

ALDRIDGE MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2005 AND 2004



AUDITORS' REPORT

To the Shareholders of
Aldridge Minerals Inc.

We have audited the consolidated balance sheets of Aldridge Minerals Inc. as at November 30, 2005 and 2004, and the consolidated statements of loss and deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

March 7, 2006

"Morgan & Company"

Chartered Accountants

ALDRIDGE MINERALS INC.
CONSOLIDATED BALANCE SHEETS

	NOVEMBER 30	
	2005	2004
ASSETS		
Current		
Cash	\$ 138,311	\$ 101,117
Taxes recoverable	9,958	6,781
Prepaid expenses	17,528	-
	165,797	107,898
Interest In Mineral Properties (Note 3)	960,243	288,798
	\$ 1,126,040	\$ 396,696
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 91,850	\$ 22,607
SHAREHOLDERS' EQUITY		
Share Capital (Note 4)	5,301,462	3,920,130
Contributed Surplus (Note 4(f))	774,704	-
Deficit	(5,041,976)	(3,546,041)
	1,034,190	374,089
	\$ 1,126,040	\$ 396,696

Approved by the Board of Directors:

 "Hickmet Akin"

 "Martin Ozclon"

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

ALDRIDGE MINERALS INC.

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

	YEARS ENDED NOVEMBER 30	
	2005	2004
Expenses		
Consulting fees	\$ 170,903	\$ -
Directors fees	-	7,500
Management fees	71,553	-
Office and sundry	40,056	17,935
Professional fees	89,831	78,290
Shareholder information	24,259	1,489
Stock based compensation	970,000	-
Project investigation costs	-	109,894
Transfer, filing and sponsorship fees	57,123	50,446
Travel and promotion	72,933	9,569
	1,496,658	275,123
Less: Interest income	(723)	(346)
Loss For The Year	(1,495,935)	(274,777)
Deficit, Beginning Of Year	(3,546,041)	(3,271,264)
Deficit, End Of Year	\$ (5,041,976)	\$ (3,546,041)
Loss Per Share – Basic	\$ (0.19)	\$ (0.10)
Weighted Average Number Of Outstanding Common Shares	7,979,292	2,819,480

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

ALDRIDGE MINERALS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED NOVEMBER 30	
	2005	2004
Cash Flows From Operating Activities		
Loss for the year	\$ (1,495,935)	\$ (274,777)
Shares issued for fees	-	7,500
Stock based compensation	<u>970,000</u>	-
	(525,935)	(267,277)
Changes in non-cash working capital items:		
Taxes recoverable	(3,177)	4,042
Accounts payable and accrued liabilities	69,243	9,045
Prepaid expenses	<u>(17,528)</u>	-
	<u>(477,397)</u>	<u>(254,190)</u>
Cash Flows From Financing Activity		
Shares issued for cash	<u>1,186,036</u>	<u>519,379</u>
Cash Flows From Investing Activity		
Interest in mineral properties	<u>(671,445)</u>	<u>(218,892)</u>
Increase In Cash	37,194	46,297
Cash, Beginning Of Year	<u>101,117</u>	<u>54,820</u>
Cash, End Of Year	<u>\$ 138,311</u>	<u>\$ 101,117</u>
Supplementary Cash Flow Information		
200,000 common shares issued for mineral properties	<u>\$ -</u>	<u>\$ 30,000</u>

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

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

1. NATURE OF OPERATIONS

- i) The Company is incorporated under the laws of British Columbia, Canada, and is engaged in the exploration of its mineral property interests in Turkey.
- ii) The Company is in the process of exploring and developing its mineral properties and has not yet determined if the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, confirmation of title, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary incorporated in Turkey. All material inter-company transactions and balances have been eliminated on consolidation.

Mineral Properties and Deferred Costs

The Company records its interest in mineral properties at cost, less option income realized. The cost of mineral properties and related exploration costs are deferred until the properties are brought into production, sold or abandoned. These deferred costs will be amortized on the unit-of-production basis over the estimated useful life of the properties following the commencement of production or are written off if the properties are sold, allowed to lapse or abandoned. Amounts shown for the mineral properties and their related deferred exploration costs represent costs incurred and are not intended to reflect present or future values.

Management reviews capitalized costs on its mineral properties on a periodic basis and will recognize an impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property.

Stock Based Compensation

The Company follows the accounting recommendations for stock based compensation issued by the Canadian Institute of Chartered Accountants. Under this standard, all stock options granted to directors, employees and non-employees are accounted for using the fair value based method of accounting. Consideration paid on the exercise of stock options is credited to share capital.

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimate as additional information becomes available in the future.

Income Taxes

The Company uses the liability method of accounting for income taxes whereby future income taxes are recognized for the tax consequences of temporary differences by applying statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company provides a valuation allowance to reduce future income tax assets when it appears more likely than not that some or all of the future income tax asset will not be realized.

Financial instruments

The Company's financial instruments consist of cash, taxes recoverable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Loss Per Share

Loss per share is computed on the basis of the average number of shares outstanding during the year. Diluted loss per share is computed on the treasury stock method to give effect to the potential exercise of outstanding stock options and warrants. Diluted loss per share is not shown as the effect of the issuance of stock option, and warrants is antidilutive.

Foreign Currency Translation

Transactions recorded in foreign currencies are translated as follows:

- monetary assets and liabilities at the rate prevailing at the balance sheet date.
- non-monetary assets and liabilities at historic rates.
- income and expenses at the average rate in effect during the year.

Gains and/or losses on foreign exchange are included in the results of operations.

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations

The Company follows the recommendations of Section 3110, Asset Retirement Obligations, of the Canadian Institute of Chartered Accountants Handbook ("Section 3110"). Section 3110 applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal operation of a long-lived asset.

These recommendations require that the fair value of a liability for an asset retirement obligation be recorded in the period in which it is incurred. When the liability is initially recorded, the cost is capitalized by increasing the carrying amount of the related long-lived asset. Upon settlement of the liability, a gain or loss is recorded. This differs from the prior practice that involved accruing for the estimated reclamation and closure liability through charges to the statement of operations over the life of the mine. As at November 30, 2005, the Company does not have any asset retirement obligations.

3. INTEREST IN MINERAL PROPERTIES

- a) On December 4, 2002, the Company entered into an option agreement to acquire up to 100% in the Derinkoy and the Olucak mineral properties located in Turkey.

As consideration for the option agreement, the Company will issue to the optionor an aggregate of 1,100,000 common shares over various stages of earning the option interest, a further 1,000,000 common shares upon completion of a feasibility study, and an additional 2,000,000 common shares upon commencement of commercial production. In addition, the Company will reimburse the optionor for expenses totalling \$30,000 by the issue of 200,000 common shares (issued).

The option agreement provides that the Company will assume the underlying obligations of an option agreement dated November 5, 2002, as amended November 28, 2003.

Under the terms of the underlying agreement, to earn a 60% interest in the properties, the Company is required to incur not less than US\$150,000 on exploration. The optionor transferred the 60% interest to the Company after agreeing that the minimum expenditure commitment was waived.

On January 27, 2006, the Company entered into an agreement to acquire the remaining 40% interest in these properties by the issuance of 250,000 common shares of the Company, subject to a 1.5% net smelter return royalty (Note 6).

In addition, the Company will pay \$3,000,000 upon production of 2,500,000 ounces of gold (or equivalent value in silver or platinum group metal).

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

3. INTEREST IN MINERAL PROPERTIES (Continued)

- b) On December 1, 2004, the Company entered into an agreement to acquire a 65% interest in the Yenipazar Property located in Turkey.

To earn its interest, the Company is required to pay US\$25,000 on closing of the agreement (paid), US\$25,000 on each of the six month (paid), twelve month (paid) and twenty-four month anniversary dates, US\$50,000 each six months thereafter until the sixth year anniversary, at which time a payment of US\$500,000 for aggregate payments of \$950,000. In addition, the Company is required to expend up to US\$6,000,000 in exploration work on the property, of which US\$230,000 must be incurred by December 1, 2005. As at November 30, 2005, the Company had made its required periodic payments and incurred the required exploration expenditures. During 2005, the Company paid US\$26,145 to reimburse the optionor for expenses incurred on the property, and paid an aggregate of US\$50,000 for option payments (2004 – US\$25,000).

- c) The Company has incurred the following costs to November 30, 2005:

- i) Derinkoy and Olucak Properties

	2005	2004
Acquisition costs	\$ 155,693	\$ 63,825
Deferred exploration costs		
Drilling	-	66,141
Geological	-	57,584
Analytical	12,234	5,691
Rent of equipment	-	10,860
Vehicle and travel	-	15,107
Field office	-	11,806
Accommodation and supplies	-	14,812
Licenses	-	3,066
	12,234	185,067
Balance, beginning of year	224,973	39,906
Balance, end of year	237,207	224,973
Total expenditures	\$ 392,900	\$ 288,798

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

3. INTEREST IN MINERAL PROPERTIES (Continued)

ii) Yenipazar Property

	<u>2005</u>	<u>2004</u>
Deferred exploration costs		
Drilling	\$ 331,641	\$ -
Geological	134,520	-
Project expenses and employee costs	54,381	-
Travel and transportation	16,801	-
Report writing	30,000	-
	<u>567,343</u>	<u>-</u>
Balance, beginning of year	-	-
	<u>567,343</u>	<u>-</u>
Balance, end of year		
	<u>\$ 567,343</u>	<u>\$ -</u>
Total expenditures		
	<u>\$ 567,343</u>	<u>\$ -</u>

iii) Total Expenditures

	<u>2005</u>	<u>2004</u>
Derinkoy and Olucak Properties	\$ 392,900	\$ 288,798
Yenipazar Property	567,343	-
	<u>\$ 960,243</u>	<u>\$ 288,798</u>

4. SHARE CAPITAL

a) Authorized:

100,000,000 common shares without par value

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

4. SHARE CAPITAL (Continued)

b) Issued and outstanding:

	NUMBER OF SHARES	AMOUNT
Balance, November 30, 2003	2,128,384	\$ 3,102,630
Issued for cash and advances payable	4,500,000	800,000
Issued for fees	50,000	7,500
Issued for mineral property	200,000	30,000
Less: Share issue costs	-	(20,000)
Balance, November 30, 2004	6,878,384	3,920,130
Issued for warrants exercised	2,656,305	566,036
Issued for options exercised	625,000	250,000
Issued for broker options exercised	50,000	20,000
Issued for cash	500,000	350,000
Issued for fees	33,333	23,333
Transfer from contributed surplus on exercise of options	-	195,296
Less: Share issue costs	-	(23,333)
Balance, November 30, 2005	10,743,022	\$ 5,301,462

On October 7, 2004, the Company issued 500,000 units at a price of \$0.40 per unit and 50,000 units at a price of \$0.40 per unit as fees. Each unit consisted of one common share and one half warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.50 per share up to October 7, 2006.

On October 8, 2004, the Company issued 4,000,000 units at a price of \$0.15 per unit. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.20 per share up to October 7, 2006.

On September 19, 2005, the Company issued 500,000 units at a price of \$0.70 per unit and 33,333 units at a price of \$0.70 per unit as fees. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.85 per share up to September 9, 2007.

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

4. SHARE CAPITAL (Continued)

c) Stock Options

Under its Stock Option Plan the total number of shares which may be offered under, or issued under, for options granted shall not exceed 10% of the issued and outstanding common shares. The number, terms and conditions of options which may be issued to certain individuals are limited as required by the TSX Venture Exchange.

A summary of the Company's stock options as at November 30, 2005 and 2004, and the changes for those years is presented below:

	OPTIONS OUTSTANDIN G	WEIGHTED AVERAGE EXERCISE PRICE
Balance, November 30, 2003 and 2004	-	\$ -
Granted	1,685,000	0.68
Exercised	625,000	0.40
Balance, November 30, 2005	1,060,000	\$ 0.85

The fair value of option compensation totalling \$970,000 (2004 - \$Nil) to directors, employees and consultants is included as stock based compensation in the statement of operations and deficit.

The fair value of the stock options was estimated on the grant date using the Black-Scholes option-pricing model and is amortized over the vesting period of the underlying options. The assumptions used to calculate the fair value are as follows:

	2005	2004
Risk free interest rate	3.04% - 3.90%	-
Expected dividend yield	0	-
Expected lives	3 – 5 years	-
Volatility	107% - 136%	-

The weighted average fair value of the stock options granted during the year ended November 30, 2005 was \$0.58 (2004 - \$Nil).

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

4. SHARE CAPITAL (Continued)

d) Stock Options

The following table summarizes information about the stock options outstanding at November 30, 2005:

<u>OPTIONS OUTSTANDING</u>			<u>OPTIONS EXERCISABLE</u>	
<u>EXERCISE PRICE</u>	<u>NUMBER OF SHARES</u>	<u>REMAINING CONTRACTUAL LIFE (YEARS)</u>	<u>NUMBER OF SHARES</u>	<u>EXERCISE PRICE</u>
\$ 0.40	25,000	4.01	25,000	\$ 0.40
0.87	405,000	4.69	405,000	0.87
0.85	630,000	4.91	630,000	0.85
<u>\$ 0.85</u>	<u>1,060,000</u>	<u>4.81</u>	<u>1,060,000</u>	<u>\$ 0.85</u>

e) As at November 30, 2005 the following share purchase warrants were outstanding:

<u>NUMBER</u>	<u>EXPIRY DATE</u>	<u>EXERCISE PRICE</u>
1,517,945	October 7, 2006	\$0.20
150,750	October 7, 2006	\$0.50
533,333	September 9, 2007	\$0.85

f) Contributed Surplus

Balance, November 30, 2003 and 2004	\$ -
Fair value of options granted	970,000
Incentive stock options exercised	<u>(195,296)</u>
Balance, November 30, 2005	<u>\$ 774,704</u>

g) As at November 30, 2005, 1,348,728 of the issued shares are held in escrow, their release being subject to regulatory approval.

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

5. INCOME TAXES

The Company's provision for income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the loss as a result of the following:

	2005	2004
Statutory rates	34%	36%
Recovery of income taxes computed at statutory rates	\$ (508,707)	\$ (97,876)
Resource deduction	-	(25,624)
Non-deductible items	329,800	39,144
Share issue costs	(2,947)	(1,425)
Tax benefit not recognized on current year's losses	181,854	85,781
Future income tax expense	\$ -	\$ -

The tax effects of temporary timing differences that give rise to significant components of the future tax assets and future tax liabilities are as follows:

	2005	2004
Future tax assets (liabilities)		
Non-capital loss carry forward	\$ 511,543	\$ 367,599
Mineral properties	106,019	185,947
Share issue costs	10,426	5,699
Total future income tax assets	627,988	559,245
Less: Valuation allowance	(627,988)	(559,245)
Net future income taxes	\$ -	\$ -

ALDRIDGE MINERALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2005 AND 2004

5. INCOME TAXES (Continued)

The Company has non-capital losses carried forward of \$1,504,537 that may be available for tax purposes. These losses expire as follows:

<u>EXPIRY DATE</u>	<u>AMOUNT</u>
2006	\$ 115,891
2007	140,961
2008	186,482
2009	68,725
2010	214,828
2014	240,821
2015	<u>536,829</u>
	<u>\$ 1,504,537</u>

The Company has provided a full valuation allowance on the future tax assets as realization of the future tax asset is not considered likely.

6. SUBSEQUENT EVENTS

- i) On February 22, 2006, the Company issued 1,175,756 common shares for cash proceeds of \$1,293,332, and 41,200 common shares at a price of \$1.10 per share for finder's fees. The issuance was a private placement of 1,175,756 units, at \$1.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$1.29 per share for a two year period. The Company issued an aggregate of 41,200 units as a finder's fee.
- ii) On February 17, 2006, the Company issued 250,000 common shares pursuant to the agreement dated January 27, 2006 (Note 3(a))
- iii) On January 12, 2006, the Company issued 50,000 common shares for finder's fees on the Yenipazar Property.
- iv) Subsequent to November 30, 2005, the Company has issued an aggregate of 41,500 common shares on exercise of warrants for total proceeds of \$20,750.