Cash and cash equivalents increased $26.9 million during Q4 2014 as compared to a net increase of $64.5 million for Q4 2013. The comparative difference versus 2013 was primarily due to the impact of receiving $40.3 million in proceeds from the sale of Australian assets.

Working capital increased $29.7 million during Q4 2014 primarily due to the increase in cash and cash equivalents ($26.9 million), a reduction in the current tax liability ($9.9 million) due to applying incentive tax credits to offset income tax expense, partly offset by an increase in trade accounts payable ($7.9 million).

Full Year 2014 vs. Full Year 2013

Gold sales of $291.6 million were 23% lower than 2013, reflecting a 16% decline in sales volume driven by a 16% decrease in gold production and an 8% decline in the realized per-ounce sale price from $1,379 to $1,268. Total production costs and DD&A for 2014 increased 3% and 45%, respectively, as compared to 2013. The increase in production costs is primarily due to lower grade, higher strip ratio and higher processing costs. The increase in DD&A relates to bringing $73 million in additional assets into service in 2014 including the SART plant, Agglomerator, and Clay-Handling Circuit. The net impact of lower gold revenues and higher costs resulted in a mining gross profit decline of 47%.

Net loss from discontinued operations represents the results of the ABU for 2013. All assets associated with the ABU were divested in 2013.

Cash and cash equivalents increased $57.0 million during 2014 as compared to an increase of $12.4 million for 2013. Compared to 2013, cash balances increased in 2014 primarily as a result of lower cash outflow for financing activities ($84.8 million), lower dividends paid to public shareholders ($64.4 million) and our non-controlling interest owner ($9.0 million) and no debt payments as compared to

2013 ($11.9 million), offset by the 2013 proceeds of $40.3 million related to the sale of Australian Business Unit and lower 2014 revenues of $85.5 million.

Working capital increased $64.1 million during 2014 primarily due to the increase in cash and cash equivalents ($57.0 million), a reduction in the current tax liability ($15.6 million) due to applying incentive tax credits to offset income tax expense, partly offset by an increase in trade accounts payable ($6.5 million).

Through December 31, 2014, total assets increased $47.2 million, total liabilities decreased $14.9 million, and total equity increased $62.0 million. The increase in total assets is primarily due to an increase in cash and the sulfide stockpile offset by depreciation on net asset values. The decrease in total liabilities is mostly due to lower income tax liabilities. The increase in total equity primarily represents net income earned during the period.

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 due to higher 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.

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.

Cash and cash equivalents increased $12.4 million during 2013 as compared to net increase of $27.7 million for 2012 further discussed below.

Working capital increased $127 million reflecting the Çöpler 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 non-controlling interest dividend payment. These decreases in equity were partially offset by net profits from continuing operations.

Gold Sales

Details of gold sales for the fourth quarters of 2014 and 2013, and for the year ended December 31, 2014 and 2013 are presented below:

	Q4 2014	Q4 2013	2014	2013
Gold ounces sold[1]	63,295	69,961	229,954	273,352
Gold sales ($000)	$ 76,509	$ 88,102	$ 291,597	$ 377,081
Averaged realized price[2]	$ 1,209	$ 1,259	$ 1,268	$ 1,379
Average London PM Fix	$ 1,202	$ 1,276	$ 1,266	$ 1,411

1 Includes 100% of Çöpler Gold Mine

2 For comparative purposes to 2013, only continuing operations are reported

For Q4 2014 and for the full year 2014, Alacer's average realized gold prices were slightly higher than the average London PM Fix. The decline in average price realized during Q4 2014 and the full year 2014 as compared to Q4 2013 and the full year 2013 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

Details of other costs for the fourth quarters of 2014 and 2013, and the years ended December 31, 2014 and 2013 are presented below:

(In $000's)	Q4 2014	Q4 2013	2014	2013
General and administrative	$ 3,552	$ 7,221	$ 13,756	$ 29,470
Restructuring costs	81	367	1,904	4,990
Share-based employee compensation costs	981	1,845	4,496	5,292
Foreign exchange loss	1,026	1,681	1,056	4,102
Other (gain) loss	329	(7,103)	(2,711)	(1,878)
Total corporate and other costs	5,969	4,011	18,501	41,976
Income tax expense	(18,127)	40,813	1,806	75,144
Total other costs	$ (12,158)	$ 44,824	$ 20,307	$ 117,120

General and administrative costs decreased 51% for Q4 2014 and 53% for 2014. This mainly reflects the impact of the restructuring and cost reduction efforts implemented in mid-2013 and continuing in 2014, including a 57% reduction in corporate employees.

Restructuring costs for 2014 reflect severance payments and reorganization costs associated with management restructuring undertaken as a result of the Corporation's transformational changes to its business.

Share-based employee compensation costs represent long-term incentives that are tied to the price of the company's shares, and include mark-to-market adjustments based on the share price at the end of the period.

Foreign exchange loss results primarily from volatility in the USD to TRY exchange rate as applied to Turkish operations. Activity for each period reflects changes in the exchange rate as applied to monetary asset and liability account balances denominated in TRY. Realized foreign exchange losses of $1.7 million related to foreign currency transactions are offset by unrealized gains of $0.6 million from translation of Turkish Lira monetary accounts.

Other (gain) loss includes the results of miscellaneous operating and non-operating transactions. In 2014, $0.5 million was received for settlement of asset sales in 2013, a provision for indirect tax was released for $3.2 million, and a $1.0 million receivable was recorded for prior year VAT tax paid that is now expected to be refunded. These gains are offset by a $2.2 million write-down in Q1 2014 of various assets held for sale and were subsequently sold in Q2 2014. The gain in 2013 includes $2.6 million related to an insurance recovery and a reversal of a provision for settled litigation related to 2008.

Income tax benefit for Q4 2014 increased significantly as compared to the income tax expense for the same period in Q4 2013 due primarily to incentive tax credits. The Corporation received incentive tax credits for qualifying expenditures at the Çöpler Gold Mine. With the approval of an increased eligible amount under the second Incentive Tax Certificate, qualifying expenditures identified in 2014 increased from 2013. Application of these tax credits reduces income tax expense in the current period and offsets current and future cash tax payments.

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

Summary of Quarterly Results

The following table summarizes the Corporation's total revenues, profit (loss) and profit (loss) per share for each of the preceding eight quarterly periods ended December 31, 2014.

(in '000, except for per share)	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total revenues, continuing operations	$ 76,509	$ 79,581	$ 63,707	$ 71,800	$ 88,102	$ 108,814	$ 89,627	$ 90,538
Amounts attributable to owners of the Corporation:								
Profit (loss) from continuing operations	$ 31,617	$ 14,900	$ 9,128	$ 9,699	$ (20,925)	$ 36,559	$ 18,376	$ 33,988
Profit (loss) from discontinued operations	-	-	-	-	25,053	(58,269)	(452,149)	(29,834)
Net profit (loss)	$ 31,617	$ 14,900	$ 9,128	$ 9,699	$ 4,128	$ (21,710)	$ (433,773)	$ 4,154
Per share profit from continuing operations:								
- basic	$ 0.11	$ 0.06	$ 0.03	$ 0.03	$ (0.03)	$ 0.09	$ 0.06	$ 0.12
- diluted	$ 0.11	$ 0.05	$ 0.03	$ 0.03	$ (0.04)	$ 0.09	$ 0.06	$ 0.12
Per share profit (loss) from discontinued operations:								
- basic	$ -	$ -	$ -	$ -	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)
- diluted	$ -	$ -	$ -	$ -	$ 0.09	$ (0.20)	$ (1.56)	$ (0.11)
Per share profit (loss):								
- basic	$ 0.11	$ 0.06	$ 0.03	$ 0.03	$ 0.05	$ (0.11)	$ (1.50)	$ 0.01
- diluted	$ 0.11	$ 0.05	$ 0.03	$ 0.03	$ 0.05	$ (0.11)	$ (1.50)	$ 0.01

Generally, the Corporation does not experience significant effects of seasonality with regard to revenues or expenses. Changes in gold prices have impacted revenues over the last eight quarters. During Q2 2013 and Q3 2013, the Corporation recorded post-tax impairment charges of $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.

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 transactions, Alacer may look to the private and public capital markets as a source of financing. Management believes capital resources at December 31, 2014 are sufficient to fund current operations, forecasted exploration and capital expenditures, and reclamation and remediation obligations in 2015. Additionally, the Corporation believes it has the ability to complete the Sulfide Project with no outside funding based on current cash on hand and projected operating cash flows; however, various external financing options are under consideration.

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 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 current 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 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.

Sustaining capital expenditures planned in 2015 total approximately $35 million, which includes approximately $25 million for the heap leach expansion. Growth capital expenditures planned in 2015 total approximately $100 million for the Sulfide Project, subject to Board approval.

In 2013, the Corporation adopted a dividend policy to return a minimum of 20% of free cash flow to the Corporation's shareholders annually, subject to pertinent financial and operational considerations by the Board of Directors. In March 2014, the Corporation's Board of Directors declared a dividend of $0.02 per share (approximately $5.8 million) that was paid in April 2014. In February 2015, the Board of Directors resolved to suspend the Corporation's dividend policy due to likely capital expenditure commitments, including the Sulfide Project.

Working Capital

Working capital increased $29.7 million during Q4 2014 reflecting net operating profits from gold sales partly offset by investments in capital and exploration. Through December 31, 2014, working capital increased $64.1 million reflecting net operating profits from gold sales partly offset by investments in capital and exploration, and the dividends paid to shareholders and to Lidya Mining. Changes in other current asset and liability balances reflect the timing of payments for equipment, taxes, goods and services and recoveries of consumption taxes receivable.

Current assets are available at varying times within twelve 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.

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

Contractual Obligations

The Corporation's contractual obligations as of December 31, 2014 were:

	Less than one year	Between one and five years	More than five years	Total
Non-cancellable operating leases	$ 277	$ 500	$ -	$ 777
Purchase obligations for operations	3,500	-	-	3,500
Total contractual obligations	$ 3,777	$ 500	$ -	$ 4,277

Non-controlling interest dividend

Lidya Mining is entitled to receive dividend payments equaling its share of legally declarable dividends from Anagold. The amount that was distributed in 2014 for 2013 operating results was $22.2 million, and was paid in the first half of 2014. The payment of future non-controlling interest dividends will likely cease due to capital requirements relating to the Sulfide Project.

Business Conditions and Trends

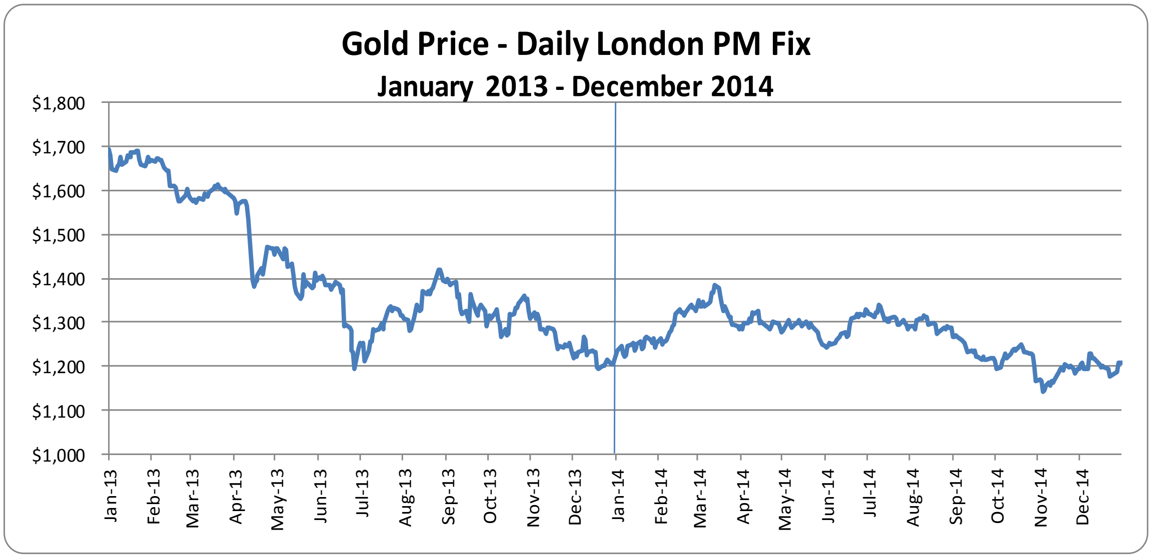
The Corporation's results of operations, financial condition, financial performance and cash flows are affected by various business conditions and trends. The variability of gold prices, fluctuating currency rates and increases in costs of materials and consumables associated with the Corporation's mining activities are the primary economic factors that have impacted financial results during 2014.

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.

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

During Q4 2014, the gold price experienced continued volatility, with the closing London PM Fix price ranging from $1,142 to $1,250 per ounce. The price of gold closed at $1,187 per ounce on December 31, 2014, and the average Q4 2014 market price of $1,202 per ounce represents a $74 per ounce decrease from the $1,276 per ounce average market price for Q4 2013. The average 2014 market price of $1,266 per ounce represents a $145 per ounce decrease from the $1,411 per ounce average market price for 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.

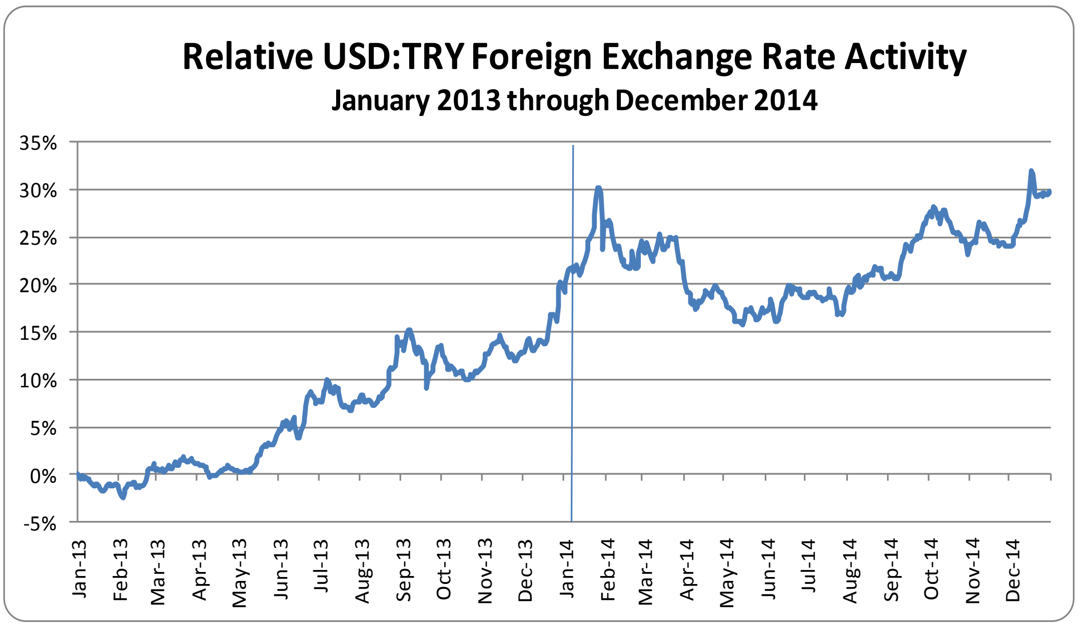
Currency Rates

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.

The Corporation's earnings and cash flow may also be affected by fluctuations in the exchange rate between the USD and the Turkish Lira. 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-Dec 2014	30-Sep 2014	31-Dec 2013	30-Sep 2013	31-Dec 2012	Q4 2014	Q4 2013	Year 2014	Year 2013
USD:TRY	2.32	2.27	2.14	2.03	1.79	2.26	2.02	2.19	1.90

Inflation rates in Turkey averaged approximately 9% during 2014 compared with approximately 8% during 2013. Currently, the Corporation has not experienced any material direct liability resulting from changing domestic input 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 is not currently using derivative products to protect against movements in the cost of commodities, materials or services. The chart below shows the movement in the USD:TRY foreign exchange rate from 2013 through 2014.



Transactions with Related Parties

As of December 31, 2014, the Corporation does not have any transactions with related parties other than key management compensation as outlined in the Management Information Circular and in the notes to the consolidated financial statements.

Critical Accounting Policies, Estimates and Accounting Changes

The Corporation's consolidated financial statements are prepared in accordance with IFRS. The significant accounting policies applied and recent accounting pronouncements are described in Note 3 to the Corporation's consolidated financial statements for the year ended December 31, 2014. There have been no significant changes in the Corporation's accounting policies applied during the year ended December 31, 2014.

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. The following areas describe where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in the consolidated financial statements.

Mineral reserve and mineral resource estimates

Mineral reserves and mineral 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 Units-of-Production ("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 may 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, 2014 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 were no material income or expense transactions or gains or losses associated with the instruments in Q4 2014.

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 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 2014, Turkish VAT receivable totaled $10.9 million. Management monitors its exposure to credit risk on a continual basis.

Interest rate risk is generally associated with variable rate financial instruments and available market interest rates at the time financial instruments are acquired. The Corporation holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Short-term investments are purchased at market interest rates and result in fixed yields to maturity. 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 and TRY in sufficient amounts to meet its estimated expenditure requirements for these currencies. The Corporation held approximately $3.3 million denominated in TRY as of December 31, 2014. Therefore, the Corporation remains exposed to future currency fluctuations in USD and TRY. 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 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 comparisons 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, 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.

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 (loss) for the years ended December 31, 2014 and 2013, excluding discontinued operations.

In $000s, except for per ounce measures	Q4 2014	Q4 2013[1]	2014	2013[1]
Production costs (continuing operation) - IFRS	$ 28,031	$ 38,733	$ 120,587	$ 117,169
Adjustments: (none)	-	-	-	-
Total Cash Costs	$ 28,031	$ 38,733	$ 120,587	$ 117,169
Divided by: gold ounces sold	63,295	69,961	229,954	273,352
Total Cash Costs per ounce (C2)	**$ 443**	**$ 554**	**$ 524**	**$ 429**
Total Cash Costs	$ 28,031	$ 38,733	$ 120,587	$ 117,169
Less: Royalties and severance taxes	1,530	2,003	5,350	3,877
Cash Operating Costs	$ 26,501	$ 36,730	$ 115,237	$ 113,292
Divided by: gold ounces sold	63,295	69,961	229,954	273,352
Cash Operating Costs per ounce (C1)	**$ 419**	**$ 525**	**$ 501**	**$ 414**
Total Cash Costs – from above	$ 28,031	$ 38,733	$ 120,587	$ 117,169
Add portions of:				
Exploration	$ 961	$ 624	$ 3,493	$ 3,081
General and administrative[2]	3,345	7,221	12,979	29,470
Share-based employee compensation costs	981	1,845	4,496	5,292
Sustaining capital expenditures	8,481	9,216	18,019	69,062
All-in Sustaining Costs	$ 41,799	$ 57,639	$ 159,574	$ 224,074
Divided by: gold ounces sold	63,295	69,961	229,954	273,352
All-in Sustaining Costs per ounce	**$ 660**	**$ 824**	**$ 694**	**$ 820**
Total All-in Sustaining Costs, from above	$ 41,799	$ 57,639	$ 159,574	$ 224,074
Add-in non-sustaining costs[3]	10,702	6,910	21,737	12,184
Total All-in Costs	$ 52,501	$ 64,549	$ 181,311	$ 236,258
Divided by: gold ounces sold	63,295	69,961	229,954	273,352
All-in Costs per ounce	**$ 829**	**$ 923**	**$ 788**	**$ 864**

1 For comparative purposes to 2013, all information is presented at 100% (not net of non-controlling interest).

2 Excludes non-operating depreciation costs.

3 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

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

"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 years ended December 31, 2014 and 2013.

In '000	2014	2013
Profit (loss) attributable to owners of the Corporation	$ 65,344	$ (447,201)
Add back tax expense (benefit)	1,806	75,144
Pre-tax profit (loss) attributable to owners of the Corporation	67,150	(372,057)
Adjustments (pre-tax basis):		
Results of Discountinued Operations[1]	-	515,199
Other (gain) loss from misc. operating and non-operating transactions	(4,464)	-
Restructuring costs	1,904	-
Write down of assets to estimated net realizable value	2,177	-
Adjusted pre-tax profit attributable to owners of the Corporation	66,767	143,142
Tax expense on adjusted pre-tax profit[2]	16,972	31,473
Adjusted Net Profit	**$ 49,795**	**$ 111,669**
Divided by: Weighted average common shares outstanding	290,367,436	289,143,274
Adjusted Net Profit per share	**$ 0.17**	**$ 0.39**

[1] Represents operating losses from discontinued operations for the period.

[2] Refer to table that follows. This adjustment applies income taxes to reflect adjusted pre-tax profit attributable to owners of the Corporation at applicable statutory rates for each jurisdiction.

The tables below set forth statutory yearly income tax calculations for the year ended December 31, 2014 and 2013 for continuing operations.

	Turkey	Corporate and Other	Total
2014:			
Adjusted pre-tax profit (loss) attributable to owners of the Corporation	$ 84,860	$ (18,093)	$ 66,767
Statutory tax rate applied	20%	0%	
Tax (benefit) expense on adjusted pre-tax profit (loss)	$ 16,972	$ -	$ 16,972
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

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 December 31, 2014. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the design and operating effectiveness of the Corporation's DC&P and ICFR as of December 31, 2014 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 year ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Subsequent Events

Turkish Mining Legislation

In December 2014, proposed new mining legislation was introduced to the Turkish National Assembly. In early February 2015, the proposed legislation was approved by the National Assembly and has now been submitted to the President for the final approval process. The proposed legislation will impact the royalty regime and mining license regime. The Corporation is evaluating the potential impacts of the proposals and does not anticipate any material outcomes.

Suspension of Dividend Policy

In February 2015, the Board of Directors resolved to suspend the Corporation's dividend policy due to likely capital expenditure commitments, including the Sulfide Project.

Outstanding Share Data

The following common shares and convertible securities were outstanding as at January 31, 2015.

Security	Expiry Date	Weighted Average Exercise Price	Common Shares on Exercise
Common Shares*			290,838,134
Convertible Securities	Various	N /A	4,304,101
			295,142,235

* Common shares outstanding include 76,479,372 shares represented by CDI, being a unit of beneficial ownership in an Alacer 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 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.

Alacer Gold Corp.

Consolidated Financial Statements

For the Years Ended
December 31, 2014 and 2013

Management's Responsibility for Financial Reporting

The consolidated financial statements, the notes thereto, and other information in Management's Discussion and Analysis of Alacer Gold Corp. (the "Corporation"), are the responsibility of Management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect Management's best estimates, judgments and policies that it believes appropriate in the circumstances.

The Corporation maintains a system of internal accounting controls which provide on a reasonable basis, assurance that the financial information is relevant, reliable, accurate and that the Corporation's assets are appropriately accounted for and safeguarded.

The Board of Directors, principally through the Audit Committee, is responsible for ensuring Management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, all of whom are independent, and meets periodically with Management and the external auditors to review accounting, auditing, internal control and financial reporting matters.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants who were appointed by the shareholders. The auditor's report outlines the scope of their examination and their opinion on the consolidated financial statements.

/signed/
Rodney Antal
President and Chief Executive Officer

/signed/
Mark Murchison
Chief Financial Officer

February 11, 2015

February 11, 2015

Independent auditor's report

To the Shareholders of Alacer Gold Corp.

We have audited the accompanying consolidated financial statements of Alacer Gold Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013 and the consolidated statements of profit (loss) and comprehensive profit (loss), cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alacer Gold Corp. and its subsidiaries as at December 31, 2014 and December 31, 2013 and their financial performance and their cash flows for the years then ended in accordance with IFRS.

/signed/ **PricewaterhouseCoopers LLP**
Chartered Professional Accountants
Licensed Public Accountants

Alacer Gold Corp.

Consolidated Statements of Financial Position

(expressed in thousands of U.S. dollars)

	Note	As of December 31, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	6	$ 346,615	$ 289,649
Receivables and other	7	18,762	16,396
Inventories	8	53,545	57,874
		418,922	363,919
Mineral properties and equipment, net	9	307,059	330,461
Other assets	11	33,325	17,775
Total assets		$ 759,306	$ 712,155
Liabilities			
Current liabilities			
Trade and other payables	12	$ 33,973	$ 27,509
Current income tax liabilities		5,588	21,145
		39,561	48,654
Asset retirement obligation	14	18,474	16,537
Deferred tax liabilities	10	2,422	12,587
Other long-term liabilities		3,212	751
Total liabilities		63,669	78,529
Equity			
Equity attributable to owners of the corporation			
Share capital	15	1,471,303	1,469,218
Reserves	16	13,920	14,727
Deficit		(898,051)	(957,504)
		587,172	526,441
Non-controlling interest in subsidiary	17	108,465	107,185
Total equity		695,637	633,626
Contingencies and commitments (notes 22 and 23)			
Total liabilities and equity		$ 759,306	$ 712,155

Signed on behalf of the Board

/signed/
Edward C. Dowling, Jr.
Chairman

/signed/
Richard P. Graff
Independent Lead Director

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Profit (Loss)

(expressed in thousands of U.S. dollars)

	Note	For the year ended December 31, 2014	2013
Revenues			
Gold sales		$ 291,597	$ 377,081
Cost of sales			
Production costs		120,587	117,169
Depreciation, depletion and amortization		54,026	37,387
Total cost of sales		174,613	154,556
Mining gross profit		116,984	222,525
Other costs			
Exploration and evaluation		3,493	3,081
General and administrative		13,756	29,470
Restructuring costs		1,904	4,990
Share-based employee compensation costs		4,496	5,292
Foreign exchange loss		1,056	4,102
Share of loss of investments accounted for using the equity method	19	4,409	4,801
Other gain, net	18	(2,711)	(1,878)
Profit from continuing operations before income tax		90,581	172,667
Income tax expense	10	1,806	75,144
Net profit from continuing operations		88,775	97,523
Net loss from discontinued operations	20	-	(515,199)
Total net profit (loss)		$ 88,775	$ (417,676)
Net profit from continuing operations attributable to:			
Owners of the corporation		$ 65,344	$ 67,998
Non-controlling interest		23,431	29,525
Total net profit from continuing operations		$ 88,775	$ 97,523
Net profit (loss) attributable to:			
Owners of the corporation	21	$ 65,344	$ (447,201)
Non-controlling interest	17	23,431	29,525
Total net profit (loss)		$ 88,775	$ (417,676)
Basic profit (loss) per share:	21		
From continuing operations		$ 0.23	$ 0.24
From discontinued operations		$ -	$ (1.78)
Total net profit (loss) - Basic		$ 0.23	$ (1.55)
Diluted profit (loss) per share:	21		
From continuing operations		$ 0.22	$ 0.23
From discontinued operations		$ -	$ (1.78)
Total net profit (loss) - Diluted		$ 0.22	$ (1.55)

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Comprehensive Profit (Loss)

(expressed in thousands of U.S. dollars)

		For the year ended December 31,	
	Note	2014	2013
Comprehensive profit (loss)			
Net profit (loss)		$ 88,775	$ (417,676)
Changes in:			
Unrealized gain on available-for-sale securities, net of tax		265	-
Total comprehensive profit (loss)		$ 89,040	$ (417,676)
Total comprehensive profit (loss) attributable to:			
Owners of the corporation		$ 65,609	$ (447,201)
Non-controlling interest	17	23,431	29,525
Total comprehensive profit (loss)		$ 89,040	$ (417,676)

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Cash Flows

(expressed in thousands of U.S. dollars)

	Note	For the year ended December 31, 2014	2013
Cash provided by (used in)			
Operating activities from continuing operations			
Net profit from continuing operations		$ 88,775	$ 97,523
Non-cash items:			
Depreciation, depletion and amortization		54,026	37,615
Unrealized foreign exchange impacts		(2,496)	2,950
Share-based employee compensation costs		4,496	6,392
Equity investments and other non-cash losses, net		7,654	-
Other non-cash expenses and items not affecting cash		5,544	-
Deferred taxes	10	(10,166)	22,394
Net change in non-cash working capital	26	(5,144)	17,668
		142,689	184,542
Investing activities from continuing operations			
Mineral properties and equipment		(35,320)	(63,067)
Sulfide stockpile		(14,027)	(8,660)
Equity investments		(6,676)	(5,993)
Proceeds from sale of Discontinued operations		-	40,307
		(56,023)	(37,413)
Financing activities from continuing operations			
Options exercised	15	-	580
Repayment of borrowings	13	-	(11,900)
Non-controlling interest dividend	17	(22,152)	(31,196)
Dividend paid to shareholders		(5,891)	(70,310)
		(28,043)	(112,826)
Increase (decrease) in cash and cash equivalents from continuing operations		58,623	34,303
(Decrease) in cash and cash equivalents from discontinued operations	20	-	(20,033)
Cash and cash equivalents - beginning balance		289,649	277,258
Effect of exchange rates on changes in cash held in foreign currencies		(1,657)	(1,879)
Cash and cash equivalents – ending balance		$ 346,615	$ 289,649

The accompanying notes are an integral part of these consolidated financial statements.

Alacer Gold Corp.

Consolidated Statements of Changes in Equity

(expressed in thousands of U.S. dollars)

	Attributable to owners of the parent				Non-controlling interest	
	Share capital	Reserves	Deficit	Total		Total Equity
Balance at January 1, 2013	$ 1,457,468	$ 40,707	$ (439,994)	$ 1,058,181	$ 108,856	$ 1,167,037
Profit (loss) for the period	-	-	(447,201)	(447,201)	29,525	(417,676)
Change in valuation - available-for-sale securities, net of tax	-	527	-	527	-	527
Functional currency translations	-	(22,434)	-	(22,434)	-	(22,434)
	-	(21,907)	(447,201)	(469,108)	29,525	(439,583)
Transactions with owners:						
Dividends paid to shareholders	-	-	(70,309)	(70,309)	-	(70,309)
Non-controlling interest dividends	-	-	-	-	(31,196)	(31,196)
Share plans - exercises	11,750	(11,561)	-	189	-	189
Amortization of share-based awards	-	7,488	-	7,488	-	7,488
Total transactions with owners	11,750	(4,073)	(70,309)	(62,632)	(31,196)	(93,828)
Balance at December 31, 2013	$ 1,469,218	$ 14,727	$ (957,504)	$ 526,441	$ 107,185	$ 633,626
Balance at January 1, 2014	$ 1,469,218	$ 14,727	$ (957,504)	$ 526,441	$ 107,185	$ 633,626
Profit (loss) for the period	-	-	65,344	65,344	23,431	88,775
Change in valuation - available-for-sale securities, net of tax		265	-	265	-	265
	-	265	65,344	65,609	23,431	89,040
Transactions with owners:						
Dividends paid to shareholders	-	-	(5,891)	(5,891)	-	(5,891)
Non-controlling interest dividends	-	-	-	-	(22,151)	(22,151)
Share plans - exercises	2,085	(2,482)	-	(397)	-	(397)
Amortization of share-based awards	-	3,364	-	3,364	-	3,364
Recognition of liability portion of share-based awards	-	(1,954)	-	(1,954)	-	(1,954)
Total transactions with owners	2,085	(1,072)	(5,891)	(4,878)	(22,151)	(27,029)
Balance at December 31, 2014	$ 1,471,303	$ 13,920	$ (898,051)	$ 587,172	$ 108,465	$ 695,637

The accompanying notes are an integral part of these consolidated financial statements.

1. General information

Alacer Gold Corp. (the "Corporation") is an intermediate gold mining company with an 80% interest in the Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. ("Anagold") owned 80% by Alacer and 20% by Lidya Madencilik Sanayi ve Ticaret A.S. ("Lidya Mining").

The Corporation is incorporated under the laws of the Yukon Territory, Canada. The address of its registered office is 3081 Third Avenue, Whitehorse, Yukon, Y1A 4Z7. Corporate administrative services are provided by Alacer Management Corp.

These consolidated financial statements of the Corporation as of and for the year ended December 31, 2014 are comprised of the Corporation and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Corporation is the ultimate parent.

2. Basis of presentation

The consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5a.

Certain comparative amounts in the financial statements and in the footnotes to these financial statements have been changed to conform to the presentation of the current year financial statements and footnote disclosure.

These consolidated financial statements were authorized for issue by the Board of Directors ("BOD") on February 11, 2015.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. A list of Group entities appears in Note 17.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net profit (loss) and comprehensive profit (loss) is recognized directly in equity. Changes in the Corporation’s ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

b) Joint arrangements

The Group conducts a portion of its business through joint arrangements where the venturers are bound by contractual arrangements establishing joint control over the ventures requiring unanimous consent of each of the venturers regarding strategic, financial and operating polices of the venture. The Group undertakes its joint arrangements through jointly controlled entities, being corporations, partnerships or other unincorporated entities in which each venturer has an interest. The Group accounts for investments in joint ventures using the equity method of accounting. The carrying value of the Group’s investments in joint ventures represents the cost of the investment, including the Group’s share of retained earnings and losses subsequent to formation. At the end of each reporting period, the Group assesses its investments in joint ventures for any indicators of impairment.

c) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. Gains or losses on disposals of non-controlling interests are recorded to the deficit account in Equity. For non-wholly-owned subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated statement of financial position. Profit (loss) for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling shareholders in the subsidiary.

d) Segment reporting

The Group currently operates in one reportable operating segment consisting of mining, development and exploration of mineral deposits in Turkey. As discussed in Note 20, the Corporation completed the sale of the Australian Business Unit on October 29, 2013; therefore, the results of discontinued operations are still presented as of December 31, 2013. Corporate and other results are presented separately for reconciliation purposes.

e) Foreign currency translation

i) Functional currency
Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Primary and secondary indicators are used to determine the functional currency (primary indicators have priority over secondary indicators). Primary indicators include the currency that mainly influences sales prices and the currency that mainly influences labor, material and other costs. Secondary indicators include the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The functional currency for all Group entities is the United States dollar ("U.S. dollar").

ii) Transactions and balances
Foreign currency transactions are translated into an entity's functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statements of Profit (Loss).

f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held available on demand with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash balances are excluded from cash and cash equivalents, and are classified as either current or non-current assets, based upon the expiration date of the restriction. Cash held at joint venture partners are included in the reported equity balance.

g) Inventories

Product inventories are valued at the lower of production cost or net realizable value. Production costs are determined on an average cost basis and consists of direct production costs including mining, crushing, processing, site support costs, depreciation and allocated indirect costs, based on normal operating capacity. Supplies inventories are valued at the lower of average cost or net realizable value less any allowances for obsolescence.

i) Finished goods inventory includes gold bullion and doré. Doré represents a bar containing predominantly gold by value, which is generally refined off-site to return saleable metals. Doré inventory is valued at the lower of average cost to produce the doré and net realizable value.

ii) Work-in-process inventory represents costs that are incurred in the process of converting mineralized ores into partially refined precious metals, or doré. Ore represents material that, at the time of extraction, is expected to be processed into a saleable form. The recovery of gold from ore is achieved through a heap leaching process. Under the heap leaching method, ore is crushed and placed on leach pads where it is treated with a chemical solution, which dissolves the gold contained in the ore. The resulting “pregnant” solution is further processed in a plant where the gold is recovered.

Costs capitalized to work-in-process inventory include costs incurred to that stage of the mining process such as direct and indirect materials and consumables; direct labor; repairs and maintenance; utilities; depreciation, depletion and amortization of mineral property, plant and equipment; and site support costs. Costs are removed from work-in-process inventory and transferred to finished goods inventory as ounces are produced based on the average cost per recoverable ounce. Costs are transferred from inventory and recorded as costs of sales in the Consolidated Statements of Profit (Loss) upon the sale of refined gold.

Recoverable gold on the leach pads is estimated based on the quantities of ore placed on the leach pads (based on grade control measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on estimated ultimate recovery assumptions from the block model). The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, estimates are refined based on actual results and engineering studies over time. The ultimate recovery of gold from leach pads will not be known until the leaching process is concluded at the end of the mine life.

iii) Ore stockpiles inventory represents oxide ore that has been mined and is available for further processing. Ore stockpile quantities are measured by estimating the number of tonnes added and removed from the stockpile and are verified by periodic surveys. Costs are allocated to ore stockpiles based on the current mining cost per tonne incurred up to the point of stockpiling the ore, including applicable overhead, depreciation, depletion and amortization relating to mining operations, and are removed at the average cost per tonne. The carrying value of ore stockpiles inventory is measured at the lower of average cost and net realizable value which is determined based on the number of contained ounces (based on assay data) and the estimated metallurgical recovery rate.

iv) Stockpiles of sulfide ore are measured and valued in the same manner as oxide ore, however the sulfide ore stockpile is currently classified as a non-current asset, as this material will not be processed within the next year.

h) Mineral properties and equipment

i) Mineral Properties

Mineral properties consist of: the fair value attributable to mineral reserves and resources acquired in a business combination or asset acquisition; open-pit mine development costs; capitalized exploration and evaluation costs; estimates of any related-rehabilitation obligations; and capitalized interest. Mineral properties are comprised of historical costs associated with acquisition, evaluation, development and construction of mining properties and is stated at historical cost less depletion. Historical cost includes expenditures directly attributable to acquisitions and subsequent costs to evaluate and develop mineral reserves and resources. Such costs are capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Mineral properties are not subject to depletion until processing plant construction associated with a mineral property is completed and initial commercial production is achieved. Incidental revenues and operating costs are included in mineral properties prior to a plant achieving commercial production, which occurs when a property is substantially complete and ready for its intended use. Mineral property costs are depleted using the units-of-production (“UOP”) method based on proven and probable mineral reserves.

A. Open-Pit Mining Costs:

In open-pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred in order to provide initial access to the orebody (referred to as pre-production stripping) are capitalized as open-pit mine development costs. Stripping costs in the production phase of the mine are included in the cost of inventory produced during the relevant period. Capitalized open-pit mine development costs are amortized on a UOP method over the proven and probable reserves accessed by the mine development process. Capitalized open-pit mine development costs are amortized when the open-pit has entered production and the future economic benefit is being derived.

ii) Mining Plant and Equipment

Mining plant and equipment is stated at historical costs less accumulated depreciation. Historical costs include initial purchase price or construction cost, costs directly attributable to bringing the asset into operation, including an estimate of its related rehabilitation obligation, and where relevant, borrowing costs.

Costs that meet the asset recognition criteria are capitalized. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance expense and are accounted for as a cost of product inventory and subsequently charged to period expense, when the related revenues are recognized.

Depreciation commences when mining plant and equipment are considered available for their intended use. At that date, they are measured as cost less accumulated depreciation and applicable impairment losses. Mining plant and equipment, net of residual value, is depreciated either on the UOP method or on a straight-line basis, over the shorter of estimated useful lives or life of the related mineral property. Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Annual depreciation rates of major asset categories:

Buildings, plant and equipment	5 – 25 years
Light vehicles and other mobile equipment	2 -3 years
Furniture, computer and office equipment	2 -3 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized with 'Other gain, net' in the Consolidated Statements of Profit (Loss).

iii) Construction-in-progress ("CIP")
Assets under construction at operating mines are capitalized as CIP. The cost of CIP comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use, including borrowing costs. CIP amounts related to development projects are included in the carrying amount of the development project. CIP amounts incurred at operating mines are presented as a separate asset within Mineral Properties and Equipment. CIP is not depreciated. Once construction of the asset is completed and available for use, it is transferred to the appropriate mineral property and equipment asset class and depreciation commences.

iv) Intangible Assets
Intangible assets acquired by way of an asset acquisition or business combination are recognized if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition. On acquisition of a mineral property in the exploration stage, an estimate of the fair value attributable to the exploration licenses acquired is determined, including the fair value attributable to mineral resources, if any, of that property. The fair value of the exploration license is recorded as an intangible asset (acquired exploration potential) as at the date of acquisition.

v) Leasing Arrangements
The Group may enter into both leasing arrangements and arrangements that are in substance leasing arrangements. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Group are classified as finance leases. All other leases are classified as operating leases. Operating lease payments are recognized as an operating cost in the Consolidated Statements of Profit (Loss) on a straight-line basis over the lease term. The Corporation presently has no finance leases.

i) Development property

Once proven and probable reserves are established for a mineral property and it is determined that these reserves can be developed economically, costs incurred are capitalized until initial plant construction has been completed and commercial production is achieved. Incidental revenues and operating costs are included in Mineral Properties prior to a plant achieving commercial production. Development property is not subject to depreciation or depletion until the asset is placed in service.

j) Exploration and evaluation expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or costs incurred during the evaluation process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond or reverse circulation drilling and other work involved in searching for ore.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of: (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an orebody that is classified as either a mineral resource or a proven and probable reserve; (ii) determining the optimal methods of extraction and metallurgical and treatment processes; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Acquisition costs for exploration and evaluation stage properties are capitalized. Exploration and evaluation expenditures incurred prior to the date of a positive economic analysis on a mineral property are expensed as incurred. Exploration and evaluation expenditures incurred subsequent to completion of a positive economic analysis, including exploratory drilling and related expenditures are capitalized as mineral property in the accounting period the expenditure is incurred if Management determines there is sufficient evidence that the expenditure will result in a future economic benefit.

Management reviews the carrying value of capitalized exploration and evaluation costs as impairment triggers are identified. The review is based on the Corporation's intention for development of the underlying asset.

k) Recoverability of long-lived assets

Assets subject to depreciation, depletion and amortization are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized in the Consolidated Statements of Profit (Loss) at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). Previously impaired non-financial assets are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Financial assets

Classification of financial assets depends on the purpose for which the financial assets were acquired. Routine purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Management determines the classification of financial assets at initial recognition. The Group classifies and provides for financial assets as follows:

i) Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling it in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed. Gains and losses arising from changes in fair value are presented in the Consolidated Statements of Profit (Loss) in the period in which they arise.

ii) Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortized cost using the effective interest method, less any provision for impairment.

iii) Available-for-sale financial assets, comprising principally short-term investments and marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other category. Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments and Management intends to hold them for the medium to long term. Investments are initially recognized at fair value plus transaction costs. Changes in fair value of monetary and non-monetary securities in this classification are recognized in reserves, except for changes in the fair value of monetary securities denominated in a foreign currency classified as available-for-sale, which are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in the Consolidated Statements of Comprehensive Profit (Loss); other changes in the carrying amount are recognized in Reserves in the Consolidated Statements of Financial Position.

When sold or impaired, the accumulated fair value adjustments previously recognized in Reserves are included in profit or loss. In the case of equity securities, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, is removed from Reserves and recognized in the Consolidated Statements of Profit (Loss).

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share-based compensation are shown in equity as a deduction, net of tax, from the proceeds.

n) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings using the effective interest method.

Fees paid to establish loan facilities are recognized as transaction costs of the loan and are deferred and recognized as an adjustment to the effective interest rate on the loan once drawn.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability, or a portion of the liability, for at least twelve months after the reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

o) Current and deferred income taxes

Income tax expense or benefit for the reporting period includes current and deferred income taxes. Tax expense or benefit is recognized in the Consolidated Statements of Profit (Loss), except to the extent it relates to items recognized in other comprehensive profit (loss) or directly in reserves. In such cases, associated income tax is recognized in other comprehensive profit (loss) or directly in reserves.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the statement of financial position date in the countries where Group entities operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and the respective carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, and joint arrangements, except for deferred income tax liabilities where the timing of the reversals of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Incentive tax credits in Turkey create deferred tax assets as eligible spending occurs. The deferred tax asset creates a tax credit in the period earned and can be applied to current and future year income tax payments.

p) Share-based payments

Fair value of share options, restricted share units or other share-based payments under incentive programs is measured at grant date and amortized over the period during which the employee becomes unconditionally entitled to the equity-based instrument. Amounts amortized are expensed or, to the extent appropriate, are capitalized as the cost of constructing long-term assets. Total value is determined by reference to the fair value of the instrument granted, excluding the impact of any non-market service and performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to vest.

The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. At each reporting date, the entity revises its estimates of the number of instruments that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statements of Profit (Loss), or Consolidated Statements of Financial Position, as appropriate for amounts capitalized as a cost of constructing long-term assets, with a corresponding adjustment to the reserve. The proceeds received, if any, net of any directly attributable transaction costs, are credited to share capital when the instruments are exercised or otherwise redeemed.

q) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions for reclamation and closure cost obligations represent management’s best estimate of the present value of the future expenditures required to settle the obligation which reflects estimates of future costs, inflation, changes in foreign exchange rates and assumptions of risks associated with the future expenditures, using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in the above factors can result in a change to the provision recognized by the Corporation. The increase in the provision due to passage of time is recognized as interest expense within finance (income) expense in the Consolidated Statements of Profit (Loss).

An asset retirement obligation to incur decommissioning and reclamation costs generally occurs when an environmental disturbance is caused by exploration, evaluation, development or ongoing production. Costs are estimated on the basis of a formal closure plan and are subject to periodic review.

Decommissioning and site reclamation costs arising from the installation of plant and other site preparation work, discounted to present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged through depreciation and/or depletion of the asset and unwinding of the discount on the provision.

r) Revenue recognition

i) Revenue from metal sales is recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership have been transferred;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be measured reliably;
- It is probable that economic benefits associated with the transaction will flow to the Corporation; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii) <u>Gold Bullion Sales</u>
Gold bullion is sold primarily in the international gold market. The sales price is fixed based on the gold spot price and revenue from gold bullion sales is recorded at the time of physical delivery, which is also the date that title to the gold and risk of loss transfers to the purchaser.

s) Earnings per share

The Corporation presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders, and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise any convertible arrangements, including share-based compensation granted to employees.

t) New and amended accounting standards adopted by the Group

The adoption of the following new standards, interpretations and amendments resulted in changes to the Group’s accounting policies, but did not have any material impact on the financial position or performance of the Group on initial application.

i) Accounting standards effective on or after January 1, 2014:

A. *Amendment to IAS 32, Financial Instruments: Presentation,* on assets and liabilities offsetting. These amendments are to the application guidance in IAS 32, ‘Financial instruments: Presentation’, and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

B. *Amendment to IAS 36, Impairment of assets on recoverable amount disclosures*. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

C. *IFRIC 21, Levies*. This is an interpretation of IAS 37, *Provisions, contingent liabilities and contingent assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

u) Future changes to standards

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are effective for financial years beginning January 1, 2015 or after and have not been early adopted. Pronouncements that are not applicable to the Group have been excluded from those described below.

i) Accounting standards effective on or after January 1, 2015:

A. In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15, *Revenue from Contracts with Customers*, which replaces the existing revenue recognition standard. The new standard amends the number of requirements that an entity must consider in recognizing revenue and requires improved disclosures to help readers of financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations. The standard is effective for annual reporting periods beginning on or after January 1, 2017. Early adoption is permitted. The Corporation is currently evaluating the impact that the adoption will have on its results of operations, financial position and disclosures.

B. In July 2014, the IASB completed IFRS 9, *Financial Instruments*. IFRS 9 introduces new requirements for classifying and measuring financial assets and hedge accounting. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: (i) amortized cost, (ii) fair value through Other Comprehensive Income ("OCI") and (iii) fair value through Profit and Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in an entity's own credit risk in OCI, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company continues to monitor and assess the impact of this standard.

4. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk, and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the corporate finance function under policies approved by the BOD. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The BOD provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The Group's risk exposures and the impact on the Group's financial instruments are summarized below:

a) Credit risk

The portion of cash and cash equivalents held by banks and receivable balances are subject to credit risk. Such credit risk is managed by diversifying holdings among various financial institutions and by purchasing short-term investment grade securities and money market fund holdings, including bankers' acceptances, guaranteed investment contracts, corporate commercial paper, and United States and Canadian treasury notes in accordance with the Group'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 Group's receivable balances consist of Turkish value-added tax recoverable claims. The Group is also exposed to credit risk to the extent these amounts are not received. As at December 31, 2014, receivables from the Turkish government totaled $10.9 million.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Consolidated Statements of Financial Position. Management monitors its exposure to credit risk on an ongoing basis. Concentration of credit risk exists with respect to the Group's cash and cash equivalents, which totaled $346.6 million and $289.6 million as at December 31, 2014 and 2013, respectively.

(expressed in thousands of U.S. dollars, unless otherwise stated)

b) Liquidity risk

The Group's approach to managing liquidity risk is to provide reasonable assurance that it can provide sufficient capital to meet liabilities when due. The Group maintains sufficient cash and cash equivalents in order to meet short-term business requirements. The Group's ability to settle other long term liabilities when due is dependent upon future liquidity from capital sources or positive cash flows from commercial operations.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 5 years
As at December 31, 2014:				
Trade and other payables	$ 33,973	-	-	-
Total	$ 33,973	$0	$0	$0
As at December 31, 2013:				
Trade and other payables	$ 27,509	-	-	-
Total	$ 27,509	$0	$0	$0

c) Market risk

i) Interest rate risk

The Group holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. 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 Group manages interest rate risk by maintaining an investment policy for short-term investments and cash and cash equivalents. This policy focuses primarily on preservation of capital and liquidity. The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

As at December 31, 2014, Management estimates that if interest rates had changed by 0.1% (i.e. 10 basis points), assuming all other variables remained constant, the impact to pre-tax net profit (loss) would have been approximately $0.3 million (2013 - $0.3 million).

ii) Currency risk

The Group's functional currencies are the U.S. dollar. The Group is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the U.S. dollar in relation to other currencies impact the fair value of financial assets and liabilities and operating results.

Certain short-term financial liabilities are denominated in other currencies, predominately Turkish Liras. To reduce exposure to currency transaction risk, the Group maintains cash and cash equivalents in each of these currencies to meet short-term liquidity requirements. Other financial assets and liabilities subject to currency translation risk primarily include non-U.S. dollar cash and cash equivalents, and receivables.

As at December 31, 2014, Management estimates that if foreign exchange rates had weakened 10% against the U.S. dollar, assuming all other variables remained constant, pre-tax profit would have decreased $0.6 million (2013 - $1.9 million), and a strengthening of 10% in foreign exchange rates, assuming all other variables remained constant, would have increased pre-tax profit by $0.7 million (2013 - $1.6 million). This is mainly a result of foreign exchange gains/losses on translation of Turkish Lira denominated cash and cash equivalents, receivables, and payables.

iii) Commodity price risk

The market price of gold is a significant driver of profitability and ability to generate free cash flow. The Corporation sells gold produced in the international market at prevailing market rates. Future declines in commodity prices may impact the valuation of long-lived assets, and fluctuations in commodity pricing may impact cash flows and profitability.

As at December 31, 2014, Management estimates that if gold prices had increased (decreased) by 10% for the full year, assuming all other variables remained constant, the impact to gold sales would have been approximately $29.2 million (2013 - $37.7 million).

d) Fair value of financial instruments

Financial assets and financial liabilities are initially recognized at fair value; subsequent measurement is dependent on the applicable classification. The Group has classified loans and receivables at amortized cost, which approximates fair value. The Group has classified accounts payable and accrued liabilities, and interest payable as other financial liabilities. The carrying amounts of accounts payable and accrued liabilities approximate the fair values of those financial instruments, due to the short-term maturity of such instruments.

The Corporation holds minor amounts of available-for-sale securities for which fair value is based on unadjusted quoted prices in active markets. Changes in the market value of available-for-sale equity securities as well as the related foreign exchange and tax impact, if any, are recognized in accumulated other comprehensive income until the equity securities are sold or are determined to be impaired. When available-for-sale equity securities are sold or are determined to be impaired, the related accumulated change in accumulated other comprehensive income is reversed and the actual gain or loss on disposal, or the impairment charge, is recognized in net profit (loss).

e) Capital risk management

The Group's objectives when managing capital (including borrowings, if any, and share capital) are to:

- Ensure the Group has sufficient cash available to support the continuing mining, development, exploration and other areas of the business;
- Ensure the Group has sufficient capital and capacity to support its long-term growth strategy;

- Provide investors with an appropriate rate of return in context of a balanced risk profile;
- Ensure compliance with borrowing covenant ratios, if applicable; and
- Minimize counterparty credit risk.

The Group adjusts its capital structure based on changes in business results, economic conditions, and the Group's strategy. The Group, upon BOD approval, has the ability to adjust its capital structure by issuing new equity, issuing new debt and by selling or acquiring assets. Within the context of its strategy, the Group can also control how much capital is returned to shareholders through dividends and share buybacks.

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 BOD.

On March 12, 2014, the Corporation’s BOD declared a dividend of $0.02 per share (approximately $5.9 million) to shareholders of record at the close of business on March 31, 2014.

5. Critical accounting estimates and judgments

Many of the amounts included in the Consolidated Statements of Financial Position require Management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on Management’s experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated statement of financial position. Information about such judgments and estimates is contained in the accounting policies within these Notes to Consolidated Financial Statements, and the critical areas are summarized below.

a) Judgments and estimates

i) 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, as also defined by NI 43-101. 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, gold and other 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.

ii) 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 UOP or 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.

iii) 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 may be required to write-down the recorded value of its work-in-process inventories, which would reduce the Group’s earnings and working capital.

iv) 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 assumptions used to calculate these estimates. 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 mine site. Factors that will affect this liability include future development and operating activity, changes in technology, and price and interest rate changes.

v) 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.

(expressed in thousands of U.S. dollars, unless otherwise stated)

vi) Recoverability of long-lived assets
The Group reviews and evaluates long-term non-financial assets for impairment 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, gold and other 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.

6. Cash and cash equivalents

	31-Dec 2014	31-Dec 2013
Cash at banks and on hand	$ 29,321	$ 30,906
Money market funds and other	317,294	258,743
	$ 346,615	$ 289,649

Cash and cash equivalents earn interest based on market rates applicable to each form of interest-bearing instrument. Cash is deposited at banks and financial institutions. The fair value of cash and cash equivalents approximates the values as disclosed in the table above.

7. Receivables and other

	31-Dec 2014	31-Dec 2013
Consumption taxes recoverable	$ 10,898	$ 9,632
Receivables	3,574	447
Prepaid expenses	2,227	2,532
Advances to suppliers	2,014	2,243
Other current assets	49	1,542
	$ 18,762	$ 16,396

(expressed in thousands of U.S. dollars, unless otherwise stated)

8. Inventories

	31-Dec 2014	31-Dec 2013
Finished goods	$ 160	$ 1,352
Work-in-process	42,295	45,235
Ore stockpiles	488	155
Supplies and other	10,603	11,132
	$ 53,545	$ 57,874

There were no write-downs of inventory to net realizable value during the years ended 2014 and 2013. The Corporation's sulfide ore stockpile is classified as a non-current asset, as shown in note 11.

9. Mineral properties and equipment, net

	Mineral properties[1]	Mining plant and equipment	Non-producing properties[2]	Total
Balance at January 1, 2013	$ 299,041	$ 153,712	$ 569,343	$1,022,096
Additions	15,985	7,225	57,035	80,245
Disposals	(575)	(100)	(565)	(1,240)
Rehabilitation provision	2,109	-	-	2,109
Depreciation, depletion	(30,957)	(11,278)	-	(42,235)
Discontinued operations[3]	(120,953)	(96,193)	(513,368)	(730,514)
Balance at December 31, 2013	$ 164,650	$ 53,366	$ 112,445	$ 330,461
Additions	1,604	9,143	25,493	36,240
Transfers	58	62,264	(62,322)	-
Disposals	(122)	(2,633)	-	(2,755)
Rehabilitation provision	1,779	-	-	1,779
Depreciation, depletion	(36,341)	(22,365)	-	(58,706)
Balance at December 31, 2014	$ 131,628	$ 99,775	$ 75,616	$ 307,059

[1] Mineral properties represents assets subject to depreciation including production stage properties, capitalized mine development costs, and capitalized pre-production stripping.
[2] Non-producing properties includes construction-in-progress, capital projects and capitalized exploration.
[3] See Note 20.

(expressed in thousands of U.S. dollars, unless otherwise stated)

10. Income taxes

a) Income tax expense - The following table summarizes activity for the years ended December 31:

	2014	2013
Current	$ 18,888	$ 52,106
Deferred:		
Origination and reversal of temporary differences	(17,082)	10,427
Adjustment in respect of prior years	-	12,611
Income Tax Expense	$ 1,806	$ 75,144

The Corporation received incentive tax credits for qualifying expenditures at the Çöpler Gold Mine. With the approval of an increased eligible amount under the second Incentive Tax Certificate, qualifying expenditures identified in 2014 increased from 2013. Application of these tax credits reduces income tax expense in the current period and offsets current and future cash tax payments.

b) Reconciliation of income tax expense - The following table summarizes the difference between income tax expense at the Canadian statutory rate of 30% and actual income tax expense for the years ended December 31:

	2014	2013
Net profit before income tax for the year	$ 90,581	$ 172,667
Income tax expense at Canadian statutory rate of 30%	27,174	51,800
Effect of difference in foreign tax rates	(11,120)	(20,556)
Investment tax credits	(32,761)	6,584
Unrecognized income tax assets, net	5,797	9,410
Foreign currency valuations	5,966	23,012
Other	6,750	4,894
Income tax expense	$ 1,806	$ 75,144

The Corporation applies the liability method to recognize deferred income tax expense on temporary differences between the tax bases of assets and their carrying amounts in the financial statements.

(expressed in thousands of U.S. dollars, unless otherwise stated)

c) Significant components of deferred tax assets and liabilities

	Consolidated statement of financial position	
	2014	**2013**
Deferred income tax assets:		
Incentive tax credits recognized	$ 13,912	$ 5,220
Environmental provision	718	576
Other	-	1,641
	$ 14,630	$ 7,437
Deferred income tax liabilities:		
Mineral properties and equipment	$ (15,737)	$ (16,358)
Other	(1,315)	(3,666)
	(17,052)	(20,024)
Deferred income tax asset (liability) - net	$ (2,422)	$ (12,587)

Tax attributes not recognized:	**2014**	**2013**
Loss carry-forwards	$ 155,568	$ 132,138
Capital loss carry-forwards	$ 1,093,673	$ 1,093,673

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of $374.8 million (2013: $364.7 million) in respect of losses amounting to $155.6 million (2013: $132.1 million) that can be carried forward against future taxable income, and in respect of capital losses amounting to $1.1 billion. Canadian operating losses total $113.7 million and can be carried forward 20 years, U.S. losses total $20.7 million and can be carried forward 20 years, Luxembourg losses total $5.9 million and can be carried forward indefinitely, and Turkish losses total $15.3 million and can be carried forward 5 years.

Deferred income tax liabilities of $42.0 million (2013: $32.8 million) have not been recognized for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Unremitted earnings totaled $420.0 million at December 31, 2014 (2013: $327.6 million).

11. Other Assets

	31-Dec 2014	**31-Dec 2013**
Inventory (sulfide stockpile)	$ 28,774	$ 13,005
Equity investments	3,447	1,192
Equipment advances and other	687	3,322
Available-for-sale securities	417	256
	$ 33,325	$ 17,775

(expressed in thousands of U.S. dollars, unless otherwise stated)

12. Trade and other payables

	31-Dec 2014	31-Dec 2013
Trade payables and accruals	$ 22,778	$ 17,558
Royalties payable	5,489	7,224
Withholding taxes	5,508	2,569
Other current liabilities	198	158
	$ 33,973	$ 27,509

13. Borrowings

As of December 31, 2014, the Corporation does not have any outstanding balances related to credit facilities or debt arrangements.

14. Asset retirement obligation

	31-Dec 2014	31-Dec 2013
Balance, beginning of year	$ 16,537	$ 62,739
Arising during the period	1,551	2,341
Unwinding of discount	386	183
Less: Discontinued Operations	-	(48,726)
Balance, end of year	$ 18,474	$ 16,537

At the end of each year, the Corporation reviews cost estimates and assumptions used in the valuation of environmental provisions. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the obligation. The primary factors that can cause expected future cash flows to change include construction of new processing facilities, material changes in reserve estimates and the life-of-mine plan, changes in ore characteristics that may impact required environmental protection measures and related costs, changes in water quality that impact the amount of water treatment required, and changes in laws and regulations governing the protection of the environment. The environmental provision established for reclamation and closure cost obligations represents the present value of rehabilitation costs for the Çöpler Gold Mine.

For the year ended December 31, 2014, the Corporation updated the reclamation and closure cost obligation for the Çöpler Gold Mine. The update was prepared based on management and third-party estimates, and did not result in a material change to the estimated provision. The total asset retirement obligation of $18.5 million at December 31, 2014 excludes $0.4 million related to current obligations included in current liabilities. Critical assumptions used in the updated estimate include the timing of when the expenditures are expected to be incurred (up to the year 2021), the estimated inflation rate (8.2%), and the discount rate (10%) used to determine net present value. Rates are based on estimated Turkish government bond rates.

(expressed in thousands of U.S. dollars, unless otherwise stated)

15. Share capital and share-based payments

a) Share capital

The Corporation has an unlimited number of common shares, without nominal or par value, authorized for issuance and an unlimited number of preferred shares, without nominal or par value, issuable in series. As of December 31, 2014, there have been no transactions involving preferred shares. The following table summarizes activity for common shares:

	Note	Common Shares	
		Number of Shares	$
Balance at January 1, 2013		288,317,456	$ 1,457,468
Shares issued:			
On exercise of share-based awards		1,926,096	11,750
Balance at December 31, 2013		290,243,552	$ 1,469,218
Shares issued:			
On exercise of share-based awards	15b	427,929	2,085
Balance at December 31, 2014		290,671,481	$ 1,471,303

b) Share-based payments

i) Option plans

The Corporation adopted a share-based compensation plan on June 21, 2005 (the "2005 Plan"), and subsequently amended and restated on May 31, 2007, and further amended on January 31, 2011 (the "2011 Plan") that had 6,194,829 options outstanding at April 28, 2011. No further options were issued under the 2011 Plan, and the 2011 Plan remained in effect only until all options granted under it were exercised or lapsed. As shown below, there are no options outstanding under the 2011 Plan as at December 31, 2014. The following table summarizes activity for the years ended December 31:

(expressed in thousands of U.S. dollars, unless otherwise stated)

	2014		2013	
	Options to acquire shares	**Weighted average exercise price**	**Options to acquire shares**	**Weighted average exercise price**
Outstanding - Beginning of year	111,325	$ 4.31	889,218	$ 3.39
Forfeited[1]	(111,325)	4.31	(472,230)	3.41
Exercised	-	-	(305,663)	1.88
Outstanding - End of year	-	-	111,325	4.31
Exercisable – End of year	-	$ -	111,325	$ 4.31

[1] Includes shares cancelled in connection with 'cashless exercise' elections.

Restricted share unit plan

In May 2009, shareholders approved a restricted share unit ("RSU") plan (the "2009 RSU Plan") for employees and officers. Under the 2009 RSU Plan, 2,000,000 common shares of the Corporation were reserved for issuance pursuant to the 2009 RSU Plan.

On June 2, 2011, the Corporation adopted two new RSU plans, the 2011 RSU plan and the NED RSU Plan (collectively, the "Alacer RSU Plans"). The aggregate number of common shares issuable pursuant to the Alacer RSU Plans, together with the aggregate number of common shares issuable pursuant to any other previously established or proposed share compensation arrangement of the Corporation, shall not exceed 5% of the total number of issued and outstanding common shares (calculated on a non-diluted basis) and the award value of all awards shall not exceed 1% of the total number of issued and outstanding common shares (calculated on a non-diluted basis) and the award value of all awards shall not exceed $0.1 million in value of equity per non-executive director. The maximum number of common shares issuable to insiders under the Alacer RSU Plans, or when combined with any other previously established or proposed share compensation arrangements, at any time or within any 12 month period, may not exceed 5% of the outstanding issue.

Each RSU becomes payable as they vest over their lives, typically three years, are subject to normal performance criteria, and entitles participants to receive one common share of the Corporation. Alternatively, the Corporation, at its discretion, may elect to satisfy all or part of its payment obligation in cash. Fair value at grant date is based on market price of Corporation's common shares. In the event an RSU participant's employment is terminated with the Corporation or one of its affiliates, or service as a Director, or engagement as a service provider to the Corporation or one of its affiliates, terminates for any reason other than death, such RSU participant's RSUs will be forfeited and no common shares of the Corporation will be issued.

(expressed in thousands of U.S. dollars, unless otherwise stated)

The following table summarizes activity for the years ended December 31:

	2014		2013	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Outstanding - Beginning of year	3,054,239	$ 3.11	2,824,594	$ 6.85
Granted	1,398,355	2.10	2,445,773	2.21
Vested and redeemed	(427,929)	4.90	(1,600,525)	6.89
Forfeited	(943,611)	3.19	(615,603)	6.86
Outstanding – End of year	3,081,054	$ 2.32	3,054,239	$ 3.11

ii) Deferred share unit plan

In May 2009, shareholders approved a deferred share unit ("DSU") plan (the "DSU Plan") pursuant to which directors of the Corporation may be granted DSUs. A total of 1,000,000 common shares of the Corporation were reserved for issuance pursuant to the DSU Plan. On June 2, 2011, shareholders approved an amendment to the DSU Plan stating no additional grants of units would be made under the DSU Plan after June 2, 2011, and the DSU Plan would remain in effect until all DSUs granted under the DSU Plan have been redeemed. There were 95,229 DSUs outstanding as of December 31, 2014.

16. Reserves

	Functional currency translations	Share-based payments	Available-for-sale investments	Total
Balance at January 1, 2013	$ 21,880	$ 18,800	$ 27	$ 40,707
Functional currency translation	(2,225)	-	(27)	(2,252)
Reclassification of foreign currency translation adjustment from reserves[1]	(19,655)	-	-	(19,655)
Share-based award exercises	-	(11,561)	-	(11,561)
Share-based compensation expense	-	7,488	-	7,488
Change in fair values	-	-	-	-
Balance at December 31, 2013	$ -	$ 14,727	$ -	$ 14,727
Share-based award exercises		(2,482)		(2,482)
Share-based compensation expense	-	3,364	-	3,364
Change in fair values	-	-	265	265
Recognition of liability portion of share-based awards	-	(1,954)	-	(1,954)
Balance at December 31, 2014	$ -	$ 13,655	$ 265	$ 13,920

[1] Includes $15.6 million and $4.1 million of accumulated currency translation adjustments reclassified to the results of discontinued operations for the sale of the Australian business unit and Frog's Leg joint venture in 2013, respectively.

(expressed in thousands of U.S. dollars, unless otherwise stated)

17. Group entities and transactions with non-controlling interests

		Ownership interest	
Alacer Gold Corp.	**Country of incorporation**	**Dec 31, 2014**	**Dec 31, 2013**
Alacer Management Corp.	USA	100%	100%
Alacer Exploration Corp. S.à.r.l.	Luxembourg	100%	100%
Alacer Minerals Development Corp. S.à.r.l.	Luxembourg	100%	100%
Yeni Anadolu Mineral Madencilik Sanayi Ve Tic Ltd. Şti	Turkey	100%	100%
Trakya Copper Operations Industry Trade Limited Corporation	Turkey	-	100%
Kartaltepe Madencilik Sanayi Ticaret Anonim Sirketi	Turkey	50%	50%
Polimetal Madencilik Sanayi Ticaret Anonim Şirketi ("Polimetal")	Turkey	20%	20%
Tunçpınar Madencilik Sanayi Ve Ticaret Anonim Şirketi	Turkey	50%	50%
Alacer Gold Holdings Corp. S.à.r.l.	Luxembourg	100%	100%
Alacer Gold Corp. S.à.r.l.	Luxembourg	100%	100%
Kurudere Madencilik A.Ş.	Turkey	100%	100%
Anagold Madencilik Sanayi Ve Ticaret Anonim Şirketi	Turkey	80%	80%

In 2009, the Group and Lidya Mining formalized an agreement to create a strategic relationship which allowed Lidya Mining to acquire up to a 20% interest in Çöpler, through ownership of Anagold stock, and outlined a structure for cooperation and cross-investment to jointly explore and develop other mineral properties in Turkey on a 50/50 basis, except for Polimetal.

In addition and in conjunction with the strategic relationship with Lidya Mining, during 2011 the Corporation and Lidya Mining completed two joint ventures on other non-Çöpler Turkish holdings. During 2012 the Corporation and Lidya Mining completed a third non-Çöpler Turkish holding joint venture. The joint venture agreements provide for equal ownership by the Corporation and Lidya Mining. The Corporation elected to reduce its ownership in Polimetal from 50% in 2012 to 20% in 2013. The Corporation still maintains its rights to claw back its interest in the Polimetal joint venture to 50% on a project-by-project basis.

As a shareholder of Anagold, Lidya Mining is responsible for its proportionate share of Anagold's capital and operating costs, and will receive benefit of its proportionate share of revenues and other income. Non-controlling interest represents the interest of Lidya Mining in Anagold, based on investment amounts adjusted for its share of profit or losses. The following table summarizes activity for the years ended December 31:

(expressed in thousands of U.S. dollars, unless otherwise stated)

	2014	2013
Non-controlling interest, beginning of the year	$ 107,185	$ 108,856
Lidya Mining share of Anagold dividends	(22,151)	(31,196)
Share of profit in Anagold	23,431	29,525
Non-controlling interest, end of the year	$ 108,465	$ 107,185

Set out below is summarized financial information for Anagold, the entity which has the 20% non-controlling interest. The amounts disclosed are based on those included in the consolidated financial statements before inter-company eliminations.

Summarized statements of financial position	**31-Dec 2014**	**31-Dec 2013**
Current assets	192,190	200,963
Current liabilities	34,589	42,115
	$ 157,601	$ 158,848
Non-current assets	309,270	309,327
Non-current liabilities	21,684	29,379
	$ 287,586	$ 279,948
Net assets	$ 445,187	$ 438,796

Summarized income statements	**31-Dec 2014**	**31-Dec 2013**
Revenue	$ 291,597	$ 377,081
Profit before income tax	$ 116,392	$ 218,485
Income tax expense (benefit)	$ (758)	$ 70,859
Total net profit	$ 117,150	$ 147,626
Attributable to:		
Owners of the Corporation	$ 93,719	$ 118,101
Non-controlling interest	$ 23,431	$ 29,525

(expressed in thousands of U.S. dollars, unless otherwise stated)

Summarized cash flows		**31-Dec 2014**		**31-Dec 2013**
Cash flows from operating activities	$	152,915	$	216,887
Cash flows from investing activities	$	(47,575)	$	(69,788)
Cash flows from financing activities	$	(110,758)	$	(163,208)

Lidya Mining is entitled to receive dividend payments equaling its share of legally declarable dividends from Anagold. The amount that was distributed in 2014 for 2013 operating results was $22.2 million, and was paid in the first half of 2014.

18. Other gain, net

The following table summarizes activity for the years ended December 31:

		2014		**2013**
Misc. non-operating transactions	$	95	$	2,405
Write-down of assets to estimated net realizable value		2,177		-
Proceeds from non-operating activities		(1,098)		(1,348)
Reversal of prior year provisions		(3,885)		(2,935)
Total other gain, net	$	(2,711)	$	(1,878)

19. Investments accounted for using the equity method

The Group has interests in exploration joint ventures that are accounted for using the equity method. The aggregated financial information on these joint ventures are as follows:

		2014		**2013**
Aggregate carrying amount[1]	$	3,447	$	1,192
Aggregate amount of the Corporation's share of Net Losses	$	4,409	$	4,801

[1] Included in Other non-current assets. See Note 11.

The Corporation has no commitments and contingencies for the joint ventures. The Corporation is not required to contribute any additional funds to the joint ventures under constitution agreements.

20. Discontinued operations

On June 12, 2013, the Corporation announced its decision to pursue a sale of the Australian Business Unit and subsequently on October 29, 2013, the Corporation completed the sale to a subsidiary of Metals X Limited (“Metals X”), an Australian public company with shares listed on the ASX (ASX: MLX). The total consideration received was comprised of $40.3 million in cash, including working capital adjustment of $3.7 million. The results of the Australian operations up to the date of disposal have been presented as discontinued operations within Net loss of discontinued operations in the Consolidated Statements of Profit (Loss).

During the year ended December 31, 2013, the Corporation recognized an impairment charge of $484 million, respectively that resulted from the carrying value of the Australian net assets exceeding the estimated fair value of the consideration less costs to sell, measured at September 30, 2013.

On April 5, 2013, prior to the disposal of the Australian Business Unit, the Corporation completed the sale of its 49% minority interest in the Frog’s Leg Mine joint venture, its 24.5% interest in the Lake Greta joint venture, and its 40% interest in the Avoca joint venture (collectively, “Frog’s Leg”). The Corporation recorded a net gain of $8.2 million during Q2 2013 in connection with this sale, including $4 million of cumulative foreign exchange gain related to measurement of the net assets.

On disposal the Corporation recognized a gain of $9.2 million that resulted from the carrying value of the Australian net assets exceeding the estimated fair value of consideration received in the transaction, measured at October 29, 2013. The impairment charge and the loss on disposal have been included in the component of discontinued operations in the Consolidated Statements of Profit (Loss).

(expressed in thousands of U.S. dollars, unless otherwise stated)

The carrying value of major classes of assets and liabilities as well as the fair value of consideration as at the date of disposal were as follows:

		29-Oct 2013
Assets		
Current assets		
Cash and cash equivalents	$	13,762
Receivables and other		3,256
Inventories		16,614
		33,632
Mineral properties and equipment, net		82,080
Other assets		2
Total assets	$	115,714
Liabilities		
Current liabilities		
Trade and other payables		24,616
Borrowings, current portion		178
		24,794
Provisions		43,703
Other liabilities		529
Total liabilities	$	69,026
Accumulated other comprehensive income related to functional currency translations		15,551
Net carrying value	$	31,137
Total fair value of consideration received		40,307
Gain on sale of discontinued operations	$	9,170

Results of discontinued operations through the date of disposal:

		2013
Revenues	$	235,630
Production costs		182,882
Depreciation, depletion, amortization		48,056
Mining gross profit (loss)		4,692
Exploration and evaluation		19,950
Administration, finance and other, net		34,595
Other (gain)/loss, net		465,346
Income tax expense (benefit)		-
Net loss for the period from discontinued operations	$	(515,199)
Basic Loss per share from discontinued operations	$	(1.78)
Diluted Loss per share from discontinued operations	$	(1.78)

(expressed in thousands of U.S. dollars, unless otherwise stated)

Included in Other (gain)/loss, net, are an after-tax loss of $484 million for impairments, a $9.2 million foreign currency gain on the sale to Metals X, and an $8.2 million gain on sale of the Frog's Leg Mine joint venture.

Net (decrease) / increase in cash and cash equivalents from discontinued operations:

		29-Oct 2013
Cash provided by (used in) discontinued operation		
Net loss from discontinued operations	$	(515,199)
Operating cash flows from discontinued operations		(73,534)
Investing cash flows from discontinued operations		105,389
Financing cash flows from discontinued operations		(51,888)
Decrease in cash from discontinued operations		(20,033)
Cash and cash equivalents - Beginning balance		32,569
Effect of exchange rates on cash held in foreign currencies		1,226
Cash and cash equivalents – Ending balance [1]	$	13,762

[1] Represents cash held at the Australian Business Unit on disposal date 29 October, 2013.

21. Profit (loss) per share

Basic profit (loss) per share is calculated by dividing the profit (loss) attributable to equity holders of the Corporation by the weighted average number of ordinary shares outstanding during the period.

Diluted profit (loss) per share is calculated using the treasury method, except the if-converted method is used in assessing the dilution impact of convertible instruments (until maturity) and options. The treasury method, which assumes that outstanding stock options with an average exercise price below the market price of the underlying shares, is exercised and the assumed proceeds are used to repurchase common shares of the Corporation at the average market price of the common shares for the period. The if-converted method assumes that all convertible instruments (until maturity) and options have been converted in determining fully diluted profit (loss) per share if they are in-the-money, except where such conversion would be anti-dilutive. The following table summarizes activity for the years ended December 31:

		2014		2013
Profit attributable to equity holders of the Corporation	$	65,344	$	(447,201)
Weighted average number of shares outstanding – basic		290,367,436		289,143,274
Weighted average number of shares outstanding – diluted		293,465,948		292,232,429
Net profit (loss) per share – basic		0.23		(1.55)
Net profit (loss) per share – diluted		0.22		(1.55)

(expressed in thousands of U.S. dollars, unless otherwise stated)

22. Contingencies

The Group has contingent liabilities associated with legal claims arising in the ordinary course of business. The Corporation believes these claims will have no material impact where a liability would be recorded in the financial statements.

23. Commitments

a) Commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Less than one year	Between one and five years	More than five years	Total
Non-cancellable operating leases	$ 277	$ 500	$ -	$ 777
Purchase obligations for operations	3,500	-	-	3,500
Total contractual obligations	$ 3,777	$ 500	$ -	$ 4,277

b) Non-controlling interest dividends

Lidya Mining is entitled to receive dividend payments equaling its share of legally declarable dividends from Anagold. The amount that was distributed in 2014 for 2013 operating results was $22.2 million, and was paid in the first half of 2014.

c) Other

In connection with exploration and development activities, the Group may enter into option, lease, royalty or other similar agreements with third parties. Generally, payments required on these commitments do not occur until the property has been developed and production commences.

(expressed in thousands of U.S. dollars, unless otherwise stated)

24. Related party transactions

There were no related party transactions for services rendered during 2013 and 2014, other than key management compensation as detailed below.

Key management compensation

The compensation of directors of the Corporation and key management personnel of the Group is shown below for the years ended December 31:

	2014	2013
Salaries, director fees and other employee benefits	$ 3,733	$ 5,154
Share-based awards granted	4,613	913
Termination benefits	737	3,978
Total	$ 9,083	$ 10,045

(expressed in thousands of U.S. dollars, unless otherwise stated)

25. Segment information

The Corporation operated one segment during the year ended December 31, 2014 directed towards the acquisition, exploration and production of gold in Turkey. The Corporation operated in two segments in 2013 up until the sale of the Australian Business Unit in October 2013. The segment net profit (loss) and the segment assets and liabilities as of and for the year ended December 31, 2014 and 2013 are shown in the following tables.

	Australian Business Unit	Turkish Business Unit	Corporate and other	Total
Year ended December 31, 2014:				
Revenues		$ 291,597	$ -	$ 291,597
Production costs		120,587	-	120,587
Depreciation, depletion, amortization		46,868	7,158	54,026
Mining gross profit (loss)		124,142	(7,158)	116,984
Exploration and evaluation		3,459	34	3,493
Administration, finance and other, net		7,927	14,983	22,910
Income tax expense (benefit)		1,890	(84)	1,806
Net profit (loss) for the period		$ 110,866	$ (22,091)	$ 88,775
Year ended December 31, 2013:				
Revenues	$ -	$ 377,081	$ -	$ 377,081
Production costs	-	117,169	-	117,169
Depreciation, depletion, amortization	-	37,387	-	37,387
Mining gross profit (loss)	-	222,525	-	222,525
Exploration and evaluation	-	3,081	-	3,081
Administration, finance and other, net	-	38,429	8,348	46,777
Income tax expense (benefit)	-	75,144	-	75,144
Net profit (loss) from continuing operations for the period	-	105,871	(8,348)	97,523
Net loss from discontinued operations for the period	(515,199)	-	-	(515,199)
Net profit (loss) for the period	$ (515,199)	$ 105,871	$ (8,348)	$ (417,676)

(expressed in thousands of U.S. dollars, unless otherwise stated)

	Turkish Business Unit	Corporate and other	Total
As of December 31, 2014:			
Current assets	$ 299,995	$ 118,927	$ 418,922
Non-current assets	312,983	27,401	340,384
Total assets	$ 612,978	$ 146,328	$ 759,306
Current liabilities	$ 35,862	$ 3,699	$ 39,561
Non-current liabilities	21,839	2,269	24,108
Total liabilities	$ 57,701	$ 5,968	$ 63,669
As of December 31, 2013:			
Current assets	$ 321,678	$ 42,241	$ 363,919
Non-current assets	311,267	36,969	348,236
Total assets	$ 632,945	$ 79,210	$ 712,155
Current liabilities	$ 47,373	$ 1,281	$ 48,654
Non-current liabilities	29,554	321	29,875
Total liabilities	$ 76,927	$ 1,602	$ 78,529

26. Net change in non-cash working capital

The following table summarizes activity for the years ended December 31:

	2014	2013
Changes in working capital:		
Trade and other payables	$ 6,464	$ (2,644)
Receivables and other	(2,366)	1,597
Inventories	6,314	(2,137)
Current income tax liabilities	(15,556)	20,134
Other	-	718
	$ (5,144)	$ 17,668

Supplementary Cash Flow Information:		
Interest paid, net	$ -	$ 375
Income taxes paid	$ 25,860	$ 25,069

CORPORATE DIRECTORY

DIRECTORS

Mr. Edward C. Dowling, Jr.
Chairman of the Board

Mr. Richard P. Graff
Independent Lead Director

Mr. Rodney P. Antal
Executive Director / President & CEO

Mr. Thomas R. Bates, Jr
Non-Executive Director

Anna Kolonchina
Non-Executive Director

Alan P. Krusi
Non-Executive Director

SENIOR MANAGEMENT

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President & CEO

Mark E. Murchison
Chief Financial Officer

John M. LeRoux
Senior Vice President & Country Manager

Robert D. Benbow
Senior Vice President Strategic Projects

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