

**ANNUAL INFORMATION FORM**

**OF**

**ALDRIDGE MINERALS INC.**

10863 – 78A Avenue  
Delta, British Columbia  
V4C 7Z7

For The Fiscal Year Ending November 30, 2003

**April 26, 2004**

## TABLE OF CONTENTS

CORPORATE STRUCTURE .....	1
DEVELOPMENT OF THE BUSINESS .....	2
Pending Transactions .....	2
Recent History .....	3
Significant Acquisitions.....	3
Option Agreement.....	4
BHP Agreement.....	4
DESCRIPTION OF THE BUSINESS.....	5
Turkish Mining Law .....	5
Exploration Licence .....	6
Pre-Operation Licence .....	6
Operation Licence.....	6
Government Auctions .....	7
Government Royalties .....	7
Permitting.....	7
MINERAL PROPERTIES.....	7
Derinköy Property.....	7
Olucak Property .....	8
Location .....	8
Olucak Property .....	8
Derinköy Property.....	8
Accessibility, Climate, Local Resources, Infrastructure And Physiography.....	9
Olucak Property .....	9
Derinköy Property.....	9
History.....	10
The Olucak Property .....	10
The Derinköy Property .....	10
Geological Setting.....	11
The Olucak Property .....	11
The Derinköy Property .....	12
Deposit Types .....	12
Olucak Property .....	12
The Derinköy Property .....	13
Target Deposit Types.....	13
Mineralization.....	13
Olucak Property .....	13
Derinköy Property.....	14
Exploration.....	14
Drilling.....	14
Proposed Exploration and Development .....	14
DIVIDENDS.....	14

SELECTED CONSOLIDATED FINANCIAL INFORMATION .....	15
Annual Information.....	15
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	15
Operating and Financial Review and Prospects.....	15
Introduction.....	15
Financing Activities.....	16
Results of Operations.....	16
Liquidity and Capital Resources.....	16
DESCRIPTION OF CAPITAL STRUCTURE .....	16
RISK FACTORS .....	17
Risk of Mineral Exploration .....	17
Market Fluctuations .....	17
Uncertainty of Funding.....	17
Foreign Jurisdiction Risk .....	17
Exploration and Mining Risks in General .....	18
No Known Ore.....	18
No Earnings .....	18
Uninsurable Risks.....	18
No Assurance of Titles.....	19
Permits and Licenses.....	19
Competition.....	19
Environmental Regulations.....	19
Currency Fluctuations.....	19
Conflicts of Interest.....	20
Key Employees.....	20
DIRECTORS AND OFFICERS .....	21
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	21
MARKET FOR SECURITIES .....	22
LEGAL PROCEEDINGS.....	22
TRANSFER AGENT AND REGISTRAR.....	22
ADDITIONAL INFORMATION.....	22

**ALDRIDGE MINERALS INC.**  
**ANNUAL INFORMATION FORM**  
**for the fiscal year ending**  
**November 30, 2003**

**CORPORATE STRUCTURE**

Aldridge Minerals Inc. (formerly Aldridge Resources Ltd.) (the “Company”) was incorporated in British Columbia on June 6, 1994 under the *Company Act* (British Columbia) (the “Company Act”) by registration of its Memorandum and Articles with the British Columbia Registrar of Companies.

Since March, 2003, the Company’s business office is located at 10863 – 78A Avenue, Delta, British Columbia, V4C 7Z7 and the technical office at 2955 W. 38<sup>th</sup> Avenue, Vancouver, British Columbia V6N 2X2. The registered and records office of the Company is situated at 1500 – 1040 W. Georgia St., Vancouver, British Columbia V6E 4H8.

At the annual and extraordinary general meeting of the Company held on April 28, 2003, shareholders approved the following matters:

- (a) *Consolidation.* The consolidation (the “Consolidation”) of the issued and outstanding Shares on the basis of every four Shares being consolidated into one Share.
- (b) *Change of Name.* The change of the Company’s name to “Aldridge Minerals Inc.” or such other name as may be acceptable to the directors of the Company or the applicable regulatory authorities.
- (c) *Increase in Authorized Capital.* The increase of the authorized capital of the Company from 50,000,000 Shares (pre-Consolidation) to 100,000,000 Shares (post-Consolidation).

Each of these transactions became effective as of April 21, 2003.

As of April 21, 2004, after giving effect to the Consolidation, the fiscal year end of the Company, 2,128,384 Shares (post-Consolidation) were outstanding of which 217,782 Shares (post-Consolidation) are held in escrow.

## DEVELOPMENT OF THE BUSINESS

### Pending Transactions

At the extraordinary general meeting of the Company held on July 15, 2003 (the “2003 Extraordinary General Meeting”), shareholders approved the following additional matters:

- (a) *Share Transfer and Change of Control.* The transfer of Shares and the resulting potential change of control of the Company from the principal shareholders of the Company, Brian Mountford, Morris Beattie, Patrick Mahon, Donovan Resources Ltd. and Lionsgate Holdings Corporation (collectively, the “Selling Shareholders”) to a new group of investors made up of Martin Oczlon and other placees, Oko-Konvent GMBH and Eckard Kirsch.

Pursuant to an agreement made as of December 4, 2002, (the “Change of Control Agreement”) the Selling Shareholders have agreed to transfer 3,080,344 Shares (pre-Consolidation) currently held by such Selling Shareholders, representing approximately 36.2% of the issued and outstanding Shares (pre-Consolidation), and effective control of the Company to a new group of investors. Following the completion of the transfer of such Shares prior to the Consolidation, the respective shareholdings of each investor will be as follows:

<u>Name</u>	<u>Number of Shares</u>
Martin Oczlon	476,184
Oko-Konvent GMBH <sup>(1)</sup>	1,327,976
Eckard Kirsch	<u>1,276,184</u>
<b>Total:</b>	<b><u>3,080,344</u></b>

Notes:

(1) A company incorporated under the laws of Germany and controlled by Hartmut Thome and his wife Monika Thome.

The transfer of Shares pursuant to the Change of Control Agreement is conditional upon the Completion of the Consolidation, the private placement (as described out below) and the acquisition by the Company of the properties (as described below). The Change of Control Agreement includes the transfer of 871,126 Shares (pre-Consolidation) which are currently held in escrow by Brian Mountford, Morris Beattie and Patrick Mahon pursuant to the escrow policies of the Exchange and approval will be required to complete the proposed transfer of such shares. The result of the foregoing transaction is that Martin Oczlon and other placees, Oko-Konvent GMBH and Eckard Kirsch will own approximately 36.2% of the issued shares prior to the private placement and Consolidation.

- (b) *Option Agreement and Property Acquisition.* The entering into by the Company of an option agreement dated December 4, 2002 with Martin Oczlon (the “Option Agreement”) pursuant to which the Company has acquired an option to acquire a 100% interest in two gold exploration properties (the “Properties”), the Derinköy Property and the Olucak Property located in north-east Turkey. The Option Agreement is described in greater detail below. See “Significant Acquisitions”.
- (c) *Private Placement.* The issuance of 3,333,333 units of the Company (on a post-Consolidation basis) at a price of \$0.15 per unit or such other price as may be approved by the TSX Venture Exchange, each unit consisting of one Share and one non-transferable share purchase warrant exercisable for Share for a period of two years at a price of \$0.15 per Share, or at such other price as may be approved by the TSX Venture Exchange to various investors in Germany. The Company announced on March 4, 2004 that an additional 667,667 units will be added to the proposed non-brokered private placement, but such increase has not been approved by the Company’s shareholders.

Each of the above-noted transactions (the “Pending Transactions”) approved by shareholders at the 2003 Extraordinary General Meeting are currently in the process of receiving regulatory approval and have not yet been implemented.

### **Recent History**

Pursuant to an agreement dated September 30, 1997 between the Company and Lionsgate Holding Corp. (“Lionsgate”), the Company acquired a 25% interest in the Maniaka Concession in the Republic of Guinea, West Africa. However, as the Company failed to complete subsequent obligations required to earn additional interest, the agreement was terminated in October, 2001.

In October 1999, the Company took over ongoing exploration programs of properties in south central British Columbia (Summers Creek and Barney) as well as the Tamassira Concession in Guinea, West Africa through the acquisition of Causeway Mining Corp., a private company. Exploration on all of these properties have been abandoned. Following the abandonment of these properties Causeway Mining Corp. was dissolved.

On December 4, 2002, the Company entered an Option Agreement with Martin Oczlon, who was at the time at arms-length to the Company, to acquire up to 100% interest in two gold exploration properties, the Derinkoy Property and the Olucak Property located in north-eastern Turkey near the Black Sea coast.

### **Significant Acquisitions**

The Company has entered into an Option Agreement (the “Option Agreement”) dated December 4, 2002 with Martin Oczlon, who at the time was at arms-length to the

Company, to acquire up to a 100% interest in two gold exploration properties, the Derinköy Property and the Olucak Property located in the north-eastern Black Sea coast in Turkey (the “Properties”).

#### *Option Agreement*

The Option Agreement provides that the Company will assume the obligations of Martin Oczlon (“Oczlon”) under an option agreement (the “BHP Agreement”) dated November 5, 2002 with BHP Billiton World Exploration Inc. (“BHP”) as set out below, to earn a 100% interest in the Properties. In addition, as consideration for granting the option to the Company, Oczlon will be paid out-of-pocket expenses of \$30,000 incurred in connection with the Properties, to be paid by the issuance of 200,000 Shares (on a post-Consolidation basis). Oczlon will also receive 200,000 Shares for each Property upon the Company earning a 60% interest in the Properties pursuant to the BHP Agreement and an additional 200,000 Shares for each Property at the time of completion of a first-pass drilling program (min. 5 holes per property, 60° angled, 50-150 drill-m per hole), provided that at least 5 drill-m @ 5 g/t Au, or 10 drill-m @ 3 g/t Au or 30 drill-m @ 2 g/t Au (calculated to the combined value of gold-silver + base metals), or levels extrapolated from these members, were intersected in at least one hole.

Upon the completion of each of the requirements in the BHP Agreement and the Option Agreement, the Company will earn a 100% interest in the Properties. Oczlon will also be entitled to receive an additional 500,000 Shares per Property upon the completion of a feasibility study on either Property which contains a recommendation to commence commercial production and an additional 1,000,000 Shares per Property upon the commencement of commercial production on either Property. All Shares to be issued pursuant to the Option Agreement are to be issued on a post-Consolidation basis. The Option Agreement is subject to regulatory approval.

#### *BHP Agreement*

Under the BHP Agreement, the Company will be required to make expenditures of US\$150,000 (of which, US\$100,000 must be spent directly on drilling the Properties) on the Properties by November 5, 2003 in order to earn a 60% interest and make expenditures of a further US\$300,000 and pay a cash payment of US\$75,000 by November 5, 2004 to acquire an additional 20% interest (for a total interest of 80%). The remaining 20% interest in the Properties can be acquired by the expenditure of US\$2,000,000 on exploration prior to November 5, 2008. BHP has expended a total of CDN\$500,000 on the Properties to date.

In the event that there is a precious metals discovery, BHP will be entitled to a 1.5% net smelter return royalty and the payment of US\$3,000,000 once 2,500,000 ounces of gold of the equivalent value of other precious metals has been produced from the Properties.

The BHP Agreement also provides BHP with a back-in right for a 100% interest in any base metal discovery on the Properties, which must be exercised within 90 days of the

Company having earned a 100% interest in the Properties. In order to exercise this right BHP must incur US\$300,000 on exploration and development on the Properties within six years, grant to the Company a 1.5% net smelter return royalty, pay US\$2,500,000 and pay an additional US\$3,000,000 on the commencement of commercial production from a base metal discovery. A separate area will be established for each base metal discovery.

The transfer of the BHP Agreement from Oczlon to the Company requires the consent of BHP. In accordance with the BHP Agreement, BHP will have an option to acquire Shares of the Company representing up to 9.9% of the issued and outstanding Shares at the time of the transfer of the BHP Agreement from Martin Oczlon to the Company (which issuance will be, in the case of the Company, on a post-Consolidation basis) at a price to be negotiated between the Company and BHP, subject to Exchange approval.

## **DESCRIPTION OF THE BUSINESS**

The Company is a junior natural resource company engaged in the acquisition and exploration of mineral resource properties, primarily gold and copper.

Currently the Company has no mining properties under commercial production at any level and has no source of revenue other than the sale of its common shares from treasury and interest earned on monies held on deposit.

Since March, 2003, business has been conducted in office facilities provided by Nancy Strong who is Secretary and a Director of the Company. Prior to this time, office facilities had been rented from Brian Mountford & Associates Ltd., the principal of which was President and a director of the Company until June, 2003 and for whom Nancy Strong has provided office management services since 1996.

### **Turkish Mining Law**

The Company holds two mineral properties in Turkey.

The mining industry in Turkey operates under the jurisdiction of the Ministry of Energy and Natural Resources. All mineral rights in Turkey are reserved to the Turkish government. Individuals or companies with legal status in Turkey may apply for, obtain and hold valid permits, which grant exploration and mining rights in Turkey. The law currently in force was passed in 1985, and replaced the previous law that differed in several respects including that claims were commodity specific. This allowed for physical overlap of claim boundaries in cases of different claims for different commodities. Claims acquired prior to enactment of the new mining law which remain in good standing are still governed according to the commodities for which they were originally acquired, with the original provisions for establishment of prior and/or preferential rights in areas of overlap, as well as those for expanding rights to mineral commodities beyond those originally granted in areas where there is no overlap of claim

boundaries (something not possible under the new mining law of 1985, the law currently in force).

Exploration and mining rights are granted under a staged, three licence system. Under the application method of obtaining permits, an individual or company with legal status in Turkey may make an application to explore and mine minerals on a tract of land to the Turkish Mining Department by filing the co-ordinates of the tract of land sought and paying a filing fee. After a one to three month review process by the Turkish government, the applicant obtains all unclaimed rights within the application area and pays a fee per hectare to the Turkish government. The Minister of Mines then signs and issues the permit together with a detailed map showing all areas covered by the permit.

The amount of the fee per hectare referred to above is reviewed and subject to change on an annual basis.

### **Exploration Licence**

An exploration licence is issued for pursuing mineral exploration activities in a specific area. The exploration licence is valid for 30 months and requires a progress report to be filed with the Turkish government at the end of each of the first three eight-month periods, and at the end of the 30-month period. This period cannot be extended.

### **Pre-Operation Licence**

At the end of the 30-month period, the applicant may apply for a pre-operation licence. The pre-operation licence is valid for three years, cannot be extended, and is issued to enable the preparation for the operation stage and other studies that may be required after the exploration licence. If the applicant files all reports with the government required under the exploration licence procedure and pays the appropriate fee, the Turkish government will generally issue the pre-operation licence. Pre-operation licences require progress reports to be filed at the end of every eight months.

### **Operation Licence**

The holder of a pre-operation licence may apply for an operation licence upon submission of a feasibility study or development plan and the payment of the applicable fee per hectare. The term of an operation licence may be 10 or more years subject to a maximum of 60 years. Production is generally required to maintain and extend the licence. The rate of production required in some cases has been minimal. Annual reports must also be filed with the Turkish government. If there is little or no production within the authorized original operation period, the Turkish government may deny extensions of the term of the licence. Ongoing production and/or the discovery of additional reserves generally allow the holder to request an extension at any time.

## **Government Auctions**

Under prevailing Turkish mining law, claims do not immediately become open for staking upon expiry. Rather, they are withdrawn by the Mines Division which, after a period of between a few to several months, posts a notice stating the place, date and time that these claims will be auctioned off to the highest bidder. Once such an auction is completed, any claims that did not sell are then annulled and the ground made available for acquisition by the normal staking procedure.

## **Government Royalties**

Five percent of the annual gross profit obtained from the ores mined from each mine site (“Gross Profit”) are paid to the Turkish government as the state right (the “State Right”) which Gross Profits are paid to Etibank A.S., a Turkish state-owned company.

## **Permitting**

Turkish mining and related laws and regulations require various types of permits for various types of activities, covering any type of surface disturbance in government forest areas through to full mine permitting. At the exploration stage, the main type of permitting required pertains to drilling. Generally, there is no permit necessary if the a drill program is not in excess of a total of 3,000 meters; if it is, an environmental impact report is required. Typically, a time frame of approximately six months is required to have a report prepared and approved. If any drill holes are to be located in government forests, then a special permit is required from the Forestry department, a procedure that may take up to several weeks and require that a fee is paid to cover any anticipated damage to trees as a result of the drill location and/or any access that must be developed to reach it.

Mine permitting is undertaken as part of and following the preparation of a Feasibility Study, and entails all of the environmental planning necessary for such operations, including precautionary methods to be employed during mining and reclamations plans to follow mine closure. This process is much more involved and may take up to a year or more for all necessary reports to be completed and approved.

## **MINERAL PROPERTIES**

### **Derinköy Property**

This property comprises three exploration licences for a total area of 8,040 Ha. A fourth licence has recently been acquired by BHP, located in the middle of licence number AR79294. The number of this licence is as of yet unknown, but will be included as part of the property, under the terms of the Company’s agreement with BHP.

## Olucak Property

The Olucak project is covered by five exploration licences totaling of 14,039.13 Ha.

Table 1, below, provides relevant details about all claims on both properties.

<b>Summary of Licence Information, Derinköy and Olucak Properties</b>				
<i>Licence No</i>	<i>Property</i>	<i>Size (Ha)</i>	<i>Date of Issue</i>	<i>Expiration Date<sup>1</sup></i>
AR82269	Olucak	2560.06	18-06-02	18-12-04
AR82424	Olucak	1593.80	27-06-02	27-12-04
AR82906	Olucak	3951.74	05-08-02	05-02-05
AR81542	Olucak	2818.06	25-04-02	25-10-04
AR81564	Olucak	3115.47	25-04-02	25-10-04
AR79303	Derinköy	1000.00	06-09-01	06-03-04
AR79294	Derinköy	3040.00	06-09-01	06-03-04
AR79293	Derinköy	4000.00	06-09-01	06-03-04

Notes:

(1) This is the date at which the level of licence must either be advanced, or dropped, in accordance with the provisions of Turkish mining law.

## Location

### *Olucak Property*

The Olucak property is situated within Eastern Pontides, a regionally extensive, roughly east-west trending range of hills and mountains that spans the Black Sea coast of northeastern Turkey. The property is located approximately 100 km by road to the south-southwest of Trabzon, the major city along the Black Sea coast in northeastern Turkey, and 20 km northeast of the town of Gümüşhane, one of the larger towns in the area. The village of Olucak lies within the southeastern quadrant of the property.

### *Derinköy Property*

The Derinköy property is located 30 km southeast of the city of Artvin, another major city in the Black Sea region of northeastern Turkey. The village of Derinköy lies toward the northwestern edge of the property, with the village of Hizarli located toward the southwest edge. The Çoruh river parallels the western boundary of the property and cuts across its northwestern corner.

## **Accessibility, Climate, Local Resources, Infrastructure And Physiography**

### *Olucak Property*

The property is connected to main Gümüşhane-Trabzon state road by a 15 km long paved road leading to the village of Olucak. It is an all season road and is kept clear during the winter months when snow depths may exceed one meter (although not to punctual Canadian standards). Generally throughout this region, there are several dirt roads and tracks that parallel valleys and crisscross hills, connecting outlying homes and farming or grazing fields, some which may be accessed by vehicles during parts of the year.

The climate is characterized by hot and dry summers, cold and snowy winters, with variable weather during the months in between; the best time for field operations is between April and December.

The village of Olucak is serviced by electrical power and telephone lines. Olucak Creek cuts across the property, providing a year round source of water. Unskilled workers, and most goods and services required for field operations, are available from Olucak and nearby Gümüşhane (population of roughly 40,000).

Elevations on the property range between 1,550 m to 2,470 m.a.s.l. resulting in a rugged topography that is generally poor in vegetation. Toward the west of the property and beyond it is somewhat flatter.

### *Derinköy Property*

The property is accessed by a paved village road connecting the villages of Hizarli and Derinköy to the main north-south road running along the Çoruh river, a road that connects Artvin to Erzurum, some 200 km to the south-southwest. Similar to the Olucak property, these roads may be temporarily closed due to heavy snow during the winter months but are otherwise open, with several seasonal roads and tracks paralleling valleys and running around and over some of the hills in between.

The climate is characterized by hot and dry summers, cold and snowy winters, with variably weather during the months in between; the best time for field operations is between April and December.

Derinköy and Hizarli villages are serviced by electrical power and telephone lines. Seasonal creeks run along many of the valley floors. The villages, and the nearby city of Artvin (population of roughly 20,000) provide a source for unskilled workers and most goods and services required for field operations.

Elevation on the property varies from 450 to 2100 m.a.s.l. resulting in a rugged topography. The higher elevations are covered in pine forests and grassy meadows. The eastern portion of the property area is somewhat more rugged than that to the west.

## History

### *The Olucak Property*

Mineralization on the Olucak property was originally identified by MTA (General Directorate of Mineral Research and Exploration), the Turkish government's geological survey and mineral exploration agency, during the 1990's, by stream sediment geochemical surveys. MTA subsequently acquired mineral rights over the area, and conducted geological mapping. Several silicified zones hosting anomalous gold-silver-lead-zinc-copper were identified, as a result. Diamond drilling followed, comprising a 12-hole drill program in nine locations, for a total of 1,741 meters. It does not appear that any further work was undertaken. Note that MTA keeps much of their data confidential, so it is not possible to fully ascertain the details and results of their exploration work on this property.

In 2001, BHP acquired licences over the property, and carried out a stream sediment geochemical survey identifying several locations anomalous in gold within and outside of the property. No further work was undertaken by BHP.

### *The Derinköy Property*

This property appears to have a history dating back to ancient times, evidenced of by a number of collapsed adits and small scale slag dumps. It appears as if these workings were focused on one or more narrow base metal. In the modern era, the property's history dates back to 1976 when MTA carried out 1:25,000 scale geological mapping across the region. In 1982, the northern portion of the property area was re-mapped at 1:25,000, and in 1984 the balance of the area was re-mapped at the same scale. In 1991, MTA completed a regional stream sediment geochemical survey across the area, including several dozen samples on and around the property.

Shortly thereafter, a licence covering an area somewhat smaller than those comprising the present property, was acquired by Dardanel Madençilik A.S. — the Turkish subsidiary of INCO. In 1992, a program consisting of 1:5,000 scale geological and alteration mapping was completed, along with the collection of 87 rock chip samples, and analysis of 46 thin and 24 polished sections. In 1993, the mapping program was continued, along with the collection of 303 petrographic and 63 rock chip samples. Five holes were drilled, for a total of 1,779 meters. A geophysical survey, consisting of four lines of induced polarization ("IP"), was also completed. In 1994, a soil geochemical survey was undertaken over part of the property, followed by additional IP survey lines and a magnetometer survey, apparently both carried out by MTA. In 1995, additional 1:5,000 mapping was completed along with the collection of 349 rock samples on a 100 meter grid over the east portion of the property. This was followed by diamond drilling, comprising four holes for a total of 1,270 meters. No further work was carried out, and the licences were allowed to lapse.

In 2002, BHP acquired the licences that comprise the current property. BHP subsequently carried out a preliminary assessment of the property, consisting of the collection of 22 stream sediment samples, 15 rocks and 22 soil samples. No further work was undertaken by this company.

## **Geological Setting**

Turkey is divided into four major tectonic units: the Pontides, the Anatolides, the Taurides and the Border Folds. The Pontides form the northern margin of Turkey, rising steeply from the Black Sea coast. They extend westward from the Georgian border for over 1200 km, from the Minor Caucasus to Sredna Gora in Bulgaria, and are divided into western and eastern segments either side of the Kızılırmak River, west of Samsun (Akıncı, 1984). The Anatolides comprise a broad swath across central Turkey from the Biga peninsula, to the west, to the border with Iran, to the east. The Taurides comprise the southern quadrant of Turkey along the coast of the Mediterranean and north to the Anatolides. The Border Folds comprise an area in far southeastern Turkey, bounded by the South Anatolian Fault to the northwest, and the border with Syria and Iraq, to the southeast.

The Derinköy and Olucak properties are located within an area referred to as the Eastern Pontides. This part of the Pontides has been interpreted to represent a convergent margin extending along the southern margin of the Pontic continent, dating from the Early Jurassic through the Miocene. Many attempts have been made to explain the tectonic evolution of the Eastern Pontides. Some authors consider this belt to be an island-arc chain and others consider this to represent a long-lived Pacific-type active continental margin. Generally, it is the former theory that is more widely accepted.

The Eastern Pontides are underlain by Paleozoic metamorphic rocks (schists, gneisses, metagranite) and the granitic rocks that intrude them. The overlying Jurassic-Tertiary volcanic and sedimentary units are grouped as the Lower Basic Series, the Dacitic Series, the Upper Basic Series, Tertiary Granitoids, the Young Basic Series and Young Dikes.

### *The Olucak Property*

The geology of the Olucak property and surrounding area is dominated by a sequence of Jurassic-Cretaceous-Tertiary volcanic, volcanosedimentary and intrusive rocks.

On a local scale, the geology is similar to that on the regional scale. Andesite-basalt flows and pyroclastic rocks are found at the base of the stratigraphic sequence, alternating with dacitic tuff above, followed by carbonate-bearing sedimentary rocks at the top. This sequence is intruded by a series of both mafic and felsic dykes, all of which is conformably overlain by an Upper Jurassic-Cretaceous limestone unit. The limestone is dolomitized and recrystallized in places. It gradually evolves into a flysch unit of Upper Cretaceous age. The flysch is made up of sandstone, siltstone, limestone and bedded tuffs. The thickness of the beds varies from one to four meters. This unit is unconformably overlain by Eocene volcanic flows and related and pyroclastic units.

Finally, a Quaternary travertine formation outcrops in several locations around the village of Olucak.

### *The Derinköy Property*

The Derinköy area is dominated by a Jurassic-Cretaceous-Tertiary volcanic sequence, consisting of volcanic units, volcanoclastics, and sedimentary rocks all of which are intruded by a series of intermediate to felsic intrusives of Middle Tertiary age. The property is dominated by extensive outcrops of andesitic to dacitic volcanic flows, small dioritic stocks and dykes, and limestone. Andesitic volcanics appears to be the oldest rock unit exposed in the property area, made up of volcanic flows with pyroclastic intercalations, in some cases hosting tuffaceous horizons within. Dacite stocks and dykes cut this unit, often appearing as massive quartz porphyritic bodies. A second andesite unit that is distinguished by its feldspar-phyric texture. These three units are all considered to be the products of Late Cretaceous volcanic activity; all were later subject to extensive argillic alteration and pyritization, and were also intruded by diorite dykes of Tertiary age.

North of the property, this entire sequence is covered by younger andesitic volcanic rocks. Additionally, a massive limestone unit is found overlying all of these units in the higher elevations.

## **Deposit Types**

### *Olucak Property*

The MTA geology and alteration map covering the southwest portion of the Olucak property shows several locations hosting anomalous gold and silver within zones of apparent silicic alteration. However, nothing is known about the sampling procedure, analytical method, or the sample interval. BHP's more recent preliminary, patch stream and soil sediment sampling program returned mostly negative values, with the exception of a small cluster of moderately anomalous stream sediment gold results toward the southeastern corner of the property.

Regardless, the combination of a favorable tectonic setting, volcanic stratigraphy typically associated with epithermal gold occurrences in the Eastern Pontides, documentation of silicic hydrothermal alteration of the type generally associated with epithermal gold deposits worldwide, and the presence of an incompletely defined number of gold occurrences, collectively suggest that the property does indeed host potential for a volcanic-hosted epithermal gold deposit. Such deposits are usually found in the upper horizons of island arc volcanic sequences, where a combination of lithostatic and hydrostatic pressure constraints, proximity to the paleosurface, influx of groundwater, faults, and porous and/or reactive host rocks result in the precipitation of gold-bearing fluids that have migrated up and away from an underlying, near-surface, metal-bearing magma chamber and associated intrusive complex. Whereas gold and silver, and their associated or "pathfinder" elements – antimony, mercury, arsenic, and a few others,

typically remain in solution as hydrothermal vapors and fluids escape the magma chamber, other metals such as copper, molybdenum, and to a lesser extent lead and zinc, tend to precipitate at higher temperatures and pressures and may often be found at deeper levels in the volcanic sequence, as vein, replacement, and/or disseminated-stockwork (“porphyry”) deposits.

It is the latter that attracted BHP to the property, but having determined that the property’s porphyry potential is limited to deposits beneath their minimum size threshold, decided to pursue it no further. The epithermal gold potential was never of interest to BHP.

### *The Derinköy Property*

INCO’s exploration work was quite comprehensive where undertaken, and similar to BHP was focused on the potential for porphyry-type copper-gold deposits, the results of which did not meet their expectations. However, similar to BHP, INCO did not comprehensively pursue the epithermal gold potential of the property.

The volcanic sequence and associated intrusive lithologies seen at the Derinköy property are similar to those encountered at Olucak, and most other places in a similar stratigraphic position across the Eastern Pontides. Therefore, the potential for epithermal gold mineralization must generally be regarded as positive, particularly considering the mineral occurrences documented on the property, to date, and the geological and geochemical data that indicate the possibility for more.

### *Target Deposit Types*

The target deposit type for both properties is volcanic-hosted epithermal gold, as described in the foregoing section of this report. Although the potential for porphyry-type copper-molybdenum-gold deposits must be considered to be theoretically present, the previous work of other companies on both properties has largely discounted it.

## **Mineralization**

### *Olucak Property*

Epithermal mineralization on this property is found within zones of silicification, hosted by andesitic and dacitic volcanic rocks. The thickness of the silica zones, as documented by previous workers on the property, ranges from 10 – 50 meters, with a strike length of up to 600 meters; epithermal gold deposits are almost always found within such zones, but rarely to their full extent. These zones are oriented mainly north-south and east-west. Surrounding the zones of silicification are much larger zones of argillic alteration, characterized by abundant clay minerals (that may also be a product of the weathering of pyrite near the surface), that generally trend east-west and cover an area of approximately two square kilometers. Veins up to two to three centimeters thick, along with

disseminations of chalcopyrite, sphalerite, galena and pyrite are commonly found within the argillic-altered rocks. The veins are offset by northwest-southeast and northeast-southwest trending faults. Additionally, MTA reported occurrences of hydrothermally brecciated replacement-type base metal mineralization.

#### *Derinköy Property*

Known mineralization at Derinköy is also characterized as typical volcanic-hosted epithermal gold mineralization, with associated minor base metals. Base metal veins and veinlets are hosted by dacitic rocks, and commonly dominated by fine to medium grained chalcopyrite, sphalerite, galena and pyrite mineralization.

Geochemical soil gold and silver anomalies identified on the property appear to be related to zones of argillic alteration developed in a feldspar-phyric andesite porphyry, characterized by an abundance of clay minerals and finely disseminated pyrite. This zone covers an area of approximately two kilometers by 500 meters, trending east-west. Its vertical extent is not known.

#### **Exploration**

No exploration work has been carried out by the Company on either the Olucak property or the Derinköy property.

#### **Drilling**

No drilling has been carried out by the Company on either the Olucak property or the Derinköy property.

#### **Proposed Exploration and Development**

The Company intends to expend approximately \$150,000 US (\$220,000 CDN) on exploration on the properties in accordance with the BHP Agreement set out above of which \$1,000,000 US must be spent on drilling the properties. The balance of the funds are to be spent on geological mapping, sampling and prospecting. The funds must be expended prior to November 5, 2004.

### **DIVIDENDS**

To date, the Company has not declared any dividends. The Company intends to re-invest all profits into the Company's business and currently has no intention of declaring any dividends.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### Annual Information

Fiscal Year ended November 30	2003	2002	2001	2000	1999
Total Revenues <sup>(1)</sup>	0	1	528	4,313	13,573
Net loss before discontinued operations & extraordinary items	(144,206)	(26,310)	(52,827)	(167,944)	(117,990)
(Write-off)/Recovery of Mineral Property expenditures <sup>(2)</sup>	-	842,329	(3,081,469)	-	-
Earnings/(Loss) per share	(0.02)	0.10	(0.40)	(0.02)	(0.03)
Total assets	105,549	6,609	2,870	2,219,022	1,499,269
Long Term Debt	-	-	-	-	-
Dividends <sup>(3)</sup>	-	-	-	-	-

Notes:

- (1) Revenue is comprised solely of interest income for all years.
- (2) The Company wrote off its interest in the Maniaka property in 2001. Subsequently in the year ended November 30, 2002, upon termination of the Option Agreement on the property, the Company settled an outstanding balance payable of \$889,351 for \$47,020 thus effecting a recovery of mineral property expenditures during the year.
- (3) the Company has not declared any dividends in the last five years and does not intend to declare dividends in the foreseeable future. If the Company generates earnings in the future, it expects that they will be retained to finance future growth.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Operating and Financial Review and Prospects

The following discussion for the fiscal years ended November 30, 2002 and 2003 should be read in conjunction with the consolidated financial statements of the Company and the notes thereto.

#### Introduction

Over the past two years the Company was unable to obtain the funding required to maintain exploration on its existing mineral properties and therefore terminated its efforts on these properties. During the same period management evaluated other business opportunities and concluded that there were mineral properties available that would form the basis for obtaining additional financing. Currently the Company's primary mineral properties consist of the Derinkoy and Olucak Properties in Turkey as described earlier. As the Company raises additional capital, additional projects will be evaluated and if possible obtained for development.

To fund the current activities the Company is issuing equity in the form of a private placement as described elsewhere in this document.

## **Financing Activities**

During fiscal 2002 the Company did not issue any shares. During fiscal 2003, the Company issued 758,613 common shares in settlement of account payable of \$113,791, including \$56,993 due to directors and director controlled companies.

## **Results of Operations**

During the year ending November 30, 2003 the Company reported a net loss of (\$144,206) for the year compared to net income of \$816,020 reported for the year ending November 30, 2002. The only revenue during either period was \$1 derived from interest income during 2002. The loss during 2003 was primarily the result of general administrative expenses and sponsorship fees and expenses. The recovery of mineral property expenditures during 2002 of \$842,331 resulted from settlement with the optionor of the Maniaka property to settle for a reduced amount of \$47,020 for amounts accrued to this optionor in the form of shortfalls to required expenditures.

Exclusive of the mineral property write-off and recovery the loss in 2002 was \$26,309 compared with a loss of \$144,206 during 2003.

## **Liquidity and Capital Resources**

The Company at present has no income from operations and none is likely in the near future. The issuer is therefore dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties in order to finance its operations. There can be no assurance that the Company will be successful in raising the required financing.

The Company had a working capital deficit of \$3,271,264 as at November 30, 2003 compared to a working capital deficit of \$3,127,058 as at November 30, 2002.

As described earlier in this Annual Information Form, management has arranged for a non-brokered private placement of units for proceeds of \$600,000. Management anticipates that the funding from this private placement will fund the Company's exploration work in Turkey as well as operating expenses for 2004.

## **DESCRIPTION OF CAPITAL STRUCTURE**

After giving effect to the Consolidation and increase in authorized capital approved by the shareholders at the 2003 Annual and Extraordinary General Meeting, which became effective on April 21, 2004 the authorized capital of the Company consists of 100,000,000 common shares without par value on a post-Consolidation basis. As of

April 21, 2004, 2,128,384 Shares (post-Consolidation) were issued and outstanding, of which 217,782 Shares (post-Consolidation) are held in escrow. As of the date of this Annual Information Form, no options to acquire Shares of the Company are outstanding, which options were granted pursuant to the Company's Stock Option Plan dated April 23, 2003.

## **RISK FACTORS**

### **Risk of Mineral Exploration**

Exploration and development of natural resources involves a high degree of risk and only a few properties which are explored are ultimately developed into producing properties. Also, exploration of properties requires compliance with the laws of the jurisdiction in which such properties are located and potential changes to laws relating to exploration activities, environmental considerations and title to properties are a significant risk.

### **Market Fluctuations**

The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, supply and demand, inflation, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

### **Uncertainty of Funding**

Failure to obtain additional funding, whether through equity financing or other means, could result in delay or indefinite postponement of further exploration and development as well as the possible loss of title to its properties. There can be no assurance that the Company will be able to finance its operations in the future. The Company proposes to complete a private placement consisting of 1,000,000 units of the Company (pre-Consolidation) at a price of \$0.15 per unit, each unit consisting of one Share and one warrant to purchase an additional Share for a period of two years. The Company has not yet received regulatory approval for this proposed private placement.

### **Foreign Jurisdiction Risk**

All of the Company's mineral properties are located in Turkey. Mineral exploration and mining activities in Turkey may be affected by government regulations relating to the Turkish mining industry. Any changes in regulations are beyond the control of the Company and may adversely affect its business.

## **Exploration and Mining Risks in General**

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, mineralization, geology and structures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. The economics of developing gold, silver, copper and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

### **No Known Ore**

At this time, there is no known body of commercially viable ore on any of the Company's mineral properties. If the Company's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it into commercial production. The only sources of funds presently available to the Company are through the sale of equity capital, or the offering by the Company of an interest in one or more of its mineral properties to be earned by another party or parties carrying out further exploration or development thereof. There can be no assurance such sources of funds will continue to be available to the Company, on favourable terms or at all.

### **No Earnings**

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future.

### **Uninsurable Risks**

In the course of exploration, development and production of mineral properties certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

## **No Assurance of Titles**

The acquisition of title to mineral projects in Turkey is a very detailed and time consuming process. The Company has taken precautions to ensure that legal title with respect to the mineral exploration project is properly recorded, including obtaining opinions from Turkish Engineers which the Company believes provides assurances sufficient to allow it to expend funds on exploration of its mineral properties, however it cannot guarantee title.

The Company has not obtained title insurance with respect to its properties.

## **Permits and Licenses**

The operations of the Company require licenses and permits for various governmental authorities. There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

## **Competition**

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

## **Environmental Regulations**

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. The cost of compliance with any changes in governmental regulations has a potential to reduce the profitability of operations. The Company, however, employs local contractors familiar with the laws of Turkey in carrying out much of its exploration and relies on the contractors' expertise in compliance with laws and regulations.

## **Currency Fluctuations**

The Company's operations in Turkey make it subject to foreign currency fluctuation, in particular with respect to the Turkish currency and the United States dollar (in which

many of its payments are made) and such fluctuations may adversely affect the Company's financial position and results.

### **Conflicts of Interest**

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on their own behalf and on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia), the successor to the *Company Act* (British Columbia). In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed that participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgement and the relative financial abilities and needs of the companies to participate; no commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through the other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms as the basis on which they are offered to third party participants.

### **Key Employees**

The success of the Company and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key employees and members of its board of directors. The Company does not have any employment contracts in place with its key employees nor its directors and the loss of their services to the Company may have a material adverse effect on the Company.

## DIRECTORS AND OFFICERS

<u>Name, Residence and Office Held with the Company<sup>(2)</sup></u>	<u>Period a Director of the Company</u>	<u>Shares Beneficially Owned or Controlled<sup>(1)</sup></u>	<u>Occupation, Business or Employment</u>
Morris Beattie <sup>(3)</sup> Vancouver, British Columbia Director	Since April 19, 1996	855,147	President, Beattie Consulting Ltd.; Professional Engineer
Martin Oczlon <sup>(3)</sup> Walldorf, Baden-Wuerttemberg, Germany Director	Since February 20, 2003	Nil <sup>(4)</sup>	Program Manager, Danube Minerals Ltd.
Nancy Strong Delta, British Columbia Director	May 26, 2003	Nil	Secretary of the Company, Office Manager

Notes:

- (1) The information as to principal occupation, business or employment and Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees and by Pacific Corporate Trust Company, the Company's registrar and transfer agent. This shareholding is prior to giving effect to the Consolidation.
- (2) The Company does not have an Executive Committee of its directors.
- (3) Member of the Audit Committee.
- (4) Member of the Audit Committee.

No Director or Officer of the Company have been the subject of cease trade orders, bankruptcies, penalties or sanctions.

Certain officers and directors of the Company are officers and/or directors of, or, are associated with, other natural resource companies that acquire interest in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for approval for any such transactions.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the management of the Company, no director or senior officer of the Company, no director or officer of a body corporate that is itself an insider or subsidiary of the Company, no nominee for election as a director of the Company, no person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company and no associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed transaction which, in either case, has materially affected or will materially affect the Company other than as disclosed herein.

## **MARKET FOR SECURITIES**

The common shares of the Company are listed on the TSX Venture Exchange, and trade under the symbol “AGM” (formerly “ADG”).

## **LEGAL PROCEEDINGS**

There are no legal proceedings against the Company, nor, to the knowledge of the directors and officers are there any threatened actions or proceedings.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar of the Company is Pacific Corporate Trust Company of Vancouver, British Columbia.

## **ADDITIONAL INFORMATION**

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities, options to purchase securities and interest of insiders in material transactions, where applicable, is contained in the Company’s Information Circular for the Company’s Annual General Meeting to be held on May 20, 2004. Additional financial information is provided in the Company’s Form 51-901F. All of the documents referenced herein as well as this Annual Information Form may be found on SEDAR at [www.sedar.com](http://www.sedar.com) or by request to the Secretary of the Company at its corporate office.