



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

FOR THE YEAR ENDED NOVEMBER 30, 2011

Dated: February 24, 2012

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DATED FEBRUARY 24, 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 February 24, 2012 and should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended November 30, 2011 (the "Audited Financials"). Those consolidated financial statements 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) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if 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.

The Company's common shares ("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.aldrigeminerals.ca.

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 ANNUAL FINANCIAL INFORMATION

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

	NOVEMBER 30, 2011	NOVEMBER 30, 2010	NOVEMBER 30, 2009
Loss before income tax	\$ 4,755,419	\$ 3,679,402	\$ 2,694,436
Net loss per share	(0.13)	(0.13)	(0.12)
Cash and short-term investments	4,741,663	1,652,989	1,025,943
Working capital (i)	4,851,708	1,341,791	787,717
Total assets	26,035,391	17,633,378	14,614,197

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

The Company's capitalized mineral property acquisition and deferred costs are as follows:

	NOVEMBER 30, 2010	EXPENDITURES 2011	DISPOSALS & WRITE-DOWNS 2011	NOVEMBER 30, 2011
Yenipazar Property, Turkey	\$ 11,626,004	\$ 3,088,393	\$ -	\$ 14,714,397
Derinkoy Property, Turkey	1,285,695	2,314	(1,288,009)	-
Exploration Licenses, Turkey	1,486,364	68,849	(1,407,293)	147,920
License, Papua New Guinea	562,513	2,822,395	-	3,384,908
Total Mineral Properties	14,960,576	5,981,951	(2,695,302)	18,247,225

HIGHLIGHTS

Yenipazar Project – Turkey

- **Preliminary Economic Assessment** - In December 2010, the Company announced positive results from an independent, National Instrument 43-101 compliant, Technical Report and Preliminary Economic Assessment on the Yenipazar gold-silver-copper-zinc-lead project (the “Yenipazar Project”) prepared by P&E Mining Consultants Inc. (“P&E”), EHA Engineering Ltd. and BC Mining Research Ltd. (the “PEA”). 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. Pursuant to the PEA, the indicated and inferred resources at the Yenipazar Project, utilizing a NSR cut-off grade of US\$15/t, are:

Category	Tonnes	Gold g/t	Silver g/t	Copper %	Lead %	Zinc %
Indicated	24,284,000	1.09	33.8	0.31	1.16	1.50
Inferred	218,000	0.49	22.7	0.30	0.71	1.16

- **Definitive Feasibility Study Launched** - Jacobs Minerals Canada Inc. (“Jacobs”) was engaged to oversee a feasibility study (the “DFS”) for the Yenipazar Project together with a multi-disciplinary team of consultants (see press release dated June 24, 2011). This DFS will result in a National Instrument 43-101 compliant technical report. The Company estimates the DFS will be completed by the end of 2012.
- **Metallurgical Study Results** - The results of a metallurgical study of Yenipazar ore as conducted by G&T Metallurgical Services Ltd. (“G&T”) of Kamloops BC, was announced December 1, 2011. The gold gravity concentration tests indicate that about 50% of the gold is recoverable by gravity concentration. These results are a solid improvement in the recoveries from those of the PEA. The Company will continue to work on increasing the leachability of this concentrate and to establish even higher recoveries of gold in the flotation with an aim to recover at least 80% of the gold from Yenipazar.
- **Geotechnical Drill Program Results** - On February 15, 2012 the Company announced that a total of nine diamond drill holes were drilled to depths of approximately 200 metres. The holes were all located outside of the known mineralization and yielded mineralized intersections that should contribute to an increase in total resources at Yenipazar.

Kili Teke Project – Papua New Guinea (“PNG”)

- **Sampling and Geophysical Survey** - During the first seven months of fiscal year (“FY”) 2011, the Company conducted exploration fieldwork consisting of soil sampling, stream sediment sampling, channel and rock chip sampling, in addition to a geophysical survey undertaken in June 2011 on the Kili Teke Project license area in PNG.
- **Drill Program** – The Company conducted a drill program from August 2011 through January 2012. The original plan to drill seven holes was reduced to three holes due to technical problems, slow drilling and the difficulties involved in operating in a remote environment. Although the volume of drilling was significantly less than planned, the mineralization results of two of the holes confirmed the overall model of porphyry copper mineralization accompanied by skarn in the adjacent limestone. Results are as announced on January 31, 2012 follows:
 - 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.

Financing Activities

- **\$12,424,650 Financing** - On February 17, 2011, the Company closed a brokered private placement of 8,283,100 units ("Units") of the Company at a price of \$1.50 per Unit for gross proceeds of \$12,424,650. The Company also issued non-transferable broker warrants to acquire 579,817 Units of the Company at a price per Unit of \$1.50.
- **\$11,200,000 Financing** – On February 8, 2012, the Company announced a non-brokered private placement (the "Private Placement") to issue 16,000,000 common shares at a price of \$0.70 per share for gross proceeds of \$11,200,000 to ANT Holding Anonim Şti. ("ANT"), a strategic Turkish investor, pursuant to a memorandum of understanding. The subscription price of \$0.70 represents a premium of approximately 16.7% over the closing price of the Company's shares on February 7, 2012. Upon completion of the Private Placement, ANT will hold approximately 30.1% of the shares of Aldridge.

Derinkoy and Exploration Properties - Turkey

- **Derinkoy Write-off** - European Goldfields Ltd. ("EUG") terminated its option whereby it could earn up to a 70% interest in the Derinkoy Property. The Company subsequently determined it would not further fund exploration or development of this property and as a result recorded a \$1,288,009 write down of the property in February 2011.
- **Exploration License Disposals and Write-downs** - During the year the Company disposed of uranium exploration licenses of \$618,308, which were included in the Anatolia Energy Scheme of Arrangement. In the third and fourth quarters of FY 2011, the Company conducted an extensive evaluation of its exploration licenses in Turkey, which led to proceeds of \$52,374 from the disposal of licenses with carrying costs of \$495,583 and exploration license write-downs of \$293,402.

OUTLOOK

The successful completion of the proposed Private Placement announced on February 8, 2012 should provide the necessary funding and a strategic partner that positions Aldridge to move the Yenipazar Project toward the next stages of development. The Company's primary objectives for 2012 include the following:

- Complete the Private Placement of gross proceeds of \$11.2 million for 30.1% of the resulting issued and outstanding common shares, and develop the strategic partnership with ANT as announced February 8, 2012, which is subject to regulatory approval and shareholder approval at a meeting to be scheduled near the end of March 2012;
- Complete a drilling program on the Yenipazar Project to support the DFS and improve the economics of the project;
- Complete the DFS by the end of 2012 by spending approximately \$6.3 million to \$7.6 million;
- Actively seek partners or transactions which would allow the Company to realize maximum value from its PNG Property;
- Actively seek transactions which would allow the Company to realize maximum value from its non-core shareholdings in uranium exploration companies with assets in Turkey;
- Initiate project financing activities and strengthen the operational management team to coincide with the completion of the DFS and transition to the mine development stage; and
- Evaluate prospective exploration properties in Turkey to support the Company's strategic focus on Turkey.

BACKGROUND

Aldridge is a publicly-traded junior exploration company in the business of identifying and developing mineral properties in Turkey and PNG. Aldridge is advancing its flagship Yenipazar Project in Turkey with the DFS, which is building on the PEA. The deposit includes recoverable quantities of gold, silver, copper, lead and zinc. The DFS is expected to be completed by the end of 2012. Aldridge's PNG exploration license includes an area of approximately 338 square kilometres known as the Kili Teke license. The license area is prospective for gold, silver and copper. The Company's 2011 exploration program included mobilizing equipment and crew in August to conduct a drilling program that was completed in December 2011.

Aldridge incorporated a 100% owned Turkey subsidiary, Aldridge Mineral Madencilik Ltd. Şti. to obtain, develop and operate mining properties in Turkey. The Turkey subsidiary holds and may develop exploration licenses located outside the Yenipazar Project area. As at November 30, 2011, the Company employed 15 individuals in Turkey and also utilized consultants and contractors in connection with its exploration activities and the DFS. The Company is registered as a foreign operation in PNG and utilizes consultants and contractors to conduct its exploration activities in PNG.

OVERVIEW OF PROJECTS AND INVESTMENTS

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

- Yenipazar Property (gold-silver-copper-zinc-lead) - Turkey;
- Derinkoy Property – Turkey;
- Exploration licenses - Turkey;
- Kili Teke License (gold - copper) - Papua New Guinea;
- Investments – shares in Anatolia Energy Ltd. And Vetter Uranium Ltd.

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 Project on the Yenipazar Property which falls into the broad category of a metamorphosed volcanogenic massive sulphide (“VMS”) – the Yenipazar Project. The Yenipazar Project has a currently determined strike length of at least 1,700 metres averaging 150 metres in width and approximately 25 metres in thickness at depths between 30 and 190 metres. Much of the ore body is sitting at a depth of approximately 50 to 80 metres.

Property Ownership Structure

On December 1, 2004, the Company entered into an agreement with Alacer Gold Corp. (formerly Anatolia Minerals Development Limited) and its subsidiary (collectively, “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 (collectively, the “Option Agreement”).

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 December 1, 2012. Under the Option Agreement, should the DFS 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 DFS. 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.

Work Prior to FY 2011

From 2005 to 2009, the Company drilled 331 resource definition holes, including 329 reverse circulation (“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. Mineralized horizons appear to vary only slightly in thickness and elevation, which is an important aspect for open pit mining.

FY 2011 and YTD FY 2012

The Company’s investment in the Yenipazar Property increased by \$3,088,393 in the year ended November 30, 2011 (\$1,787,565 – 2010). On a quarterly basis, the investment increased as follows:

	<u>FY 2011</u>	<u>FY 2010</u>
Three months ending February 28 (‘Q1’)	\$ 739,006	\$ 225,234
Three months ending May 31 (‘Q2’)	603,177	376,150
Three months ending August 31 (‘Q3’)	422,274	707,106
Three months ending November 30 (‘Q4’)	<u>1,323,936</u>	<u>479,075</u>
Year ending November 30	<u>\$3,088,393</u>	<u>\$1,787,565</u>

In December 2010, the Company announced positive results from its PEA. 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. 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

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

The PEA includes an updated independent resource estimate prepared by P&E in accordance with CIM standards on resources and reserves definitions and guidelines. Pursuant to the PEA, the indicated and inferred resources at the Yenipazar Project, utilizing a NSR cut-off grade of US\$15/t, are:

Category	Tonnes	Gold g/t	Silver g/t	Copper %	Lead %	Zinc %
Indicated	24,284,000	1.09	33.8	0.31	1.16	1.50
Inferred	218,000	0.49	22.7	0.30	0.71	1.16

Notes:

- (1) The PEA is subject to the assumptions set out therein. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Due to the uncertainty of inferred mineral resources it cannot be assumed that all or any part of this resource will be upgraded to an indicated or measured resource as a result of continued exploration. To justify upgrading of the mineral resource to mineral reserve, demonstrated economic viability is required. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by technical, environmental, permitting, legal, title, taxation, socio-political, 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.

The PEA is preliminary in nature and its mineable tonnage includes 7% inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary assessment will be realized. The remaining 93% mineable resources are in the indicated classification.

In June 2011, the Company engaged Jacobs to oversee the DFS 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 DFS. Additionally, the Company intends to conduct exploration work on the Yenipazar Property in an attempt to increase the current resource and to discover other VMS bodies.

On October 11, 2011 the Company announced partial results from its summer infill 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 DFS. Almost all of the drill holes show levels of gold and silver greater than were encountered in the RC drilling done for the resource calculation as reported in the PEA. Highlights include: (i) 54.0 metres grading 6.95 g/t Au, 16.43 g/t Ag, 0.91% Cu, 0.31% Pb and 0.38% Zn; (ii) 15.0 metres grading 5.55 g/t Au, 158.65 g/t Ag, 1.13% Cu, 4.40% Pb and 5.47% Zn; and (iii) 20.0 metres grading 1.60 g/t Au, 58.24 g/t Ag, 0.50% Cu, 2.15% Pb and 3.84% Zn (see October 11, 2011 press release).

Q3 and Q4 2011 activity included infill 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 to date indicate 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. Results from the additional drilling will be evaluated as part of the DFS (see October 24, 2011 press release).

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 five drill holes selected to be as representative as possible of the overall resource grade at Yenipazar. One of the major goals of the study was to examine the potential to produce a gravity recoverable gold or "Pan" concentrate prior to flotation. Five open circuit cleaner tests were conducted with a gravity circuit to test this option. The gold gravity concentration tests indicate that about 50% of the gold is recoverable by gravity concentration. These results are a solid improvement in the recoveries from those of the PEA. The Company will continue to work on increasing the recoveries of gold in the flotation circuits as well, where most of the gold reports to the copper concentrate with relatively minor amounts reporting to the lead concentrate. The Company's aim is to consistently recover at least 80% of the gold from Yenipazar with more than half of this being produced in a doré bar after leaching (see December 1, 2011 press release).

The Company began the DFS in June 2011 and developed a detailed plan and schedule with its consultants, which contemplates spending approximately \$6.3 million to \$7.6 million to complete the DFS for the Yenipazar Project by the end of 2012. Depending on funding, the Company plans to duplicate a significant number of the existing RC drill holes with

diamond drill holes in order to confirm the higher grade results that were obtained with a limited number of diamond drill holes previously (see October 11, 2011 press release). If successful in demonstrating higher grades, particularly the precious metals grades, this would have a significant impact on the economics of the Yenipazar Project.

DERINKOY PROPERTY - TURKEY

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. The Company presently has no plans to fund exploration or development of this property and as a result the Company recorded a \$1,288,009 write down of the property in February 2011. The Company has in turn terminated its option agreements relating to the Derinkoy Property.

EXPLORATION LICENCES - TURKEY

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 the Company disposed of uranium exploration licenses of \$618,308, 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 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 or write down the value of 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 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 transaction was recorded as a disposal of mineral properties and the licenses were transferred to Kenz in Q4 2011.
- In August 2011 the Company agreed to sell five exploration licenses upon receipt of US\$100,000. As of November 30, 2011 the Company had received deposits totaling approximately US\$66,000 and expects to receive the balance owing in 2012, at which time the transaction will be recorded as a disposal of mineral properties.
- In Q4 2011, as a result of evaluating the potential costs of maintaining its other licenses and their exploration prospects, the Company wrote down its exploration licenses in Turkey by \$293,402.

KILI TEKE LICENSE – PNG

Property Overview

The Company holds an exploration license for an area of 338 square kilometres in the Southern Highlands province of PNG (the “Kili Teke License” or “PNG Property”). 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 PNG Property is located approximately 50 kilometres west of Barrick Gold Corporation’s Porgera gold mine and 150 kilometres east of the Ok Tedi copper-gold mine, along the same mineralized trend.

Property Ownership Structure

The PNG Property is 100% owned by Aldridge. 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 were \$2,822,395 resulting in capitalized exploration costs at November 30, 2011 of \$3,384,908, which exceed the minimum required to date.

The mineral license, issued for two years from February 2009, is renewable subject to the government processing of the renewal application, which was submitted as required in January 2011. The Company, as of February 14, 2012, was still awaiting confirmation of the license renewal. The Company has not been advised of any reason why the renewal would not be granted and, based on its PNG government contacts, believes that the renewal application will be processed in due course as the responsible government department clears its backlog of applications.

Work Prior to FY 2011

During FY 2009, the Company completed an initial exploration program on the PNG Property. Field work was carried out by an independent third party with extensive experience with copper-gold mineralization styles. Results indicated the presence of a large dioritic intrusive, including a minimum 2 square kilometre alteration zone containing a copper-gold system. Stream sediments showed significant gold-silver-copper and molybdenum values, which confirm the potential of the zone for high-sulphidation epithermal or porphyry mineralization.

During the fall of calendar 2010, the Company undertook a follow-up geological exploration program. After evaluating 76 rock samples and over 350 soil samples, it was determined that the Kili Teke mineralized zone, an area of approximately 2.0 x 0.5 kilometres, hosts a copper-gold porphyry with an overlying skarn system. Over 40 of the samples grades averaged 0.3% copper, 0.39g/t gold and 3.8g/t silver or better and the two highest grade samples returned values of an average of 29% copper, 60g/t gold and 238g/t silver, as reported in early January, 2011.

FY 2011 and YTD 2012

The Company's investment in the PNG Property increased by \$1,692,389 and \$2,822,395 in the three months and twelve months ended November 30, 2011, respectively, compared to \$212,977 and \$244,561 in the same periods in FY 2010. The increased expenditures are attributed to increased exploration fieldwork across its exploration license in the first half of the year and the drilling program that began in August 2011. The exploration fieldwork consisted of soil sampling, stream sediment sampling, and rock chip sampling, in addition to a geophysical survey.

In August 2011 the Company mobilized drilling equipment and crew to begin exploration drilling on the PNG Property. The initial plan was to complete about 2,000 metres, of diamond drilling by the end of 2011. In Q4 the estimate was revised downward to approximately 500 metres of drilling.

The total exploration and drilling program was initially expected to cost approximately \$2.0 million in 2011. After more detailed costing analysis, the estimate was increased to \$2.5 million. Difficult terrain, technical drilling issues, and unexpected delays resulted in cost over-runs. Expenditures, in the three months ending and year ending November 30, 2011 (Q4 and FY 2011, respectively) were \$1,592,389 and \$2,822,395, respectively. Completion of the drilling program, including demobilization is estimated to cost between \$350,000 and \$500,000 during the first four months of FY 2012.

During December 2011 the Company completed the drilling program and concluded the demobilization of the equipment and contractors in January 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, in Q1 FY 2012 will complete its technical review of the exploration and drilling program on the Kili Teke license. The Company expects to develop and execute a plan to actively seek partners or transactions which would allow the Company to realize the maximum value from its investments in its Kili Teke exploration license in PNG.

INVESTMENTS - ANATOLIA ENERGY LTD AND VETTER URANIUM LTD.

During FY 2008, Aldridge acquired, partially via state auction, 86 mineral licenses with potential for sandstone-hosted uranium, some of which contain demonstrated uranium mineralization. On December 31, 2008, the Company completed the spin-off (the "Aldridge Uranium Spin-Off") of a 68.5% interest in Aldridge Uranium Inc. ("Aldridge Uranium"). Upon completion of the Aldridge Uranium Spin-Off, the Company held 31.5% of the outstanding shares of Aldridge Uranium.

From that date until the date of closing the Scheme of Arrangement transaction (discussed below) in the first quarter of FY 2011, Aldridge Uranium was accounted for as an equity investment as it was deemed to have remained subject to significant influence by the Company.

On March 5, 2010, Aldridge Uranium entered into a Scheme of Arrangement Implementation and Farm-in Joint Venture Agreement ("Scheme of Arrangement") with Australian listed company Anatolia Energy formerly AWH Corporation Ltd., and its wholly-owned subsidiary Constellres Ltd. On December 3, 2010, the Scheme of Arrangement was approved by shareholders of Aldridge Uranium, Anatolia Energy and by the Australian Stock Exchange. To acquire a 35% interest in Aldridge Uranium, Anatolia Energy issued 31,233,000 fully paid ordinary shares and 11,692,009 Class A performance shares to the former shareholders of Aldridge Uranium, including the Company, pursuant to the Scheme of Arrangement. To acquire the remaining 65% interest in Aldridge Uranium, Vetter Uranium Ltd. ("Vetter") one of the joint venture partners exchanged 21,713,897 ordinary shares to the former shareholders of Aldridge Uranium, including the Company, pursuant to the Scheme of Arrangement.

In February 2011, the Scheme of Arrangement closed and the Company received \$831,283 in cash, 8,150,633 Anatolia Energy ordinary shares, 3,051,196 Class A performance shares (described below) in Anatolia Energy and the settlement of its loan to Aldridge Uranium of \$256,233. The Company holds 5,666,506 shares in Vetter for approximately a 26% interest. All of the Anatolia Energy shares were subject to a 12 month escrow imposed by the Australian Securities Exchange which expired on February 10, 2012. The assigned fair value of the aggregate of Anatolia Energy ordinary shares and Class A performance shares amounted to \$1,857,368 and was initially allocated to the ordinary shares. The Company's carrying cost of its common shares of Vetter is \$245,737. During the year ended November 30, 2011, the Company has recognized a gain on disposition of its interest in Aldridge Uranium of \$1,681,219 reflecting the difference between the fair value of the assets acquired and the assets given up.

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 Energy. If the Project (defined herein) is 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 Energy will entitle the holder to be issued 0.30309 Anatolia Energy ordinary shares for each 1 million pounds of contained uranium in the resource estimate in excess of 15 million pounds, but less than 20 million pounds (or a total of 3,543,784 Anatolia Energy ordinary shares for each 1 million pounds of contained uranium).

During 2011, Anatolia Energy announced a resource increase to 17.4 million pounds of contained uranium. As such, a conversion factor of 0.606058 was applied to the Company's 3,051,196 Class A performance shares resulting in the issuance of 1,849,571 additional ordinary shares to the Company at the end of the escrow period in February 2012. Additional Anatolia Energy ordinary shares will be issued to the Company if the Project is found to have a JORC Code compliant resource estimate of between 18 million pounds and 20 million pounds of contained uranium.

To earn an interest of up to 75% in Aldridge Uranium's properties (the "Project"), Anatolia Energy must incur exploration expenditures of A\$15 million on the Project, and progress the Project to a bankable feasibility study or incur total expenditures of A\$20 million. Further, on completion of the Arrangement, the Aldridge Uranium shareholders received 31.7% of Anatolia Energy, which can be increased up to 44 % depending on achievement of uranium resource milestones up to 20 million pounds of uranium (U3O8), in exchange for their former 35% interest in Aldridge Uranium. If Anatolia Energy 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 Energy 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.

	November 30, 2011	November 30, 2010
Aldridge Uranium Inc.	\$ -	\$ 378,578
Anatolia Energy Ltd. - Ordinary shares (a)	936,631	-
Anatolia Energy Ltd. - Class A performance shares (b)	212,547	-
Vetter Uranium Ltd. (c)	245,737	-
Long-term investments	\$ 1,394,915	\$ 378,578

- a) The assigned fair value of the aggregate of Anatolia Energy Ltd. (“Anatolia Energy”), ordinary shares and Class A performance shares amounted to \$2,066,922 and was initially allocated to the ordinary shares. At November 30, 2011 the value of such shares was adjusted to the market value based on the share price on the Australia Stock Exchange, which resulted in 920,737 in unrealized loss on available-for-sale assets for the year ended November 30, 2011.
- b) On July 28, 2011 Anatolia Energy announced a resource increase to 17.4 million pounds of contained uranium. Pursuant to the Scheme of Arrangement, the increase in reserves resulted in the issuance of 1,849,571 additional ordinary shares to the Company at the end of the escrow period in February 2012. At November 30, 2011 the estimated aggregate value of the Anatolia Energy ordinary shares and Class A performance shares was allocated separately to represent the estimated market value of the respective shares.
- c) The cost of the interest in Vetter Uranium Ltd., a private company, was initially recorded at fair value and henceforth carried at cost.

MARKET TRENDS

Gold, silver, and copper prices have been on an uptrend over the last three years, although all three metals are currently trading well below their 52-week highs. The price of gold has increased from US\$942.00/oz on February 15, 2009 to US\$1,722.00/oz on February 15, 2012. Over the same period, the price of silver has risen from US\$13.67/oz to US\$33.68/oz and the price of copper has risen from approximately US\$1.50/lb to US\$3.80/lb. Over the last three months, there has been an increase in trading volatility of the three metals, a possible reflection of the current level of uncertainty surrounding world markets.

Over the last three years, the prices of lead and zinc have also increased. Since February 2009, the price of lead has increased from approximately US\$0.50/lb to US\$0.93/lb and the price of zinc has increased from approximately US\$0.50/lb to US\$0.92/lb. Over the last three months, the prices of lead and zinc have both traded between approximately US\$0.85/lb and US\$1.00/lb.

The Company anticipates that it will continue to experience net losses as a result of ongoing exploration, development and operating activities until such time as revenue-generating activity is commenced. 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)

FINANCING ACTIVITIES

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.

During the second half of 2011 the Company investigated a number of different financing options and strategic partnerships, including brokered and non-brokered private placement opportunities in Canada and in Turkey. Resulting from these efforts was the February 8, 2012 announcement of the memorandum of understanding with ANT of the non-brokered Private Placement to issue 16,000,000 common shares at a price of \$0.70 per share for gross proceeds of \$11,200,000. The subscription price of \$0.70 represents a premium of approximately 16.7% over the closing price of the Company's shares on February 7, 2012. Upon completion of the Private Placement, ANT will hold approximately 30.1% of the resulting issued and outstanding common shares of Aldridge, which results in a new control person as defined by the TSX Venture Exchange. The Company will pay a finder's fee of 5% in cash to an arms-length Turkish-based party.

The significant terms of the Private Placement include:

- Two year standstill, lockup and voting commitments which will underpin the strategic partnership between Aldridge and ANT during the 2012 completion of the DFS and facilitate the launch of the project financing process required for the development of Yenipazar. The lockup provision will not apply to 8% of the issued and outstanding common shares held by ANT, or 4,266,667 of the 16,000,000 common shares to be issued to ANT;
- 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;
- Aldridge and ANT will use their best efforts to execute a definitive investment agreement by February 25, 2012. If a definitive investment agreement is not executed by this date, ANT may advance to Aldridge an amount equal to \$2 million of the total amount of the Private Placement for working capital. If the Private Placement is not approved by the shareholders of Aldridge, any advance from ANT will be converted into common shares of Aldridge at a price of \$0.60 per common share;
- The Private Placement is subject to, among other things, the execution of a definitive investment agreement, approval of the TSX Venture Exchange, and approval by the Company's shareholders at a meeting to be held in March 2012.

On June 15, 2011 shareholders approved the adoption of a shareholder rights plan ("Plan"), which was previously announced by Aldridge on May 11, 2011. The Plan is designed to ensure that the Company's shareholders are treated fairly in the event of a take-over bid for the Company's common shares and that the Company will have adequate time to evaluate any unsolicited take-over bid and, if appropriate, to evaluate and pursue alternatives to maximize shareholder value.

RESULTS OF OPERATIONS

For the three and twelve month periods ended November 30, 2011 compared with the same periods in 2010

For the three and twelve month periods ended November 30, 2011, the Company incurred net losses of \$3,202,588 and \$4,755,419, respectively as compared to losses of \$1,743,850 and \$3,679,402 in the same periods in 2010. The increase in the twelve month loss was primarily due to the Q4 2011 write-downs and loss on disposal of licenses in Turkey of \$1,407,293 and the Q1 2011 write-down of the Derinkoy Project by \$1,288,009, which were mostly offset by the \$1,681,219 gain on the disposition of the investment in Aldridge Uranium Inc. recorded in Q1 2011. The Company's other operating expense increases were offset by the reduction in stock-based compensation of \$1,172,927 for the FY 2011 compared to FY 2010. The Company has not generated any operating revenues to date. Interest earned on unused cash is incidental income.

Additional comments on expense item changes follow:

- Administration costs – Turkey office decreased by \$98,150 in Q4 compared to the same period last year, while the expenses for the full year were virtually the same as the prior year. Increased emphasis on the DFS in Q4 2011 resulted in a shift of resources and costs away from administration and directly to the Yenipazar Property.
- Total management fees and salaries in FY2011 were \$553,702 or almost the same as the \$554,328 cost incurred in FY 2010. Salaries and benefits increased by \$112,679 and \$86,950 for the three months and year ended November 30, 2011 compared to the same periods in 2010. Management fees for the three months and year ended November 30,

2011 decreased by \$87,576 and \$84,491, respectively, compared to the comparative 2010 periods. The shift in management fees to salaries resulted from moving the head office from Vancouver to Toronto in Q4 2101 and building the management team to develop the Company's properties.

- Directors' fees for FY 2011 increased to \$277,167 from \$185,250 in 2010 primarily due to higher fees paid to the Chairman for the first nine months of the year.
- Office and sundry expenses increased by \$151,609 to \$272,962 for the year ended November 30, 2011 compared 2010 due to the move to the larger office space in Toronto required to accommodate additional staff and increased exploration project activity.
- Consulting fees for the three months and year ended November 30, 2011 were \$66,937 and \$303,915, respectively compared to \$53,250 and \$94,750 for the 2010 comparative periods. This increase is due to the 2011 engagement of certain strategic and technical consultants to assist in staff planning and recruiting and corporate development.
- Professional fees increased by \$432,547 to \$565,275 for the year ended November 30, 2011, and by \$100,437 to \$133,223 in Q4 compared to the same periods in the prior year. The increases resulted from increased corporate activities and additional legal work related to proposed vendor contracts and corporate support and additional accounting fees related to tax services and quarterly financial statement reviews by the Company's auditors.
- Stock-based compensation of \$165,598 and \$560,273 for the three months and year ended November 30, 2011 were \$1,085,102 and \$1,172,927 lower than in the comparable periods in 2010. The changes are due to the different timing and amounts of stock options granted, as described in more detail in the consolidated financial statements.
- In the three months and year ended November 30, 2011 shareholder information costs were \$108,107 and \$379,817, respectively, or \$25,152 and \$59,684 more than in the same periods last year. The Company increased its efforts in 2011 to communicate to existing and prospective shareholders regarding its business progress.
- In Q1, 2011, EUG terminated the option on the Derinkoy property and as such the Company incurred a write-down of the property of \$1,288,009 and terminated its option on this property. In Q1 the Scheme of Arrangement resulted in the write-down of \$618,308 of licenses. In Q3 and Q4 the Company evaluated its exploration licenses in Turkey resulting in write-downs of \$293,402 and a \$443,209 loss on disposal of licenses carried at a cost of \$495,583. No such write-downs occurred in the 2010 comparative periods.
- Interest income for the year ended November 30, 2011 was \$139,055 compared to \$45,106 in 2010. The increase is attributable to increased amount of cash and short term investments resulting from the \$11,493,503 net proceeds from the issuance of common shares in 2011 compared to the \$4,714,556 in net proceeds from the private placement in 2010.
- Net foreign exchange gains of \$42,513 in the year ended November 30, 2011, compared to a gain of \$143,037 in 2010. The 2011 gains related primarily to the Canadian dollar strengthening against the Turkish Lira.
- For the year ended November 30, 2010, the Company recorded an equity loss of \$89,760, on its investment in Aldridge Uranium, based upon its proportionate share of Aldridge Uranium's losses for the period. In the three months ended February 28, 2011, the investment in Aldridge Uranium was recorded at cost, until it was deemed to have been divested, since the Company's indirect ownership interest fell below 20%. In Q1 2011, the Company recorded a gain on disposition of investment in Aldridge Uranium Inc. of \$2,509,081 while in the 2010 comparative period there was no gain.
- During the year ended November 30, 2011, the Company's investment in Anatolia Energy ordinary shares, which it acquired as a result of the February 2011 Scheme of Arrangement, the market value of the ordinary shares declined in market value resulting in unrealized losses on available-for-sale investments for the year ended November 30, 2011 of \$920,737. At November 30, 2010, the Company determined that this unrealized loss was other than a temporary impairment and recorded it as an expense.

- During the year ended November 30, 2011, the Company's investment in Anatolia Energy Class A performance shares, which it acquired as a result of the February 2011 Scheme of Arrangement, increased in value from \$nil to \$212,547 at November 30, 2010. The Class A Performance shares have a derivative feature whereby if the related project is 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 Energy will entitle the holder to be issued 0.303092 Anatolia Energy ordinary shares for each 1 million pounds of contained uranium in the resource estimate in excess of 15 million pounds, but less than 20 million pounds (or a total of 3,543,784 Anatolia Energy ordinary shares). During 2011, Anatolia Energy announced an increase in reserves to 17.41 million pounds of contained uranium. Anatolia Energy 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 to be issued to the Company in February 2012 upon the expiry of the 12 month escrow period.

The Company has incurred exploration expenditures as follows:

	November 30, 2010	Deferred Expenditure	Disposal	Write-down	November 30, 2011
Yenipazar Property	\$ 11,626,004	\$ 3,088,393	\$ -	\$ -	\$ 14,714,397
Derinkoy Property	1,285,695	2,314	-	(1,288,009)	-
Exploration Licenses	1,486,364	68,849	(1,113,891)	(293,402)	147,920
PNG License	562,513	2,822,395	-	-	3,384,908
	\$ 14,960,576	\$ 5,981,951	\$ (1,113,891)	\$ (1,581,411)	\$ 18,247,225

	November 30 2011 (\$)	November 30 2010 (\$)
Mineral Properties:		
Yenipazar Property, Turkey:		
Acquisition Costs	1,513,127	1,008,227
Deferred exploration costs		
Drilling	701,447	402,348
Analytical	217,303	292,035
Project expenses and employee costs	841,055	721,673
Travel and transportation	72,068	32,884
Consulting	343,922	36,630
Geological and technical	91,475	-
	2,267,269	1,485,570
Balance, beginning of period	11,061,787	9,379,457
Balance, end of period	13,329,056	10,865,027
Future income tax liability, current period	316,224	196,760
Total expenditures - Yenipazar Property	14,714,397	12,070,014
Derinkoy Property, Turkey:		
Acquisition Costs	533,075	533,075
Deferred exploration costs		
Project expenses and employee costs	2,314	33,329
Licenses and fees	-	2,215
	2,314	35,544
Balance, beginning of period	752,620	712,856
Balance, end of period	754,934	748,400
Less: Write-down of Derinkoy property	(1,288,009)	
Future income tax liability, current period	-	4,220
Total expenditures - Derinkoy Property	-	1,285,695
Exploration Licenses:		
Acquisition Costs	430,725	430,725
Deferred exploration costs		
Geological	-	24,620
Analytical	840	2,629
Project expenses and employee costs	33,526	22,845
Travel and transportation	2,243	6,933
Licenses and fees	32,240	43,066
	68,849	100,093
Write-downs	(293,402)	-
Disposal of licenses	(1,113,891)	-
Balance, beginning of period	1,055,639	943,661
Balance, end of period	147,920	1,043,754
Future income tax liability, current period	-	11,885
Total expenditures – Exploration Licenses	147,920	1,486,364

	November 30 2011	November 30 2010
	(\$)	(\$)
Mineral Properties:		
PNG Property:		
Acquisition Costs	68,171	68,171
Deferred exploration costs		
Assays and Analytical	140,695	5,931
Consulting and employee costs	368,518	198,068
Drilling	561,571	-
Geophysical	144,158	-
Helicopter and fuel	1,352,818	-
Travel and accommodation	142,753	14,605
Other project costs	111,882	-
	<u>2,822,395</u>	<u>218,604</u>
Balance, beginning of period	494,342	249,781
Balance, end of period	<u>3,316,737</u>	<u>468,385</u>
Future income tax liability, current period	-	25,957
	<u>3,384,908</u>	<u>562,513</u>
Total expenditures – PNG Property	3,384,908	562,513
Total expenditures across all properties	18,247,225	14,960,576

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	Total revenues	Net income (loss) \$	Basic income (loss) per share \$	Total Assets \$
November 30, 2011	Nil	(3,202,588)	(0.07)	25,719,167
August 31, 2011	Nil	(1,203,665)	(0.03)	27,867,837
May 31, 2011	Nil	(1,120,126)	(0.03)	28,793,406
February 28, 2011	Nil	770,960	0.03 ⁽¹⁾	30,064,365
November 30, 2010	Nil	(1,743,699)	(0.06)	17,633,378
August 31, 2010	Nil	(697,541)	(0.02)	17,862,221
May 31, 2010	Nil	(829,069)	(0.03)	18,515,535
February 28, 2010	Nil	(408,942)	(0.01)	18,974,455

⁽¹⁾ Diluted income per share - \$0.02

Notes:

- Net income (loss) from continuing operations is identical to total net income (loss) for each quarter listed.
- 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”.

Debt financing has not been used to fund the Company’s property acquisitions and exploration activities. The Company has no current plans to use debt financing for such transactions and 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 November 30, 2011 totaled \$4,741,663. The Company’s spending plans for the Yenipazar DFS, PNG and general and administrative expenses are estimated between \$900,000 and \$1,300,000 per month for the first five months of FY 2012. Additional financing will be required to complete the DFS and operate in FY 2012.

On February 17, 2011, the Company completed a private placement and received net proceeds of \$11,493,503. At November 30, 2011, the Company had working capital (current assets less current liabilities) of \$4,851,708 as compared to \$1,341,792 at November 30, 2010. The increase in working capital of \$3,509,916 is primarily as a result of the private placement completed in February 2011. The proceeds of the private placement were to advance the exploration and development of the Yenipazar Property, the PNG Property and for general working capital purposes. The Company will have to raise additional funds in 2012 to enable it to pay for its operational activities and to continue its exploration and development programs. On February 8, 2012, the Company announced a non-brokered private placement (the “Private Placement”) to issue 16,000,000 common shares at a price of \$0.70 per share for gross proceeds of \$11,200,000 to ANT Holding Anonim Şti. (“ANT”), a strategic Turkish investor, pursuant to a memorandum of understanding.

Operating Activities: Cash flows used in operating activities for the three months and year ended November 30, 2011 were \$942,030 and \$4,072,814, respectively. For the same periods in 2010 the cash used was \$298,033 and \$1,952,216, respectively. Operating activities for the year ended November 30, 2011 were affected by the net decrease in non-cash working capital balances of \$944,037 (\$25,315 in 2010) because of increases in amounts receivable of \$639,165, prepaid expenses of \$268,289, accounts payable and accrued liabilities of \$43,204 and a decrease in amounts due to related parties of \$6,621. The Company also recorded a stock-based compensation expense of \$560,273, amortization of \$35,204, a gain on disposition of investment in Aldridge Uranium of \$1,681,291 and mineral properties write-downs, of \$1,581,411 and disposals of \$495,583.

Investing Activities: For the three months and year ended November 30, 2011, investing activities consisted of expenditures on mineral properties of \$2,543,880 and \$5,115,166, respectively compared to \$425,024 and \$1,880,877 in the comparative 2010 periods. This is due to the exploration and DFS costs related to the Yenipazar Property, including the \$504,900 option payment made in the Q1 and the \$2,822,395 invested in the exploration and drilling program in PNG.

Financing Activities: For the year ended November 30, 2011, the Company received net proceeds of \$11,493,503 from its February 2011 private placement compared to \$4,714,556 in the comparative 2010 period. Proceeds from the exercise of stock options and warrants in the three and year ended November 30, 2011 were \$nil and \$300,500, respectively compared to \$nil in the comparative 2010 periods.

The Company’s commitments include an operating lease agreement for its previous head office premises in Vancouver, expiring August 31, 2012. This agreement was amended in July 2009, reducing the square footage and cost. The agreement was further amended in June 2010, whereby the Company has significantly reduced its lease commitment by subletting its space to a third party. The minimum lease payments for FY 2012 total \$19,095.

The Company leases office space in Ankara, Turkey pursuant to an agreement 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 2012.

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.

The total minimum lease payments are as follows:

FY ending November 30, 2012	257,242
FY ending November 30, 2013	234,181
FY ending November 30, 2014	188,179

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 and PNG including reports on exploration, annual reports on operation projects, per hectare fee deposits.

RELATED PARTY TRANSACTIONS

During the year ended November 30, 2011, the Company paid or accrued:

- a) Management fees of \$343,250 (2010 - \$430,826) to directors and officers of the Company;
- b) Directors' fees of \$277,167 (2010 - \$185,250);
- c) Salary and benefits of \$nil (2010 - \$103,404)
- d) Geological consulting fees of \$227,918 (2010 - \$134,582), included in the capitalized costs of the mineral properties in Turkey, to two directors of the Company.

Certain members of Aldridge's senior executive team receive remuneration in the form of consulting fees through their respective holding companies. These fees are considered related party transactions and are included in "management fees" and "geological consulting fees" listed above.

Due to related parties of \$101,144 (November 30, 2010 - \$105,606) consists of amounts owing to directors and officers of the Company. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

During FY 2010, the Company advanced \$250,000 to Aldridge Uranium under a short-term loan agreement. Interest accrued to February 28, 2011, at a rate equivalent to the prime rate, totaled \$6,233. On March 1, 2011, this loan was repaid in full.

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 8 "Interest in Mineral Properties" contained in the Audited Financials.

SHARE CAPITAL AS AT FEBRUARY 24, 2012:

- (a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	100,000,000	37,093,841

- (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.

(c) As at February 24, 2012, the following stock options were outstanding:

Expiry Date	Exercise Price	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
March 8, 2012	2.60	75,000	75,000	0.27
July 24, 2012	2.88	30,000	30,000	0.65
February 6, 2013	2.24	33,000	33,000	1.19
February 19, 2013	2.40	37,000	37,000	1.22
July 15, 2013	2.40	200,000	200,000	1.62
December 22, 2013	2.04	65,000	65,000	2.06
October 9, 2014	1.40	935,000	935,000	2.86
February 11, 2015	1.20	250,000	250,000	3.20
April 28, 2015	0.88	400,000	400,000	3.41
November 9, 2015	1.11	400,000	400,000	3.95
November 30, 2015	1.40	850,000	850,000	4.00
February 22, 2016	1.46	50,000	50,000	4.23
March 21, 2016	1.06	200,000	133,334	4.31
March 30, 2016	1.29	60,000	60,000	4.33
June 15, 2016	1.25	400,000	100,000	4.55
June 20, 2016	1.05	200,000	50,000	4.56
August 3, 2016	0.80	110,000	27,500	4.68
November 15, 2016	0.88	500,000	125,000	4.96
	\$1.31	4,795,000	3,820,834	3.65

(d) As at February 24, 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
	\$1.82	4,721,367	\$2,591,948

CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard its ability to continue as a going concern;
- to continue the development and exploration of its mineral properties; and
- 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 November 30, 2011 totaled \$23,396,653 (November 30, 2010 - \$15,797,796).

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 three and twelve month periods ended November 30, 2011.

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

SUBSEQUENT EVENTS

On February 7, 2012 Jacob Willoughby resigned as President effective March 31, 2012 and stepped down as a director effective immediately.

On February 8, 2012, the Company announced the non-brokered Private Placement to issue 16,000,000 common shares at a price of \$0.70 per share for gross proceeds of \$11,200,000 to ANT pursuant to a memorandum of understanding. The subscription price of \$0.70 represents a premium of approximately 16.7% over the closing price of the Company's shares on February 7, 2012. Upon completion of the Private Placement, ANT will hold approximately 30.1% of the resulting issued and outstanding common shares of Aldridge, which results in a new control person as defined by the TSX Venture Exchange. The significant terms of the Private Placement include:

- Two-year standstill, lockup and voting commitments which will underpin the strategic partnership between Aldridge and ANT during the 2012 completion of the DFS and facilitate the launch of the project financing process required for the development of Yenipazar. The lockup provision will not apply to 8% of the issued and outstanding common shares of Aldridge held by ANT, or 4,266,667 common shares of the 16,000,000 common shares to be issued;
- 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;
- Aldridge and ANT will use their best efforts to execute a definitive investment agreement by February 25, 2012. If a definitive investment agreement is not executed by this date, ANT will advance to Aldridge an amount equal to \$2 million of the total amount of the Private Placement for working capital. If the Private Placement is not approved by the shareholders of Aldridge, this advance from ANT will be converted into common shares of Aldridge at a price of \$0.60 per common share;
- The Private Placement is subject to, among other things, the execution of a definitive investment agreement, approval of the TSX Venture Exchange, and approval by the Company's shareholders at a meeting expected to be held in March 2012.
- The Company will pay a finder's fee of 5% in cash to an arms-length Turkish-based party.

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. In certain countries in which the Company has assets and operations, such 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. Currency exchange rate fluctuations may affect the cost of the Company's operations and exploration and development activities.

QUALIFIED PERSON

Martin S. Oczlon, PhD Geo, Vice President Exploration and a director of Aldridge and Qualified Person as defined in NI 43-101, has 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 audited consolidated financial statements as at November 30, 2010. The Company's accounting policies relating to investment in mineral properties and deferred costs are critical accounting policies that are subject to estimates and assumptions regarding future activities.

Long-term Investments

The Company accounts for its investments as available for sale financial assets, whereby the investment is measured at fair value, with changes in fair value, except for impairment losses that are other than temporary, recognized in other comprehensive income. When the investment is derecognized, the cumulative gain or loss previously included in accumulated other comprehensive income is recognized in earnings for the year.

Mineral Properties

The Company accounts for its mineral properties on a cost basis whereby all direct costs, net of revenue earned prior to production, relative to the acquisition of and exploration of the properties are capitalized. Amounts shown for the mineral properties represent capitalized costs incurred and are not intended to reflect present or future values. All sales and option proceeds received are first credited against the costs of the related property, with any excess credited to earnings. Once production has commenced, the net costs of the applicable property are charged to operations using the unit-of-production method based upon estimated proven and probable recoverable reserves. The net costs related to abandoned properties are charged to operations. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based on changes in conditions and assumptions that a material change in the recorded amounts could be required.

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").

Impairment of long-lived assets

The carrying value of mineral properties at November 30, 2011 was \$18,247,225 (November 30, 2010 - \$14,960,576) and for property and equipment was \$391,741 (November 30, 2010 - \$114,864). Long-lived assets are assessed for impairment when events and circumstances indicate the related carrying values may not be recoverable. This assessment is based on whether factors that may indicate the need for a write-down are present. If the Company determines there has been impairment, then it would be required to write-down the recorded value of its investment in mineral properties which would reduce the Company's earnings and net assets.

Asset Retirement Obligations

The Company is required to recognize a liability for an asset retirement obligation on long-lived assets when a legal liability exists and the amount of the liability is reasonably determinable. Asset retirement obligations are calculated on discounted future payment estimates and the liability is accreted over the expected term of the obligation. Subsequent adjustments are made when there are changes to the underlying assumptions. Corresponding amounts and adjustments are added to the carrying value of the related long-lived asset and charged to operations in accordance with accounting policy. At November 30, 2011 and November 30, 2010, the Company has recorded an asset retirement obligation of \$48,732 and \$48,012, respectively, in regards to the shaft on the Yenipazar Property.

Stock based compensation

Compensatory stock based transactions with directors, officers, employees and consultants are recorded at estimated fair value. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. Transactions are charged to operations or capitalized to mineral properties as appropriate, with an offsetting credit to contributed surplus. The fair value of stock options, which vest immediately, is recorded at the date of grant. The fair value of options, which vest in the future, is recognized over the vesting period using the straight line method. Stock options issued to consultants that vest over time are valued at the grant date and subsequently valued on each vesting date. ***Users of the financial statements should be cautious about the valuation of stock-based compensation 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 and PNG licenses. Any adverse development affecting these properties and licenses could have a material adverse effect on the Company's financial position and 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 counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, short-term investments and amounts receivable. 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 with which it keeps its bank accounts and management believes the risk to be remote.

Financial instruments included in amounts receivable consist of harmonized sales tax receivable from government authorities in Canada and accrued interest. Management believes that the credit risk concentration with respect to amounts receivable 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 November 30, 2011, the Company had cash and short term investments of \$4,741,663 comprising of \$141,743 in cash and \$4,600,000 in a guaranteed investment certificate ("GIC") (Cash and short term investments at November 30, 2010 - \$1,652,989) to settle current liabilities of \$1,069,396 (November 30, 2010 - \$583,184). All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. At November 30, 2011 the Company's working capital (current assets less current liabilities) was \$4,851,708 (November 30, 2010 - \$1,341,792).

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") and PNG Kina ("PGK"). The Company funds exploration expenditure in Turkey and PNG. 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

The Company has, for accounting purposes, designated its cash and short-term investments as held for trading, which are measured at fair value. Amounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost and approximate fair value. Accounts payable and accrued liabilities and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost and also approximate fair value.

As at 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 denominated in TRY, PGK, Euro and USD and is subject to foreign currency risk. As at November 30, 2011, had the TRY, PGK and USD weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's income would have been approximately \$33,000 lower/higher and reported shareholders' equity would have been approximately \$33,000 lower/higher.

(d) Fair value hierarchy

Cash of \$141,663 and short-term investments of \$4,600,000 were considered Level 2 within the fair value hierarchy as at November 30, 2011 (at November 30, 2010 Level 2: Cash \$152,989 and short-term investments \$1,500,000). Long-term investments of \$1,149,178 were considered Level 1, within the fair value hierarchy as at November 30, 2011 (at November 30, 2010 Level 3: Long-term investments \$378,578).

FUTURE ACCOUNTING POLICY CHANGES

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

Sections 1582 Business Combinations, 1601, Consolidated Financial Statements and 1602 Non-controlling Interests will replace the former Sections 1581, Business Combinations and 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 is effective for business combinations for which the acquisition date is on or after January 1, 2011 and Sections 1601 and 1602 apply to consolidated financial statements relating to years beginning on or after January 1, 2011. The Company is currently evaluating the effects of adopting this standard.

International Financial Reporting Standards (“IFRS”)

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended February 29, 2012. The Company's 2012 interim and annual financial statements will include comparative 2011 financial statements, adjusted to comply with IFRS.

IFRS Transition Plan

The Company has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards.	Complete
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	In progress, completion expected during Q1 2012
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, completion expected during Q1 2012
Quantification of the financial statement impact of changes in accounting policies.	In progress, completion expected during Q1 2012
Management and employee education and training.	Throughout the transition process

Impact of Adopting IFRS on the Company's Business

As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

The Company's staff and advisers involved in the preparation of the financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of the Company who will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

The Board of Directors and the Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has identified the following optional exemptions that it expects apply in its preparation of an opening IFRS statement of financial position as at December 1, 2010, its transition date:

- To apply IFRS 2 *Share-based Payments* only to equity instruments issued after November 7, 2002, and that had not vested by the transition date.
- To apply IFRS 3 *Business Combinations* prospectively from the transition date, therefore not restating business combinations that took place prior to the transition date.
- To apply the transition provisions of IFRIC 4 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the transition date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ending February 29, 2012, the Company may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties. The Company expects to establish an accounting policy to expense, as incurred, all costs relating to exploration and evaluation until such time as it has been determined that a property has economically recoverable reserves.

The application of this policy on the adoption of IFRS will have a significant impact on the Company's financial statements. On adoption of IFRS, the carrying value of the mineral resource properties will be reduced to zero (as at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and evaluation costs will be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

2) Impairment of (Non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. The Company will perform impairment assessments in accordance with IFRS at the transition date.

3) *Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

4) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, the Company does not expect this change will have an immediate impact on the carrying value of its assets.

5) *Property and Equipment*

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

6) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

The Company is still assessing its accounting policies related to income taxes to determine the impact on its consolidated financial statements.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

- .
- The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending February 29, 2012, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending February 29, 2012, will also include 2011 financial statements for the comparative period adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (at December 1, 2010).

INTERNAL CONTROL AND DISCLOSURE 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 Audited Consolidated 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 Audited Consolidated 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 Audited Consolidated 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.