MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2012

As of October 18, 2012

TABLE OF CONTENTS

DATED: OCTOBER 18, 2012

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Aldridge Minerals Inc. ("Aldridge", "we", "our" or the "Company"), our operations, financial performance and present and future business environment. This MD&A is prepared as of October 18, 2012 and is intended to supplement and complement the unaudited condensed consolidated financial statements and the related notes for the three and nine months ended August 31, 2012 and August 31, 2011 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards. This MD&A should be read in conjunction the audited consolidated financial statements and the related notes for the year ended November 30, 2011 (the "Audited Financials"). The Audited Financials have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

For the purposes of preparing our MD&A, we consider the materiality of information. Information is considered material if: (i) it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares.

The Company's common shares are listed on the Toronto Stock Exchange - Venture (TSX-V: AGM). Continuous disclosure materials are available on SEDAR at ***www.sedar.com*** *and on the Company's website at* ***www.aldridgeminerals.ca****.*

The Company is required to consistently apply the IFRS accounting policies used to prepare its Financial Statements to all other periods presented in the Financial Statements, as if the accounting policies had always been in effect, subject to certain transition elections permitted on the first time adoption of IFRS. Previously, the Company's 2011 annual consolidated financial statements and its interim consolidated financial statements as at and for the three month period ended August 31, 2011 (combined the "2011 Financial Statements") were prepared using Canadian GAAP. For purposes of preparing the Financial Statements, the 2011 Financial Statements have been restated to conform to IFRS. A detailed analysis of the transition to IFRS, including the significant elections and adjustments made by the Company on the implementation of IFRS, is provided in Note 16 to the Financial Statements.

This MD&A contains forward-looking information that is based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only as of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "Cautionary Statement Regarding Forward Looking Information". Actual outcomes and results may differ materially from those expressed in forward-looking information and readers should not place undue reliance on such statements.

SELECTED FINANCIAL INFORMATION

The following table provides selected unaudited interim consolidated financial information that should be read in conjunction with the consolidated financial statements of the Company.

	NINE MONTHS ENDED AND AS AT AUGUST 31, 2012	**NINE MONTHS ENDED AND AS AT AUGUST 31, 2011**	**YEAR ENDED AND AS AT NOVEMBER 30, 2011**
Loss before income tax and discontinued operations	$(8,894,792)	$(2,137,586)	$ (4,903,449)
Net Loss	(9,955,308)	(3,367,592)	(7,725,844)
Net loss per share	(0.22)	(0.10)	(0.22)
Cash and cash equivalents	6,484,447	8,450,733	4,741,663
Working capital (i)	6,362,763	8,527,998	4,851,708
Total assets	8,809,249	11,092,500	7,788,166

(i) Working capital equals current assets less current liabilities, and is a non-GAAP measure used by management.

The Company's property exploration and evaluation expenditures on mineral properties are as follows:

	Nine Months Ended August 31, 2012	Nine Months Ended August 31, 2011	Year Ended November 30, 2011
Yenipazar Property, Turkey	$ 5,154,259	$ 1,764,457	$ 2,772,170
Derinkoy Property, Turkey(i)	-	2,314	2,314
Exploration Licenses, Turkey(ii)	-	68,849	68,849
Kili Teke License, Papua New Guinea – discontinued (iii)	1,126,784	1,230,006	2,822,395
Total Exploration & Evaluation	$ 6,281,043	$ 3,065,626	$ 5,665,728

(i) In February 2011 the Company terminated its option agreement and abandoned the property.
(ii) The Company presently holds 10 licenses, but is negotiating payment terms to sell 5 of these licenses.
(iii) On July 6, 2012 the Company announced it received notice that its application to renew the license was not approved, and that the Company planned no further action or investment in Papua New Guinea ("PNG").

HIGHLIGHTS

Yenipazar Project – Turkey

- **Completion of Drilling Program -** The diamond drilling program began in late April and concluded in August after drilling an aggregate of 10,096 metres in 87 holes, which was less than the plan to drill approximately 11,000 metres. The objective of the program was to twin the reverse circulation ("RC") holes that carry the bulk of the mineralization and add the diamond drilling ("DD") holes to the database for a more accurate resource estimate in the framework of the current feasibility study ("FS"). When combined with the results of seven previously diamond drilled twin holes, the results compare to the original reverse circulation drill holes as follows:

Weighted Average Grades of 94 DD Twins of RC Drill Holes *(1)**

	Mineralized Intersections(m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
DD Holes	3,113	1.26	40.9	0.40	1.24	1.65
RC Holes	3,656	1.15	35.1	0.30	1.19	1.27

(1) The weighted average grade is calculated as the sum of the Grade × Length of each mineralized intersection divided by the sum of the mineralized intersections.

Comparison of Grade and Metal Content of 94 DD Twins versus RC Drill Holes *(2)**

	Au	Ag	Cu	Pb	Zn
Grade (% change)	+9	+17	+31	+4	+30
Metal Content (% change)	-7	-1	+11	-11	+10

(2) The metal content is calculated as Grade × Length of the mineralized intersections.

**The 94 DD twins include one metallurgical hole which was identified in Aldridge's press release of August 15, 2012 but not included in the aggregate results reported at that time. With the additional drilling and an improved understanding of the geology, it has been determined that the metallurgical hole should be included in the aggregate results.*

As shown above, the DD hole results compared to the RC holes represent improved grades across all five metals, while the metal content was lower due to DD intersections being approximately 15% shorter. The results from the 2012 drilling program will enhance the data available to revise the resource estimate and support the mine plan and project economics of the FS.

As the holes are not evenly distributed across the deposit, firm conclusions cannot be drawn on the impact of such improvements on subsequent resource estimates. The Company is currently in the process of incorporating these results in the database and updating the geological model of Yenipazar. This is a critical step in the progression towards finalizing the resource and reserve update for the feasibility study. The enhanced quality of the DD information has improved the Company's understanding of the contacts between the sulphide, oxide and transition zones at Yenipazar, which again will prove invaluable in the context of ongoing work to complete the FS.

- **Updated 43-101 Resource Estimate –** On June 13, 2012, the Company announced an in-pit updated National Instrument 43-101 mineral resource estimate for its Yenipazar polymetallic deposit. The estimate is based on all drilling completed to the end of 2011 (54,774 meters), and includes 7,202 metres of diamond drilling. The resource estimate showed an indicated resource of 2,620,000 gold equivalent ounces at 3.05 g/t gold equivalent with gold recoveries now at 92%. Indicated resources increased 9.9% to 26,684,000 tonnes from 24,284,000 tonnes. Inferred resources increased 432% to 1,159,000 tonnes from 218,000 tonnes.
- **Feasibility Study -** The progress on the feasibility study ("FS"), being overseen by Jacobs Minerals Canada Inc. was partially delayed in Q3 due to additional time required to complete the drilling program, as summarized above, and metallurgical test work. On October 16, 2012 the Company announced that metallurgical test work just completed by SGS Mineral Services in Cornwall, UK ("SGS UK") substantially confirmed the rate of recoveries disclosed in the Company's Updated 43-101 Resource Estimate of June 13, 2012. The test work also confirmed that all ore is amenable to conventional crushing, grinding, leaching and flotation processing techniques. As a result, the target completion for the FS was revised from December 2012 to March 2013. Project costs continue to be within the budgets established for the team of consultants including P&E Mining, SGS UK, SRK Turkey and Golder Associates. P&E Mining is preparing the mine plan and resource update. SGS UK has completed most of the recent metallurgical studies; SRK Turkey is working on the Environmental and Social Impact Assessment (ESIA) and Golder Associates is responsible for geotechnical studies. SRK Turkey is also working on hydrological aspects of the project from both a geotechnical and water supply perspective. A logistics study on the transportation of concentrates, which included on-site inspections of various ocean ports, roads and rail options, was completed during the third quarter.
- **Option Agreement Amendment -** The original FS target completion date of December 1, 2012 was a condition of earning a 100% interest in the Yenipazar property according to the amended Option Agreement dated October 2010 ("Option Agreement") with Alacer Gold Corp. (formerly Anatolia Minerals Development Limited) and its subsidiary (collectively, "Alacer"). Although the terms of the Company's option agreement with Alacer allowed for additional time to complete the feasibility study, Aldridge obtained a formal extension from Alacer to deliver the feasibility study by March 31, 2013. As a result, the option period end date pursuant to the Option Agreement was amended to March 31, 2013, without modifying any other conditions including the provision that if Aldridge fails to deliver the FS by that date (March 31, 2013) it will not lose any of its rights under the Option Agreement as long as it is diligently and continuously working to complete the FS and is not otherwise in default of its obligations under the Option Agreement.
- **Environmental Impact Assessment –** On September 28, 2012, in accordance with Turkey's Ministry of Environment and Urbanization regulations, the Company initiated the Environmental Impact Assessment ("EIA") permitting process by submitting the Project Description Document ('PDD'). The initiation of the EIA process takes approximately two months and includes a public hearing, which is expected in November 2012, in the nearest settlement area. Subsequent to the public hearing a terms of reference document for the EIA will be generated. The Company has one year from the date of receiving the terms of reference document to submit a complete EIA report.

Kili Teke License – Papua New Guinea

- **Discontinued Operation** – During the first quarter of 2012, the Company announced that it was actively seeking partners or transactions which would allow it to realize the maximum value from its investments in its Kili Teke License. Given the uncertain political climate in Papua New Guinea ('PNG') and recent capital market conditions, no discussions progressed beyond the preliminary stage. Following the April private placement of $11,200,000 by ANT Holding, a strategic partner in Turkey, the Company decided to focus all efforts in Turkey, and exit PNG if no suitable partner could be found. Following receipt of a formal notice from the Registrar of Tenements in PNG that the Company's license renewal application for its non-core Kili Teke License was denied, Aldridge determined, that there would be little benefit if it took further action in PNG. Consequently Aldridge terminated its operations in PNG. The Company spent a combined $3,949,179 in fiscal year 2011 and the nine months ending August 31, 2012. There were no significant assets in PNG.

Corporate Highlights

- **Corporate Office Move –** During the third quarter of 2012, the Company entered into agreements to lease a smaller office space in Toronto, Ontario and to sublet its existing office space. The related lease and sublet agreements are expected to reduce the Company's rent expense by approximately $90,000 over the period from September 1, 2012 to September 30, 2014.

- **Change of Year End—** In September 2012, the Company filed a notice, pursuant to section 4.8(3) of National Instrument 51-102, of a change to its year end from November 30 to December 31. The change aligns the year-end of the Company with the year-end of its wholly-owned subsidiary Aldridge Mineral Madencilik Ltd. Şti. ("Aldridge Turkey"), which is required by the laws of Turkey to have its fiscal year ending on December 31. Based on a change of year-end from November 30 to December 31, the Company has a transition year of thirteen months from December 1, 2011 to December 31, 2012.

  The following tables set forth the lengths and end dates of the financial periods, including the comparative financial periods, and the filing deadlines for each of the Company's interim and annual financial statements to be filed during the transition year and its new financial year.

Transition Year – December 1, 2011 to December 31, 2012:

Financial Statements to File	Comparative Financial Statements	Filing Deadline
3 months ended February 28, 2012	3 months ended February 28, 2011	Filed April 26, 2012
3 and 6 months ended May 31, 2012	3 and 6 months ended May 31, 2011	Filed July 19, 2012
3 and 9 months ended August 31, 2012	3 and 9 months ended August 31, 2011	October 30, 2012
13 months ended December 31, 2012	12 months ended November 30, 2011	April 30, 2013

New Financial Year – January 1, 2013 to December 31, 2013:

Financial Statements to File	Comparative Financial Statements	Filing Deadline
3 months ended March 31, 2013	3 months ended February 28, 2012	May 30, 2013
3 and 6 months ended June 30, 2013	3 and 6 months ended May 31, 2012	August 29, 2013
3 and 9 months ended September 30, 2013	3 and 9 months ended August 31, 2012	November 29, 2014
12 months ended December 31, 2013	13 months ended December 31, 2012	April 30, 2014

OUTLOOK

The Company's ability to achieve its primary objectives in 2012 was enhanced by the April 26, 2012 closing of the $11,200,000 Private Placement by ANT Holding Anonim Sti ("ANT" or collectively "ANT Private Placement"), which added a significant strategic partner in Turkey and funding for the FS. As the Company gets closer to completing the FS, its updated primary objectives for the balance of 2012 and 2013 include the following:

- **FS** - Continue the various consulting contracts and analysis required to complete the FS in March 2013, which is the final condition pursuant to the Option Agreement with Alacer;
- **Additional Funds** – Actively seek additional funding during the balance of 2012 to support the Company's operations, exploration drilling programs, and to bridge all or part of the period from the completion of the FS to the closing of the project financing required to build the Yenipazar mine. The amount, timing and nature of financing may be materially impacted by the economic climate in capital markets;
- **Project Financing** - Initiate project financing activities, which likely will include the appointment of a financial advisor in early 2013. The Company's project financing may include some combination of equity, senior debt and metal streaming agreement(s) and may require off-take agreements as a condition for some elements of the financing; and
- **Exploration** - Exploration targets will include the area adjacent to the known resource and other areas within the 9,239 hectares of the Yenipazar Property. In addition, the Company plans to evaluate exploration licenses that may become available in other areas of Turkey and will develop exploration programs, if appropriate. The extent of exploration activity will be limited in 2013 by the availability of funds in the bridge period between the completion of the FS and closing of project or other financing transactions.

BACKGROUND

Aldridge is a publicly-traded junior exploration company in the business of identifying and developing mineral properties in Turkey and previously, PNG. Aldridge is advancing its flagship Yenipazar Project in Turkey with the FS, which is building on the Preliminary Economic Assessment ('PEA'). The deposit includes recoverable quantities of gold, silver, copper, lead and zinc. The FS is scheduled to be completed in early March 2013 in accordance with recent amendments to the Option Agreement with Alacer. Aldridge has increased its focus on Turkey and added a strategic investor, ANT Holding, to enhance the Company's ability to develop the Yenipazar Project.

Aldridge's PNG exploration license previously included an area of approximately 338 square kilometres known as the Kili Teke License. The license area was prospective for gold, silver and copper. The Company's drilling program ran from August 2011 through December 2011. In July 2012, the Company discontinued its operations in PNG in favour of focusing on the Yenipazar Project.

Aldridge incorporated, in 2004, a 100% owned Turkey subsidiary, Aldridge Turkey to obtain, develop and operate mining properties in Turkey. Aldridge Turkey holds and may develop exploration licenses located outside the Yenipazar Project area. As at August 31, 2012, the Company employed 26 individuals (15 at November 30, 2011) in Turkey and also utilized consultants and contractors in connection with its exploration activities and the FS.

OVERVIEW OF PROJECTS AND INVESTMENTS

The Company's projects and investments held included mineral properties and equity investments in mining companies described as follows:

- Yenipazar Property - Turkey;
- Exploration licenses - Turkey;
- Investments – shares in Anatolia Energy Ltd. And Vetter Uranium Ltd;
- Kili Teke License - Papua New Guinea – discontinued in July 2012;
- Derinkoy Property – Turkey – terminated in February 2011.

YENIPAZAR PROPERTY - TURKEY

Property Overview

The Yenipazar gold-silver-copper-zinc-lead property (the "Yenipazar Property") is the Company's most advanced property and is located at the geographic center of Turkey, approximately 220 kilometres east-southeast of Ankara, the capital city. The Yenipazar Property is easily accessible via public roads and has good access to rail transportation and electrical power supply.

The Company has identified a mineral deposit on the Yenipazar Property - the Yenipazar Project. The Yenipazar Project has a currently determined strike length of at least 1,700 metres averaging 200 metres in width and approximately 20 metres in thickness at depths between 30 and 190 metres. Much of the ore body is sitting at a depth of approximately 50 to 120 metres.

Property Ownership Structure

On December 1, 2004, the Company entered into an agreement with Alacer to acquire a 65% interest in the Yenipazar Property. In July 2006, a revised option agreement was executed whereby, supplementary to earn-in conditions, the Company has the right to earn a 100% interest in the Yenipazar Property in exchange for consideration of 250,000 common shares (issued). In October 2010, the Company announced that a second amended and restated option agreement had been executed with Alacer to extend the period within which the Company may earn a 100% working interest in the Yenipazar Property.

The Company made the required option payments between December 1, 2004 and December 1, 2010 in the aggregate of US$950,000; incurred, by December 1, 2010, the minimum exploration expenditures required of US$6,230,000; and issued the 250,000 common shares of the Company in July 2006 pursuant to the Option Agreement in satisfaction of the financial conditions precedent to becoming eligible to exercise its option in respect of the Yenipazar Property.

The Company's only outstanding obligation to complete its earn-in of a 100% interest in the Yenipazar Property is to deliver a feasibility report to Alacer by March 31, 2013. Under the Option Agreement, should the FS not be completed within this timeframe, the Company's rights in respect of the Yenipazar Property will remain unimpaired provided that it is seen to be diligently and continuously working to complete such FS and is not otherwise in default of its obligations under the Option Agreement. In addition to the condition which must be satisfied prior to the Company exercising its option on the Yenipazar

Property, upon commercial production, the Company will pay Alacer a 6% net profit interest ("NPI"), as defined in the Option Agreement, until such time as operational revenues reach the amount of US$165,000,000. When operational revenues exceed this threshold amount, the NPI will increase to 10%.

The exploration and operating licenses are registered in the name of the Company's wholly-owned subsidiary in Turkey.

YTD FY 2012

The Company's expenditures in the Yenipazar Property increased by $1,797,237 in the three months ended August 31, 2012 compared to the same quarter last year. On a quarterly basis, the expenditures were as follows:

		FY 2012	FY 2011	FY 2010
Three months ending February 29	('Q1')	$1,183,683	$ 739,006	$ 225,234
Three months ending May 31	('Q2')	1,751,065	603,177	376,150
Three months ending August 31	('Q3')	2,219,511	422,274	707,106
Three months ending November 30	('Q4')	-	1,007,713	479,075
Year to date – Yenipazar expenditures		$5,154,259	$2,772,170	$1,787,565

The results of a metallurgical study of Yenipazar ore as conducted by G&T was announced December 1, 2011. One sample weighing a total of approximately 90 kilograms of gravity pre-enriched Yenipazar material was used for the testing. The sample was taken from one entire drill hole selected to be as representative as possible of the overall resource grade and composition at Yenipazar. One of the major goals of the study was to examine the potential to produce a gravity recoverable gold concentrate prior to flotation. SGS UK, which is currently conducting all metallurgical test work for the Company, has expanded upon the prior work by G&T. The improved process contemplates a separate gold circuit followed by sequential flotation of copper, lead, and zinc.

On June 13, 2012, the Company announced an in pit updated National Instrument 43-101 mineral resource estimate for the Yenipazar polymetallic deposit. The estimate is based on all drilling completed to the end of 2011 (54,774 meters), and includes 7,202 metres of diamond drilling. Highlights of the resource estimate include:

- Indicated resource - 2.62M gold equivalent ounces at 3.05 g/t gold equivalent
- Gold recoveries now stand at 92%
- Indicated resources increased 9.9% to 26,684,000 tonnes from 24,284,000 tonnes
- Inferred resources increased 432% to 1,159,000 tonnes from 218,000 tonnes

Compared to the December 2010 mineral resource estimate, the metal grades of the resource have remained fairly stable while the total size of the resource has increased. The total Indicated resource has grown by almost 10% while recent geotechnical drilling that encountered mineralization has added to the Inferred resource base. The matrix of metal recoveries in sulphides that formed the basis for the current resource update, which incorporates all testing completed to date, is set out in the table below.

Metal	Total Recoveries	Gold Gravity Concentrate	Copper Concentrate	Lead Concentrate	Zinc Concentrate
Au	**92.0%**	65.0%	20.0%	5.0%	2.0%
Ag	**90.0%**	10.0%	10.0%	65.0%	5.0%
Cu	**75.0%**		75.0%		
Pb	**75.0%**			75.0%	
Zn	**77.0%**				77.0%

The updated mineral resource is summarized in the tables below.

In Pit Total Mineral Resources @ NSR/t cut-off of US$15/t for Sulphides and US$10/t for Oxides(1)(2)(3)(4)(5)

								Contained Metal					
Category	**Tonnes**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Pb (%)**	**Zn (%)**	**Au Eq (g/t)**	**Au (M oz.)**	**Ag (M oz.)**	**Cu (M lbs.)**	**Pb (M lbs.)**	**Zn (M lbs.)**	**AuEq (M oz.)**
Indicated	26,684,000	1.04	31.3	0.30	1.04	1.40	**3.05**	0.89	26.85	176.5	611.8	823.6	**2.62**
Inferred	1,159,000	0.48	27.7	0.22	1.00	1.95	**2.51**	0.02	1.03	5.6	25.6	49.8	**0.09**

The total resources can be further broken down into sulphides and oxides.

In Pit Sulphides @ NSR cut-off of US$15/t(1)(2)(3)(4)(5)

								Contained Metal					
Category	**Tonnes**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Pb (%)**	**Zn (%)**	**Au Eq (g/t)**	**Au (M oz.)**	**Ag (M oz.)**	**Cu (M lbs.)**	**Pb (M lbs.)**	**Zn (M lbs.)**	**AuEq (M oz.)**
Indicated	23,682,000	1.03	31.3	0.31	1.00	1.52	**3.08**	0.78	23.83	161.8	522.1	793.6	**2.35**
Inferred	1,156,000	0.49	27.8	0.22	1.01	1.96	**2.52**	0.02	1.03	5.6	25.7	50.0	**0.09**

In Pit Oxides @ NSR cut-off of US$10/t(1)(2)(3)(4)(5)

								Contained Metal					
Category	**Tonnes**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Pb (%)**	**Zn (%)**	**Au Eq (g/t)**	**Au (M oz.)**	**Ag (M oz.)**	**Cu (M lbs.)**	**Pb (M lbs.)**	**Zn (M lbs.)**	**AuEq (M oz.)**
Indicated	3,002,000	1.10	31.1	0.23	1.35	0.49	**2.76**	0.11	3.00	15.2	89.3	32.4	**0.27**
Inferred	3,000	0.28	10.3	0.07	0.59	1.17	**1.28**	0.00	0.00	0.00	0.04	0.08	**0.00**

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
(2) The quantity and grade of reported Inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
(3) The mineral resources in this estimate were calculated with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.
(4) Au equivalent ratios were calculated using the following recoveries: Au 92%, Ag 90%, Cu 75%, Pb 75% and Zn 77%. Metal prices in US$ used were Au $1,340/oz., Ag $25/oz., Cu $3.50/lb., Pb $1.00/lb. and Zn $0.95/lb.
(5) All resources are reported within an optimized pit shell. The $15/tonne Sulphide NSR cut-off value for resource reporting was derived from a processing cost of US$12.50/tonne and a G&A cost of US$2.50 per tonne. The $10/tonne Oxide NSR cut-off value for resource reporting was derived from a processing cost of US$7.50/tonne and a G&A cost of US$2.50 per tonne. Mining costs were US$1.60 per tonne and optimized pit slopes were 50 degrees.

On October 2, 2012, the Company announced the completion of its DD twinning program with 87 DD twins drilled within 5 metres of earlier RC holes for a total of 10,096 m drilled. In addition, one DD hole for metallurgical sampling was drilled within RC-duplicate distance. When combined with the results of seven previously diamond drilled twin holes, the results compare to the original reverse circulation drill holes as follows:

Weighted Average Grades of 94 DD Twins of RC Drill Holes (1)*

	Mineralized Intersections(m)	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Pb (%)**	**Zn (%)**
DD Holes	3,113	1.26	40.9	0.40	1.24	1.65
RC Holes	3,656	1.15	35.1	0.30	1.19	1.27

(1) The weighted average grade is calculated as the sum of the Grade × Length of each mineralized intersection divided by the sum of the mineralized intersections.

Comparison of Grade and Metal Content of 94 DD Twins versus RC Drill Holes *(2)**

	Au	Ag	Cu	Pb	Zn
Grade (% change)	+9	+17	+31	+4	+30
Metal Content (% change)	-7	-1	+11	-11	+10

(2) The metal content is calculated as Grade × Length of the mineralized intersections.

**The 94 DD twins include one metallurgical hole which was identified in Aldridge's press release of August 15, 2012 but not included in the aggregate results reported at that time. With the additional drilling and an improved understanding of the geology, it has been determined that the metallurgical hole should be included in the aggregate results.*

The grade improved across all five metals in these 94 holes, while the metal content reflects the shorter DD intersections compared to the RC intersections (15% shorter). As the holes are not evenly distributed across the deposit, firm conclusions cannot be drawn on the impact of such improvements on subsequent resource estimates. The Company is currently in the process of incorporating these results in the database and updating the geological model of Yenipazar. This is a critical step in the progression towards finalizing the resource and reserve update for the feasibility study. The enhanced quality of the DD information has improved the Company's understanding of the contacts between the sulphide, oxide and transition zones at Yenipazar, which again will prove invaluable in the context of ongoing work to complete the FS.

The original FS target completion date of December 1, 2012 was a condition of earning a 100% interest in the Yenipazar property according to the amended Option Agreement dated October 2010 with Alacer. The Option Agreement specifically allows for additional time to complete the FS as long as the Company is diligently and continuously working to complete the FS. Alacer recently acknowledged the Company's progress to date and its plans to complete the FS in March 2013. As a result, the required completion date pursuant to the Option Agreement was amended to March 31, 2013, without modifying any other conditions including the provision that if Aldridge fails to deliver the FS by that date (March 31, 2013) it will not lose any of its rights under the Option Agreement as long as it is diligently and continuously working to complete the FS and is not otherwise in default of its obligations under the Option Agreement.

Work Prior to FY 2012

From 2005 to 2009, the Company drilled 331 resource definition holes, including 329 RC holes for 44,727 metres at the Yenipazar Project. A further 2,293 metres was completed in 11 diamond drill holes, of which 9 holes were cored by Alacer in the late 1990's.

During FY 2010, the Company completed an additional RC in-fill drilling program at the Yenipazar Project of 34 holes totaling 4,358 metres. The program was designed to convert the then currently inferred resources of 3.15 million tonnes in the southern part of the Yenipazar Project, to indicated resources. The Company also completed a diamond drill program which was intended to approximately duplicate previously drilled RC holes in order to obtain material for metallurgical test work and assess the quality of the RC data. All diamond drill holes were drilled approximately five metres from the corresponding RC hole. Overall, the grade appears to improve with diamond drilling and the results confirm the lateral continuity of the resource at the five metre-scale.

In December 2010, the Company announced positive results from an independent, National Instrument 43-101 compliant, Technical Report and PEA on the Yenipazar Project prepared by P&E Mining Consultants Inc., EHA Engineering Ltd. and BC Mining Research Ltd.. The PEA states that the Yenipazar Project has favourable economic potential as an open-pit mine producing copper, zinc and lead concentrates containing quantities of gold and silver. The base case economic analysis contemplates an average life-of-mine strip ratio of 4.5:1 (including the pre-stripping), a 5,700 tonnes per day mill feed rate and a 12 year mine life. (Note: On March 6, 2012, the Company announced a proposed increase in the throughput to 7,500 tonnes per day, or 2.5 million tonnes per annum). The following tables provide itemized summaries for the metal prices used in preparing the PEA and economic highlights of the PEA:

Three Year Trailing Average Metal Prices as of November 30, 2010

Copper	US$2.95/pound
Lead	US$0.90/pound
Zinc	US$0.86/pound
Gold	US$1007/ounce
Silver	US$16.19/ounce

PEA - Economic Highlights	
NPV Undiscounted	US$408.0 million
NPV 5% discount	US$254.7 million
NPV 7% discount (base case)	US$208.5 million
NPV 10% discount	US$151.0 million
Internal Rate of Return	23.2%
Project Payback Period From Start of Production (years)	3.9 years
Total Pre-Production Capital (including contingencies)	US$197.6 million
Total Sustaining Capital	US$45.0 million
Life of Mine Average NSR Value (US$/tonne)	US$57.27/tonne
Life of Mine Average Operating Cost (US$/tonne)	US$29.65/tonne

In June 2011, the Company engaged Jacobs to oversee the FS that will include the preparation of an Environmental and Social Impact Assessment (ESIA). The Company has since engaged other technical consultants to complete various elements of the FS.

On October 11, 2011 the Company announced partial results from its summer in-fill diamond drill program, which was conducted to obtain material for metallurgical testing. A total of 30 metallurgical holes were completed and shipped to SGS Laboratories in the UK for a variability analysis as well as further crushing, grinding and flotation test work as part of the Company's FS.

Q3 2011 and Q4 2011 activity included in-fill diamond drilling to increase the geological database and to provide material for specialized fine-crushing test work and gravitational pre-enrichment, which can be used in a pilot plant, to test recoveries of gold, silver, copper, lead, and zinc. Results indicated that the assayed grades in the six diamond-drilled duplicate holes of earlier RC-holes contain on average 49 % more gold and 42 % more silver than the duplicated RC-holes.

<u>EXPLORATION LICENCES - TURKEY</u>

At the beginning of FY 2011 the Company held a total of 19 exploration licenses covering approximately 16,150 hectares in western Turkey, which are prospective for nickel and chromite. Earlier in the year the Company decided to focus its efforts on the Yenipazar Property. In the first quarter of FY 2011 the Company disposed of uranium exploration licenses, which were included in the Anatolia Energy Scheme of Arrangement (refer to 'Investments – Anatolia Energy Ltd. and Vetter Uranium Ltd.' below). During the third and fourth quarters of FY 2011 the Company conducted an extensive evaluation of its exploration licenses in Turkey, including estimating costs for developing the licenses, maintaining them in good standing, and evaluating their prospective value. The Company determined that it should seek buyers for certain licenses and abandon certain other licenses. The results are summarized as follows:

- In July 2011, the Company agreed to assign 6 exploration licenses to Kenz Mining Inc. ("Kenz") pursuant to an assignment agreement with the following terms: (a) US$50,000 paid in July; (b) a commitment by Kenz to spend US$250,000 on exploration in the next twelve months; (c) If Kenz decides not to continue exploration, the licenses are returned to Aldridge within 30 days of the end of the twelve month exploration period; (d) If Kenz continues exploration Kenz pays US$50,000 within 30 days of the end of the first twelve month exploration period; commits to spending $1 million on exploration and evaluation over the next 24 months; and agrees to pay Aldridge US$250,000 at the mid-point of this 24 month exploration period. The funds received were recorded as other income and the licenses were transferred to Kenz in Q4 2011. Due to various delays and difficulties in obtaining the necessary drilling licenses, the acquirer has requested an extension of the option to pay the additional US$50,000 to retain its exploration rights for the second and third years. The Company has considered the various challenges faced by the acquirer and has extended the initial exploration option by an additional twelve months such that the option will be settled in July 2013.
- In August 2011 the Company agreed to sell five exploration licenses upon receipt of US$100,000. The Company had received security deposits totaling approximately US$66,000. As at August 31, 2012, the Company still had not received full payment and the agreement was considered breached. The non-refundable deposit was recognized as other income during the third quarter of 2012.

INVESTMENTS - ANATOLIA ENERGY LTD AND VETTER URANIUM LTD.

	August 31, 2012	November 30, 2011
Anatolia Energy Ltd. - Ordinary shares	$ 613,873	$ 936,631
Anatolia Energy Ltd. - Class A performance shares	-	212,547
Vetter Uranium Ltd.	69,000	245,737
Long-term investments	$ 682,873	$ 1,394,915

In February 2011 the Company completed the spin-off of Aldridge Uranium Inc. ("Aldridge Uranium") to Anatolia Energy Limited ("Anatolia") and received $831,233 in cash, 8,150,633 directly held Anatolia shares, 3,051,196 Class A performance shares (described below) in Anatolia Energy and 5,666,506 shares in Vetter Uranium Limited ("Vetter"), a private company holding a 65% interest in Aldridge Uranium, in exchange for its investment in Aldridge Uranium, which was previously recorded as an associate accounted for under the equity method, and the settlement of its loan to Aldridge Uranium of $256,233. All of the Anatolia shares were subject to a 12 month escrow imposed by the Australian Securities Exchange. Following the transaction, the Company held a 26% interest in Vetter. The Company recognized a gain of $2,299,527 on the disposition reflecting the difference between the fair value of the assets acquired and the assets given up. The shares in Anatolia were recorded at fair value and accounted for as an available-for-sale financial asset with changes in fair value being recorded in other comprehensive loss. The assigned fair value at the date of the transaction amounted to $1,857,368.

The Class A performance shares are non-transferable, non-voting and are not entitled to any dividends or any amount on the winding up of Anatolia. If the Aldridge Uranium properties (the "Project") were found to have an Australian Joint Ore Reserves Committee ("JORC") Code compliant resource estimate of between 15 million pounds and 20 million pounds of contained uranium each Class A performance share of Anatolia would entitle the holder to be issued 0.303092 Anatolia ordinary shares for each 1 million pounds of contained uranium in the resource estimate in excess of 15 million pounds, but up to 20 million pounds (or a total of 3,543,784 Anatolia ordinary shares). The cost of Anatolia's Class A performance shares was initially recorded at an estimated fair value of $nil based on the assessment of the likelihood of achieving the minimum performance requirement as defined above.

On completion of the above transaction Anatolia held a 35% interest in the Project, and Vetter held the remaining 65%. To earn an interest of up to 75% in the Project, Anatolia must incur exploration expenditures of A$15 million on the Project, and progress the Project to a bankable feasibility study to support a decision to mine or incur total expenditures of A$20 million. If Anatolia increases its interest in the Project to 75%, the remaining indirect 25% carried interest that would be held by former Aldridge Uranium shareholders ensures that former Aldridge Uranium shareholders who retain their shares benefit from any production from or sale of the Project. In certain circumstances, Anatolia may elect to stop sole funding exploration expenditures on the Project and to not free carry the interest in the Project held by former Aldridge Uranium shareholders, subject to certain buy/sell rights between the parties.

During 2011, Anatolia announced an increase in reserves to 17.41 million pounds of contained uranium. Anatolia declared a pro rata conversion of the Class A performance shares calculated as 40% of the maximum conversion rate of 1.51546, resulting in 1,849,571 ordinary shares being issued to the Company in February 2012 upon the expiry of the 12 month escrow period. As at August 31, 2012, the Company continued to hold 3,051,196 Class A Performance shares in Anatolia with a maximum conversion ratio of 0.90928.

During the year ended November 30, 2011, the investment in Anatolia was identified as impaired due to a significant and prolonged decline in its stock price. An impairment charge of $920,737 was recognized on the Statement of Loss at that time. During the nine-month period ended August 31, 2012, the investment was further impaired by $535,305 with the resulting charge recorded on the Statement of Loss.

The cost of the interest in Vetter, a private company, was initially recorded at an estimated fair value of $245,737. Since Vetter's primary asset is shares in Aldridge Uranium, which is the primary asset of Anatolia, the Company determined that Vetter's valuation decreased by a rate similar to the impairment in Anatolia shares, plus a further adjustment due to the inherent illiquidity of private company shares. As a result, during the quarter ended August 31, 2012, the investment in Vetter was impaired by $176,737 with the corresponding charge recorded on the Statement of Loss.

KILI TEKE LICENSE – PNG – DISCONTINUED IN JULY 2012

Property Overview

The Company held an exploration license for an area of 338 square kilometres in the Southern Highlands province of PNG (the "Kili Teke License"). This area resulted from an approximately 25% relinquishment of exploration ground from the originally granted 450 square kilometres in February 2009, as per PNG regulations. The Company discontinued its PNG operations in July 2012.

Property Ownership Structure

The Kili Teke License exploration license was 100% owned by Aldridge pursuant to a renewable exploration license dated February 2009. In February 2009, the Company prepaid two years' rent at 11,880 Kina per annum and provided a security deposit of 6,020 Kina, for an aggregate 29,780 Kina or approximately $13,600 Canadian dollars. Under the terms of the work proposal, during the third and fourth year following February 2009, the Company must incur minimum exploration expenditures of 2,000,000 Kina (approximately $900,000) (incurred) during the third year and 1,000,000 Kina (approximately $450,000) during the fourth year. Exploration costs incurred in FY 2011 and the nine months ending August 31, 2012 were a combined total of $3,949,179, which exceeded the minimum required. The mineral license remained in force beyond the initial two years from February 2009, while awaiting government processing of the renewal application, which was submitted as required in January 2011.

During the first quarter of 2012, the Company announced that it was actively seeking partners or transactions which would allow it to realize the maximum value from its investments in its Kili Teke License. Given the uncertain political climate in Papua New Guinea ('PNG') and recent capital market conditions, no discussions progressed beyond the preliminary stage. Following the April private placement of $11,200,000 by ANT Holding, a strategic partner in Turkey, the Company decided to focus all efforts in Turkey, and exit PNG if no suitable partner could be found. Following receipt of a formal notice from the Registrar of Tenements in PNG that the Company's license renewal application for its non-core Kili Teke License was denied, Aldridge determined, that there would be little benefit if it took further action in PNG. Consequently, Aldridge terminated its operations in PNG. There were no significant assets in PNG.

YTD FY 2012

On January 31, 2012 the Company announced that the drilling program was reduced from the originally scheduled seven holes, to three holes and a total of 441 metres due to excessively slow drilling and other technical problems encountered on site. The first hole, Hole KT-001 was abandoned at a depth of 90 metres due to poor drilling conditions. The highlights of the other two holes, as announced January 31, 2012 were:

- Hole KT-003 intercepted 134 meters grading 0.28% Cu and 0.37 g/t Au from a depth of 35 meters to 169 meters drilled at a 65 degree angle
- Hole KT-002 intercepted 137 meters grading 0.11 g/t Au and 2.82 g/t Ag from surface drilled at a 55 degree angle

The Company has had a limited presence in PNG since announcing the results of its first drill campaign at the Kili Teke License, which was completed in 2011 and affected by technical problems and poor drilling conditions. Subsequent to this announcement, the Company had been actively seeking partners or transactions that would allow it to realize the maximum value from its investments in the Kili Teke License. Given the uncertain political climate in PNG and the recent volatility of the capital markets, no discussions with potential partners progressed beyond the preliminary stage.

With the receipt of formal notice that the license will not be renewed, the Company has determined that it will take no further action in PNG, in order to focus management efforts on the Yenipazar Project in Turkey and to avoid any litigation costs to seek redress. The Company had no significant assets remaining at the Kili Teke License.

Costs incurred in FY 2012 mainly related to additional time required to demobilize the drilling camp and higher than expected helicopter charges. The Company incurred demobilization expenses of $3,351 in the three months ended August 31, 2012.

DERINKOY PROPERTY – TURKEY – TERMINATED IN FEBRUARY 2011

The Derinkoy Property is located in north eastern Turkey and is primarily prospective for gold, silver and copper. The Company entered into option agreements in 2002 and 2006 to acquire up to a 100% interest in the Derinkoy Property. In November 2009 the Company entered into an agreement with EUG whereby EUG could earn up to a 70% interest in the Derinkoy Property on certain terms. EUG terminated its option on the Derinkoy property in February 2011. Consequently, the Company evaluated its option on the property and decided to terminate its option agreement and abandon the property.

MARKET TRENDS

	Approximate Spot Prices as at September 30			
Metal	**2012**	**2011**	**2010**	**2009**
Gold (US$/oz.)	1,764	1,625	1,309	1,006
Silver (US$/oz.)	34.23	29.97	21.82	16.64
Copper (US$/lb.)	3.74	4.05	3.30	2.90
Lead (US$/lb.)	1.03	0.90	0.91	1.03
Zinc (US$/lb.)	0.94	0.97	0.91	0.85

	Prices as at October 12, 2012 COMEX Gold Futures	COMEX Silver Futures
Settlement Date	**USD ($)**	**USD ($)**
December 31, 2012	1,755.40	33.67
December 31, 2013	1,767.40	33.88
December 31, 2014	1,798.40	33.80
December 31, 2015	1,810.00	33.58

The Company's future financial performance is dependent on many external factors including the prices of certain precious and base metals. The markets for these commodities are volatile and difficult to predict as they are impacted by many factors including international political, social, and economic conditions. These conditions, combined with volatility in the capital markets, could materially affect the future financial performance of the Company. For a summary of other factors and risks that may affect the Company and its financial position, please refer to "Risks Factors".

(Sources include: www.kitco.com; www.kitcometals.com; futures.tradingcharts.com)

FINANCING ACTIVITIES

The Company continues to have preliminary discussions with a number of financial and advisory organizations regarding its short term funding requirements and the long term project financing needs of the Yenipazar property. The Company expects to complete a financing transaction prior to the completion of the FS in March 2013.

On April 26, 2012 the Company closed the ANT Private Placement which raised gross proceeds of $11,200,000 (less share issue costs of $763,674) and resulted in the issuance of 16,000,000 common shares or approximately 30.1% of the issued and outstanding common shares of Aldridge, which made ANT a control person as defined by the TSX Venture Exchange. The Company agreed to pay a finder's fee of 5% in cash to an arms-length Turkish-based party in connection with the ANT Private Placement, which is included in the share issue costs of $763,674.

The significant terms of the ANT Private Placement include:

- Two year standstill, lockup and voting commitments which will underpin the strategic partnership between Aldridge and ANT during the completion of the FS and facilitate the launch of the project financing process required for the development of Yenipazar, all as more fully described in the Company's 2012 Management Information Circular;
- ANT retains anti-dilution rights, which will allow ANT to proportionately participate in future financings based on the ownership interest it holds at the time of the financing;
- ANT may nominate three of nine directors to the Board of Directors of Aldridge. At the Annual Meeting, the ANT nominees Meric Oktar, Ahmet Tacyildiz, and Hande Tacyildiz were elected to serve as directors.

On February 17, 2011, the Company closed a brokered private placement of 8,283,100 Units of the Company at a price of $1.50 per Unit for gross proceeds of $12,424,650. Each Unit was comprised of one common share and one-half of one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $2.00 until February 17, 2013. The Company paid cash commission and expenses of $931,147 and issued non-transferable broker warrants to acquire 579,817 Units of the Company at a price per Unit of $1.50. Each broker warrant is exercisable until February 17, 2013 and entitles the holders to purchase an aggregate of 579,817 common shares and 289,908 Warrants of the Company.

RESULTS OF OPERATIONS

For the three and nine month period ended August 31, 2012 compared with the three and nine month period ended August 31, 2011:

For the three and nine month period ended August 31, 2012, the Company incurred net losses of $3,235,830 and $9,955,308, respectively, as compared to net losses of $2,523,742 and $3,367,592 respectively in the same period in FY 2011. Net losses in FY 2011 (including the now discontinued operations in Papua New Guinea) consisted of exploration and evaluation expenditures of $3,065,626 and general and administrative expenses of $2,909,523, which were partially offset by a $2,299,527 gain on the disposition of the investment in Aldridge Uranium. In 2012, the Company increased Yenipazar exploration and evaluation expenditures to $5,154,259 ($1,835,620 in 2011), with costs mainly attributed to project support, consulting work and drilling expenditures. General and administrative expenses increased by $252,013 from the first nine months of FY 2011 to $3,161,536 in the nine months ended August 31, 2012 as a result of the increased staff and expenses incurred to support the FS and position the Company for growth. In 2012, the Company recorded a combined impairment loss of $712,043 on the investments in Anatolia and Vetter. The Company has not generated any operating revenues to date. Interest earned on unused cash is incidental income.

The Company's property exploration and evaluation expenditures on mineral properties are as follows:

	Three Months Ended August 31, 2012	**Three Months Ended August 31, 2011**	**Nine Months Ended August 31, 2012**	**Nine Months Ended August 31, 2011**
Yenipazar Property, Turkey	**$ 2,219,511**	$ 422,274	**$5,154,259**	$1,764,457
Derinkoy Property, Turkey(i)	**-**	-	**-**	2,314
Exploration Licenses, Turkey(ii)	**(33,528)**	6,465	**-**	68,849
Kili Teke License, PNG(iii)	**3,351**	1,063,748	**1,126,784**	1,230,006
Total Exploration & Evaluation	**2,189,334**	1,492,487	**6,281,043**	3,065,626

(i) In February 2011 the Company terminated its option agreement and abandoned the property.

(ii) The Company presently holds 10 licenses, but is negotiating payment terms to sell 5 of these licenses.

(iii) On July 6, 2012 the Company announced it had discontinued its operations in PNG.

Exploration and Evaluation of Mineral Properties	Three Months Ended August 31, 2012 ($)	Three Months Ended August 31, 2011 ($)	Nine Months Ended August 31, 2012 ($)	Nine Months Ended August 31, 2011 ($)
Yenipazar Property				
Acquisition costs	**-**	-	**-**	504,900
Analytical	**196,491**	3,321	**307,060**	13,321
Project expenses and employee costs	**333,126**	220,845	**873,202**	1,048,128
Geotechnical consulting	**79,282**	-	**307,998**	-
Metallurgical consulting	**147,034**	-	**315,333**	-
Resource estimate and mine design	**32,595**	-	**131,026**	-
Feasibility studies and project management	**448,441**	-	**1,246,339**	-
Drilling	**806,272**	186,778	**1,590,984**	186,778
Drilling site access fees	**29,222**	-	**82,057**	-
Vehicles and Equipment	**36,224**	-	**87,547**	-
Travel	**66,582**	11,330	**112,181**	11,330
License	**2,691**	-	**15,976**	-
Depreciation	**7,275**	-	**16,838**	-
Professional	**15,580**	-	**33,106**	-
Other	**18,696**	-	**34,612**	-
	2,219,511	422,274	**5,154,259**	1,764,457
Derinkoy Property				
Project expenses and employee costs	-	-	-	2,314
	-	-	-	2,314
Exploration Licenses				
Analytical	**-**	-	-	840
Project expenses and employee costs	-	-	-	33,526
Travel and transportation	**-**	-	-	2,243
Licenses and fees	**(33,528)**	6,465	**-**	32,240
	(33,528)	6,465	**-**	68,849
Kili Teke License, PNG				
Drilling	**-**	-	**78,182**	-
Project expenses and employee costs	**3,351**	1,063,748	**294,016**	1,230,006
Transportation, including Helicopter	**-**	-	**746,046**	-
Travel	**-**	-	**8,540**	-
	3,351	1,063,748	**1,126,784**	1,230,006
Total exploration and evaluation expenditures	**2,189,334**	1,492,487	**6,281,043**	3,065,626

The following table summarizes the Company's other expenses that are not directly related to exploration and evaluation activities:

	THREE MONTHS ENDED AUGUST 31, 2012 ($)	THREE MONTHS ENDED AUGUST 31, 2011 ($)	YEAR OVER YEAR CHANGE ($)	NINE MONTHS ENDED AUGUST 31, 2012 ($)	NINE MONTHS ENDED AUGUST 31, 2011 ($)	YEAR OVER YEAR CHANGE ($)
General and administrative expenses						
Accretion	183	180	3	549	540	9
Amortization	4,877	1,445	3,432	14,917	14,540	377
Consulting fees	-	93,773	(93,773)	-	236,978	(236,978)
Directors' fees	52,097	71,000	(18,903)	166,114	203,000	(36,886)
Management fees	-	44,500	(44,500)	-	338,250	(338,250)
Office and sundry	67,719	110,716	(42,997)	270,826	251,733	19,093
Professional fees	60,731	156,702	(95,971)	341,052	432,052	(91,000)
Salaries and benefits	195,010	90,179	104,831	959,835	95,437	864,398
Shareholder information	109,669	139,024	(29,355)	357,779	297,073	60,706
Stock-based compensation	94,460	217,118	(122,658)	360,872	394,675	(33,803)
Transfer and filing	1,769	14,128	(12,359)	43,391	98,638	(55,247)
Travel and promotion	41,357	67,117	(25,760)	118,524	137,542	(19,018)
General and administrative - Canada	627,872	1,005,882	(378,010)	2,633,859	2,500,458	133,401
General and administrative – Turkey	134,589	128,323	6,266	527,677	409,065	118,612
	762,461	1,134,205	(371,744)	3,161,536	2,909,523	252,013
Other Expenses/(Income)						
Foreign exchange loss/(gain)	(1,229)	(7,566)	6,337	28,625	(178,025)	206,650
Gain on disposition of investment in Aldridge Uranium Inc.	-	-	-	-	(2,299,527)	2,299,527
Income tax expense/(recovery)	-	-	-	(66,268)	-	(66,268)

Additional comments on individual expense item changes follow:

- Total management fees and salaries during the nine months ended August 31, 2012 increased by $526,148 to $959,835 from $433,687 in the same period last year as a result of increasing staff, including expanding the senior management team with a full-time CFO (from June 2011) and a new CEO (from November 2011). The previous CEO shifted back to VP Exploration, a position he previously held. In Q3 FY 2011 the Company modified its policies and migrated most of its management fee agreements to salaries or director fees. Also included in 2012 are one-time termination benefits totaling $225,000.
- Directors' fees decreased by $18,903 and $36,886 to $52,097 and $166,114 for the three and nine months ended August 31, 2012 compared to the prior year. This is primarily due to the implementation of a revised director compensation policy beginning in June 2011. The Company realized some savings by eliminating certain consulting agreements with companies controlled by some directors and former directors.
- Consulting fees for the nine months ended August 31, 2012 decreased to $nil from $236,978 in the prior year primarily due to the change in director compensation and the shift in the nature of consultants to supporting the exploration and evaluation of the Yenipazar Property.
- Office and sundry expenses increased by $19,093 from $251,733 in the first nine months of FY 2011 to $270,826 in the

first nine months of FY 2012 due to the November 2011 move to a larger office space in Toronto required to accommodate additional staff and increased information technology support. In August 2012, the Company relocated its Toronto office to a smaller location to save approximately $90,000 over the next two years.

- Professional fees decreased by $91,000 to $341,052 in the first nine months of FY 2012 compared to the same period last year mainly due to capitalization of legal fees related to the ANT Private Placement as share issuance costs. This was partially offset by increased corporate activities and additional legal work including vendor and staff agreements and compliance advice, and additional accounting fees related to tax services and the quarterly financial statement review by the Company's auditors.
- Stock-based compensation decreased by $33,803 to $360,872 in the nine months ended August 31, 2012 compared to the same period last year due to the granting of vested options arising from the expansion of the senior management team and Board to support the FS in Turkey during the third quarter of fiscal 2011. The different timing and amounts of stock options granted are described in more detail in the consolidated financial statements.
- Shareholder information costs increased by $60,706 to $357,779 in the nine months ended August 31, 2012 as compared to the same period in the prior year primarily due to increased investor relations activities.
- Net foreign exchange loss was $28,625 in the nine-month period ended August 31, 2012, compared to a gain of $178,025 in the same period last year. The FY 2011 gain related primarily to the Canadian dollar strengthening against the Turkish Lira. In 2012, the loss is mainly attributed to the timing of fluctuations in the exchange rate between the Canadian dollar and the Turkish lira, which saw the dollar start the fiscal year at approximately 1.795 TRY/CAD and fall as low as 1.754 TRY/CAD before recovering to 1.841 TRY/CAD by August 31, 2012.
- In Q1 FY 2011, the Company recorded a gain on disposition of investment in Aldridge Uranium Inc. of $2,299,527. There was no such gain in FY 2012.
- Due to the expiration of warrants in Q1 FY 2012 the Company recorded a reduction in contributed surplus of $66,268 related to the deferred tax liability for capital gains taxes and recorded an equivalent income tax recovery recording the application of accumulated losses to off-set the deferred tax liability.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

Three Months ended	Accounting Principles (1)	Total revenues $	Income (loss) before Discontinued Operations $	Income (loss) before Discontinued Operations per share $	Net income (loss) $	Net income (loss) per share $	Total Assets $
August 31, 2012	IFRS	Nil	(3,232,479)	(0.06)	(3,235,830)	(0.06)	8,809,249
May 31, 2012	IFRS	Nil	(3,380,597)	(0.08)	(3,854,586)	(0.09)	12,288,958
February 29, 2012	IFRS	Nil	(2,215,448)	(0.06)	(2,864,891)	(0.08)	5,260,640
November 30, 2011	IFRS	Nil	(2,765,863)	(0.08)	(4,358,252)	(0.12)	7,788,166
August 31, 2011	IFRS	Nil	(1,459,994)	(0.04)	(2,523,742)	(0.07)	11,092,500
May 31, 2011	IFRS	Nil	(1,727,338)	(0.05)	(1,851,566)	(0.05)	13,338,146
February 28, 2011	IFRS	Nil	1,049,746	0.03 (2)	1,007,716	0.03 (2)	15,340,545
November 30, 2010	C-GAAP	Nil	(1,530,722)	(0.05)	(1,743,699)	(0.06)	17,633,378

(1) International Financial reporting Standards ("IFRS") policies were applied as of the transition date of December 1, 2010. Canadian General Accepted Accounting Principles ("C-GAAP") refers to Canadian GAAP before the adoption of IFRS.
(2) Diluted income per share - $0.03

Note:
- The Company has no history of declaring dividends.

LIQUIDITY AND CAPITAL RESOURCES

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placement offerings to accredited investors and institutions. The Company has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants or stock options. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing, or that such access will be timely and in the amounts necessary to fund the Company's activities. There are many conditions beyond the Company's control which have a direct impact on the level of investor interest in the purchase of Company securities. The Company may also attempt to generate additional working capital through the operation, development, sale or possible joint venture development of its properties. However, there is no assurance that any such activity will generate funds that will be available for operations. See "Risk Factors".

To date, debt financing has not been used to fund the Company's property acquisitions and exploration activities. The Company does not have "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives.

Cash and short term investments at August 31, 2012 totaled $6,484,447 (November 30, 2011 - $4,741,663). The Company's average monthly spending for the Yenipazar FS and general and administrative expenses is estimated at approximately $930,000 per month to March 31, 2013. The rate of spending will be closely monitored and adjusted as necessary to reflect potential changes in requirements and the timing of financing activities.

At August 31, 2012, the Company had working capital (current assets less current liabilities) of $6,362,763 as compared to $4,851,708 at November 30, 2011. The increase in working capital of $1,511,055 is primarily the result of the closing of the ANT Private Placement, offset by exploration and evaluation cash expenditures required to advance the FS on the Yenipazar Property and to fund the completion of the Kili Teke License drilling program.

On February 8, 2012, the Company announced the ANT Private Placement for gross proceeds of $11,200,000, which was approved by Shareholders on March 27, 2012 and closed on April 26, 2012.

Operating Activities: Cash flows used in operating activities for the three and nine month periods ended August 31, 2012 were $3,008,720 and $8,645,540, respectively, compared to $2,390,284 and $5,666,884 for the three and nine month periods ended August 31, 2011. Operating activities for the nine months ended August 31, 2012 were affected by the net decrease in non-cash working capital balances of $231,729 (increase of $388,462 in same period 2011) because of a decrease in amounts receivable of $251,689, increases in prepaid expenses of $264,874 and increases in accounts payable and accrued liabilities of $341,058, and decreases in due to related parties of $96,144. The Company also recorded a stock-based compensation expense of $360,871, amortization of $71,937, and an income tax recovery of $66,268.

Investing Activities: For the three and nine month period ended August 31, 2012, cash outflows arising from investing activities totaled $56,360 and $49,094 respectively, as compared to cash outflows of $155,277 and cash inflows of $665,616 for the three and nine months ended August 31, 2011, respectively. Comparing the nine month period ended August 31, 2012 and August 31, 2011, cash flows consisted of expenditures on equipment of $84,149 and $181,255, respectively, and a recovery of exploration license deposits of $35,055 and $nil, respectively. In addition, during the nine months ended August 31, 2011, the Company had recorded a one-time proceeds of $829,384 relating to the sale of its ownership stake in Aldridge Uranium Inc.

Financing Activities: For the three and nine months ended August 31, 2012, the Company received net proceeds from the ANT Private Placement totaling $10,436,326. For the nine months ended August 31, 2011, the Company received net proceeds of $11,493,503 from its February 2011 private placement and proceeds from the exercise of stock options and warrants of $195,500 and $105,000, respectively.

The Company's operating lease agreement for office premises in Vancouver, British Colombia expired on August 31, 2012 and was not renewed.

The Company entered into an agreement to lease office space in Ankara, Turkey from July 1, 2011 to June 30, 2014. The commitment for the gross rent, including operating costs and realty taxes is estimated at $2,536 per month. The Company also leases field office space for approximately $270 per month until November 30, 2012. A community relations office was also established during the quarter ended August 31, 2012 in the town of Eglence, Turkey with operating lease payments totaling $200 per month.

On July 13, 2011 the Company entered into an agreement to lease office space in Toronto from November 1, 2011 to September 29, 2014. The commitment for the gross rent, including operating costs and realty taxes is estimated at $16,979 per month or $203,747 per annum.

On July 26, 2012, the Company entered into agreements to lease a smaller office space in Toronto, Ontario and to sublet its existing office space. The related lease and sublet agreements are expected to reduce the Company's rent expense by approximately $90,000 over the period from September 1, 2012 to September 30, 2014.

The minimum lease payments are:

Fiscal year ending November 30, 2012	$ 97,848
Fiscal year ending November 30, 2013	368,327
Fiscal year ending November 30, 2014	324,571
Fiscal year ending November 30, 2015	143,131
Fiscal year ending November 30, 2016	143,131
Fiscal year ending November 30, 2017	143,131
Fiscal year ending November 30, 2018	35,783
	$ 1,255,922

The Company has certain obligations pursuant to the Yenipazar Option Agreement as described previously in this MD&A. In addition, the Company has certain obligations pursuant to its exploration licenses in Turkey including reports on exploration, annual reports on operation projects, per hectare fee deposits.

RELATED PARTY TRANSACTIONS

During the three and nine months ended August 31, 2012, the Company paid or accrued the following:

a) consulting fees to Martin Oczlon, Director, of $39,423 and $122,719 respectively (three and nine months of Q3 FY 2011 - $43,928 and $134,384 respectively)
b) consulting fees to Tormin Resources Limited, which is controlled by a director, John Cook, of $14,000 and $50,000 respectively (three and nine months of Q3 FY 2011 - $32,501)

Other amounts paid to related parties in the three and nine months ended August 31, 2011 are listed in note 13 to the condensed consolidated interim financial statements for the three and nine months ended August 31, 2012.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company does not have any off-balance sheet arrangements that are likely to have or are reasonably likely to have a material current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that have not been disclosed in the Company's financial statements.

Additional disclosure concerning the Company's contractual obligations is provided in Note 9 "Exploration and evaluation expenditures on mineral properties" contained in the condensed consolidated interim financial statements for the three and nine months ended August 31, 2012.

SHARE CAPITAL AS AT OCTOBER 18, 2012:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	100,000,000	53,093,841

(b) The Company has adopted a Stock Option Plan (the "Plan") to promote the interests of the Company to assist the Company in attracting, retaining and motivating its directors, officers, employees and consultants by providing greater incentive to further develop and promote the business and financial success of the Company. Pursuant to the Plan, the Company may grant options to purchase common shares to directors, officers, employees and consultants. On June 15, 2011 the number of common shares which may be issued under the Plan pursuant to options granted was increased by 1,000,000 common shares to a maximum of 5,514,322 common shares.

As at October 18, 2012, the following stock options were outstanding:

Expiry Date	Exercise Price		Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
November 8, 2012		1.92	534,000	534,000	0.06
February 6, 2013		2.24	33,000	33,000	0.30
July 29, 2013		1.31	550,000	550,000	0.78
December 22, 2013		2.04	5,000	5,000	1.18
January 21, 2014		1.11	200,000	200,000	1.26
October 9, 2014		1.40	698,000	698,000	1.98
April 28, 2015		0.88	200,000	200,000	2.53
November 9, 2015		1.11	200,000	200,000	3.06
November 30, 2015		1.40	300,000	300,000	3.12
February 22, 2016		1.46	50,000	50,000	3.35
March 21, 2016		1.06	50,000	50,000	3.42
March 30, 2016		1.29	60,000	60,000	3.45
June 15, 2016		1.25	400,000	200,000	3.66
June 20, 2016		1.05	200,000	100,000	3.67
August 3, 2016		0.80	110,000	55,000	3.79
November 15, 2016		0.88	500,000	125,000	4.08
February 28, 2017		0.54	75,000	18,750	4.37
March 28, 2017		0.64	233,000	58,250	4.44
May 1, 2017		0.61	200,000	50,000	4.54
	$	**1.22**	**4,598,000**	**3,487,000**	**2.53**

As at October 18, 2012, the following warrants were outstanding:

Expiry date	Exercise Price	Warrants Outstanding	Value Assigned on Issue Date
February 17, 2013	$2.00	4,141,550	$2,153,606
February 17, 2013	$1.50	579,817	$438,342
	$1.94	**4,721,367**	**$2,591,948**

CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

a) to safeguard its ability to continue as a going concern;
b) to continue the development and exploration of its mineral properties; and
c) to maintain a capital structure which optimizes the cost of capital at an acceptable level of risk.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, deficit, and accumulated other comprehensive loss which at August 31, 2012 totaled $7,445,659 (November 30, 2011 - $6,670,038).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration and development activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the nine month period ended August 31, 2012 and the year ended November 30, 2011.

The Company actively sought and considered a number of fund raising proposals in 2011 and 2012, ultimately resulting in the closing of the ANT Private Placement on April 26, 2012.

The Company is not subject to any capital requirements imposed by a lending institution.

RISK FACTORS

The Company's principal activity of mineral exploration is considered to be very high risk and the mining industry in general is intensely competitive in all its phases. Companies involved in this industry are subject to many and varied types of risks, including but not limited to, environmental, commodity prices, political and economic. Some of the more significant risks are:

- *Nature of Activities:* The exploration for and development of mineral Projects involves significant risks which even a combination of careful evaluation, experience and knowledge may not mitigate. Few properties that are explored are ultimately developed into producing mines. The Company's properties are still in the exploration and development stage. It is impossible to provide any assurance that the exploration programs completed and further planned by the Company will result in a profitable commercial mining operation.
- *Mineral Reserves and Resources:* The activities of the Company are directed towards the search, evaluation and development of base and precious metals resources. The Yenipazar Property consists of indicated and inferred resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to indicated mineral resources, there is no assurance that mineral resources will be upgraded to proven and probable ore reserves. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.
- *Exploration and Development Costs:* Actual exploration, development or other costs and economic returns may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations. The Company has limited operating history and there can be no assurance of its ability to operate its projects profitably.
- *Commodity Prices:* Changes in the market price for mineral production, which have fluctuated widely in the past, will affect the future profitability of the Company's operations and financial condition.
- *Financing and Dilution:* The Company's historical capital needs have been met by the issuance of common shares. The Company will require substantial additional funds to further explore and develop its properties. The Company has limited financial resources and no current source of recurring revenue. The junior resource market where the Company raises funds is extremely volatile, companies are subject to high level of competition for the same pool of investment dollars, and there is no guarantee that the Company will be able to raise adequate funds in a timely manner to conduct its business. The Company will require external financing or may need to enter into a strategic alliance or joint venture to develop its mineral properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.
- *Trading Price*: Market prices of shares of early stage companies are often volatile. Factors such as announcement of mineral discoveries and financial results have a significant effect on the price of the Company's shares. The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares. The Company has no dividend payment policy and does not intend to pay any dividends in the foreseeable future.
- *Title:* Although the Company has taken steps to verify title to its mineral property interests there is no guarantee that the mineral properties will not be subject to title disputes or undetected defects.
- *Regulatory:* Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of applicable governments or governmental officials. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licenses and permits required to operate its businesses in full force and effect or without modification or revocation and delays or a failure to obtain such permits or failure to comply with the terms of any such permits that have been obtained could have a material adverse impact on the Company.
- *Environmental:* The Company is subject to laws and regulations related to environmental matters, including provisions for reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in

compliance with applicable environmental legislation and is not aware of any existing environmental problems related to its mineral property interests that may be the cause of material liability to the Company.

- *Insurance:* Mining is inherently dangerous and subject to conditions or elements beyond the Company's control, which could have a material adverse effect on the Company's business. The Company's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.
- *Personnel:* The Company may experience difficulty in attracting and retaining qualified management to meet the needs of its anticipated growth, and the failure to manage the Company's growth effectively could have a material adverse effect on its business and financial condition. Insofar as certain directors and officers of the Company hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these directors and officers to the Company and to such other mineral resource companies.
- *Country Risk:* The Company's business is subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries that are less developed or have emerging economies. The Company's continuing exploration properties are in Turkey while its head office is in Toronto, Canada. The Company discontinued its PNG operations in July 2012. In Turkey, the Company's assets and operations are subject to various political, economic and other uncertainties and changes arising therefrom, including, among other things: the risks of war and civil unrest or other risks that may limit or disrupt a project, restrict the movement of funds or product, or result in the deprivation of contract rights or the taking of property by nationalization or appropriation without fair compensation; expropriation; nationalization; renegotiation, nullification, termination or rescission of existing concessions or of licenses, permits, approvals and contracts; taxation policies; foreign exchange and repatriation restrictions; changing political conditions; changing fiscal regimes and uncertain regulatory environments; international monetary and market securities fluctuations; and currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.
- *Tax and Foreign Exchange:* Changes in taxation legislation or regulations in the countries in which the Company operates could have a material adverse effect on the Company's business and financial condition. In 2012, the government of Turkey introduced new tax incentive programs which may have a positive impact on the potential results from developing the Yenipazar property. Currency exchange rate fluctuations may affect the cost of the Company's operations and exploration and development activities.

QUALIFIED PERSONS

Martin S. Oczlon, PhD Geo, Vice President Exploration and a director of Aldridge and Robbert Borst, Vice President Project Development are Qualified Persons as defined in NI 43-101, have reviewed and verified the technical content in this MD&A.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of the Company's financial statements requires the Company to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenues and expenses. The Company's accounting policies are thoroughly described in Note 2 to the unaudited interim consolidated financial statements as at August 31, 2012.

Long-term Investments

Financial assets are classified as Financial assets at fair value through profit or loss ("FVTPL") when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the condensed consolidated statements of loss. Financial asset at FVTPL are classified as current except for the portion expected to be realized beyond twelve months of the balance sheet date which is classified as non-current.

The investment in Anatolia Energy via Class A performance shares is accounted for as a financial derivative with changes in fair value being recorded in the statement of loss.

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive loss. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive loss are recorded in the consolidated statements of loss.

Available-for-sale investments are classified as non-current, unless the investments mature within twelve months or management expects to dispose of them within twelve months.

The long term investment in Vetter Uranium Ltd. (“Vetter”), a private company, for which the Company does not have the ability to exercise significant influence over the operations of the entity was initially recorded at fair value and henceforth carried at cost less impairments. The Vetter shares do not have a quoted market price in an active market.

Exploration and Evaluation Expenditures on Mineral Properties

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Although the Company has taken steps to verify the title or rights to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title or rights. Property title or rights may be subject to unregistered prior agreements or transfers and title or rights may be affected by undetected defects. (Refer to “Risk Factors”).

Environmental Rehabilitation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value using a risk-free rate and are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

At August 31, 2012 and November 30, 2011, the Company has recorded an environmental rehabilitation obligation of $49,281 and $48,732, respectively, in regards to the shaft on the Yenipazar Property.

Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using an appropriate option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.
Users of the financial statements should be cautious about the valuation of share based payment transactions since it can affect net income (loss) significantly.

Financial Instruments

(a) Property risk

The Company's significant mineral properties are the Yenipazar property and exploration licenses. Any adverse development affecting these properties and licenses could have a material adverse effect on the Company's future results of operations.

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, which are held in reputable financial institutions in Canada and Turkey, and other receivables. The Company has no significant concentration of credit risk arising from operations. The Company's policy is to invest excess cash in fixed interest investment-grade short-term deposit certificates issued by reputable financial institutions in Canada with which it keeps its bank accounts and management believes the risk to be remote.

Financial instruments included in other receivables consist of harmonized sales tax and value added tax receivable from government authorities in Canada and Turkey, respectively, and accrued interest. Management believes that the credit risk concentration with respect to other receivables is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2012, the Company had cash and cash equivalents of $6,484,447 (November 30, 2011 - $4,741,663) to settle current liabilities of $1,314,309 (November 30, 2011 - $1,069,396). All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Although the Company has successfully raised additional funding in the past, there can be no assurance that sufficient new funding will be obtained. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has significant cash balances and no interest-bearing debt. The Company's policy is to invest excess cash in fixed interest investment-grade short-term Project certificates. The Company regularly monitors its cash management policy.

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar. Major purchases are transacted in Canadian Dollars, United States Dollars ("USD"), Turkish Lira ("TRY"), Euro ("EUR") and British Pound Sterling ("GBP"). The Company funds exploration expenditure in Turkey. In Turkey, the Company maintains a Turkish Lira bank account and a Canadian dollar bank account with sufficient funds to support monthly forecasted cash outflows over the following month. Management believes the foreign currency risk derived from currency conversions is minimal and therefore does not hedge its foreign currency risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices, particularly as they relate to precious minerals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

(c) Sensitivity analysis

As at August 31, 2012 and November 30, 2011, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

(i) Short-term investments are subject to fixed interest rates. The Company has no debt and receives low interest rates on its cash balances. As such the Company does not have significant interest rate risk.

(ii) The Company maintains bank accounts and has other current assets and current liabilities denominated in TRY, GBP, EUR and USD which are subject to foreign currency risk. As at August 31, 2012, had the TRY, GBP, EUR and USD weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's income would have been approximately $19,000 lower/higher and reported shareholders' equity would have been approximately $19,000 lower/higher.

(d) Fair value hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at August 31, 2012 and as at November 30, 2011:

	Level 1	**Level 2**	**Level 3**	**Total**
Long-term investments - August 31, 2012	$ 613,873	$ -	$ -	$ 613,873
Long-term investments - November 30, 2011	$ 1,149,178	$ -	$ -	$ 1,149,178

The different levels of valuation are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

(ii) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

(iii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(v) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(vi) IAS 1 – Presentation of financial statements ("IAS 1") IAS 1 was amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

(vii) IAS 28 - Investments in Associates and Joint Ventures (Amended in 2011)

IAS 28 (2011), "Investments in Associates and Joint Ventures", supersedes IAS 28 "Investments in Associates" and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The amended standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities" and IAS 27 (2011), "Separate Financial Statements".

(viii) IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. On October 19, 2011 the IASB issued IFRIC 20- Stripping Costs in the Production Phase of a Surface Mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted.

INTERNAL CONTROL AND DICLOSURE CONTROLS OVER FINANCIAL REPORTING

Management of the Company is responsible for the design, implementation and monitoring of effective internal controls over financial reporting (as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited interim consolidated financial statements in accordance with Canadian GAAP. Management has established processes which are in place to provide the Company's certifying officers with sufficient knowledge to support management representations to confirm that reasonable diligence has been exercised that (i) the Condensed Consolidated Interim Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim consolidated financial statements; and (ii) the Condensed Consolidated Interim Financial statements fairly present in all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the Condensed Consolidated Interim Financial statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, the estimation of mineral reserves and mineral resources, realization of mineral reserves and resource estimates, costs and timing of development of the Company's projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with investments in publicly listed companies, such as the Company; risks associated with general economic conditions; the risk that further funding may be required, but unavailable, for the ongoing development of the Company's projects; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in currency exchange rate; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; conflicts of interest of certain directors of the Company; inability to effect service of process or to enforce judgments within Canada upon and against the directors and officers of the Company and certain experts; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cash flow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; risks that the current inferred resource at the Yenipazar Property will not be converted to a sufficient amount of indicated or measured resources to warrant development; risks that the hydrogeological characteristics at the Yenipazar Property will not permit an adequate extraction rate; general risks associated with the feasibility and development of each of the Company's projects; risks that the new process being developed by the Company will take longer to develop than anticipated or that it will not be successfully developed; risks of being unable to sell production in the event of the development of a project; foreign investment risks in Turkey; changes in Turkish laws or regulations; future actions by the Turkish government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel; retention of key employees; absence of dividends and competition.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the prices of lithium and potash, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.