ALDRIDGE
MINERALS INC.

Consolidated Financial Statements

For the Year Ended December 31, 2013
(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR
CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Aldridge Minerals Inc. (the "Company") are the responsibility of management and the Board of Directors.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates at the statement of financial position date. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the 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 consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Barry Hildred"
Barry Hildred
Chairman of the Board

"Jim O'Neill"
Jim O'Neill
Chief Financial Officer

Toronto, Canada
March 7, 2014

March 7, 2014

Independent Auditor's Report

To the Shareholders of Aldridge Minerals Inc.

We have audited the accompanying consolidated financial statements of Aldridge Minerals Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2013 and December 31, 2012 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2013 and the thirteen months ended December 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aldridge Minerals Inc. and its subsidiaries as at December 31, 2013 and December 31, 2012 and their financial performance and cash flows for the year ended December 31, 2013 and the thirteen months ended December 31, 2012 in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Aldridge Minerals Inc.'s ability to continue as a going concern.

Signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Aldridge Minerals Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at December 31 2013	As at December 31 2012
ASSETS		
Current		
Cash and cash equivalents	**$ 7,055,868**	$ 3,475,088
Other receivables and current assets (Note 5)	**429,441**	611,756
Prepaid expenses	**186,028**	387,912
	7,671,337	4,474,756
Exploration license deposits (Note 7)	**71,786**	193,392
Mineral property under development (Note 7)	**2,476,462**	-
Property and equipment (Note 8)	**860,314**	477,427
Other assets (Note 9)	**97,915**	113,126
	$ 11,177,814	$ 5,258,701
LIABILITIES		
Current		
Accounts payable and other current liabilities	**$ 721,874**	$ 1,382,224
Due to related parties (Note 15)	**31,886**	22,233
	753,760	1,404,457
Environmental rehabilitation (Note 16)	**49,281**	49,281
Other liabilities (Note 10)	**123,772**	95,666
	926,813	1,549,404
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	**59,042,061**	45,526,494
Contributed surplus	**13,336,689**	13,265,748
Deficit	**(62,127,379)**	(55,082,945)
Accumulated other comprehensive loss	**(370)**	-
	10,251,001	3,709,297
	$ 11,177,814	$ 5,258,701

Nature of Operations and Going Concern (Note 1)
Commitments (Note 14)

Approved by the Board of Directors:

"Barry Hildred"
Barry Hildred, Director

"Ed Guimaraes"
Ed Guimaraes, Director

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

Aldridge Minerals Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Twelve months ended December 31 2013	Thirteen months ended December 31 2012
EXPENSES		
Exploration and evaluation expenditures (Note 7)	**$ 3,209,780**	$ 7,848,756
General and administrative (Note 12)	**4,209,991**	4,502,221
	(7,419,771)	(12,350,977)
OTHER INCOME (EXPENSE)		
Interest income	**113,072**	72,136
Other income and expenses	**36,952**	135,822
Foreign exchange loss	**(118,120)**	(463)
Impairment loss on investment in Anatolia Energy Ltd. and Vetter Uranium Ltd. (Note 6)	**-**	(712,043)
Net gain on disposition of Vetter Uranium Ltd. and Anatolia Energy Ltd. (Note 6)	**-**	80,381
	31,904	(424,167)
Net loss for the period before income tax and discontinued operations	**$ (7,387,867)**	$ (12,775,144)
Net income tax recovery (Note 18)	**343,433**	189,672
Net loss from continuing operations	**$ (7,044,434)**	$ (12,585,472)
Net loss from discontinued operations (Note 13)	**-**	(1,089,240)
Net loss for the period	**$ (7,044,434)**	$ (13,674,712)
Items that may be reclassified to net loss:		
Change in unrealized foreign currency translation gains on foreign operations	**(370)**	-
Comprehensive loss for the period	**$ (7,044,804)**	$ (13,674,712)
Basic and diluted net loss per share	**$ (0.09)**	$ (0.29)
Basic and diluted net loss per share - continuing operations	**$ (0.09)**	$ (0.27)
Weighted average number of shares outstanding - basic and diluted	**80,919,545**	47,149,821

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

Aldridge Minerals Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance, November 30, 2011	**$ 35,090,168**	**$ 12,988,103**	**$ -**	**$(41,408,233)**	**$ 6,670,038**
Net loss for the period	-	-	-	(13,674,712)	(13,674,712)
Total comprehensive loss for the period	**-**	**-**	**-**	**(13,674,712)**	**(13,674,712)**
Shares issued for cash	11,200,000	-	-	-	11,200,000
Share issue cost	(763,674)	-	-	-	(763,674)
Stock based compensation	-	470,718	-	-	470,718
Tax on expired warrants	-	(193,073)	-	-	(193,073)
Balance, December 31, 2012	**$ 45,526,494**	**$ 13,265,748**	**$ -**	**$(55,082,945)**	**$ 3,709,297**
Net loss for the period	-	-	-	(7,044,434)	(7,044,434)
Change in unrealized foreign currency translation gains on foreign operations	-	-	(370)	-	(370)
Total comprehensive loss for the period	**-**	**-**	**(370)**	**(7,044,434)**	**(7,044,804)**
Shares issued for cash	15,028,914	-	-	-	15,028,914
Share issue cost	(1,513,347)	163,648	-	-	(1,349,699)
Stock based compensation	-	250,726	-	-	250,726
Tax on expired warrants	-	(343,433)	-	-	(343,433)
Balance, December 31, 2013	**$ 59,042,061**	**$ 13,336,689**	**(370)**	**$ (62,127,379)**	**$ 10,251,001**

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

Aldridge Minerals Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Twelve months ended December 31, 2013	Thirteen months ended December 31, 2012
Cash Flows from (used in) Operating Activities		
Net loss from continuing operations	$ **(7,044,434)**	$ (12,585,472)
Add (deduct) items not affecting cash:		
Amortization	**77,382**	94,714
Income tax recovery	**(343,433)**	(193,072)
Stock-based compensation	**250,726**	470,718
Net gain on disposition of Anatolia Energy Ltd. and Vetter Uranium Ltd.	**-**	(80,381)
Unrealized foreign exchange loss/(gain)	**26,707**	1,485
Impairment loss on investments	**-**	712,043
Net loss on disposal of assets	**18,082**	-
Accretion for asset retirement	**-**	549
Other	**20,683**	-
	(6,994,287)	(11,579,416)
Changes in non-cash operating assets and liabilities (Note 19)	**(440,742)**	478,568
Net loss from discontinued operations	**-**	(1,070,437)
	(7,435,029)	(12,171,285)
Cash Flows from (used in) Financing Activities		
Share issue proceeds received, net of costs	**13,679,215**	10,436,326
	13,679,215	10,436,326
Cash Flows from (used in) Investing Activities		
Mineral property under development expenditures	**(2,230,719)**	-
Purchase of property and equipment	**(506,661)**	(180,398)
Exploration license deposit	**79,577**	(112,986)
Proceeds on sale of Anatolia Energy Ltd. and Vetter Uranium Ltd.	**-**	763,253
	(2,657,803)	469,869
Impact of foreign exchange on cash balances	**(5,603)**	(1,485)
Net change in cash and cash equivalents	**3,580,780**	(1,266,575)
Cash and cash equivalents, beginning of period	**3,475,088**	4,741,663
Cash and cash equivalents, end of period	**$ 7,055,868**	$ 3,475,088
Total interest paid	**$ -**	$ -
Total income taxes paid	**$ -**	$ 3,400

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aldridge Minerals Inc. (the "Company") is listed on the Toronto Stock Exchange – Venture (TSX-V: AGM). During the year ended December 31, 2013, the Company's principal business activities were the exploration and development of mineral properties in Turkey. The Company is incorporated under the Canadian Business Corporations Act, and its head office is located at 10 King Street East, Suite 300, Toronto, Ontario, M5C 1C3.

The economic recoverability of the mineral properties is dependent upon prevailing market conditions and metal prices, the successful acquisition of the land in which the minerals are located, obtaining required permits and the ability of the Company to obtain necessary financing to bring the property to commercial production.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has incurred a net loss in the twelve month period ended December 31, 2013 of $7,044,434 (thirteen months ended December 31, 2012 – $13,674,712) and reported an accumulated deficit of $62,127,379 (December 31, 2012 - $55,082,945). In addition, the Company had working capital of $6,917,577 at December 31, 2013 (December 31, 2012 - $3,070,299). As the Company moves into the development stage of its Yenipazar project, it will need to secure funding in addition to the amounts raised in February 2013 to advance the mine towards production, meet its obligations and keep its mineral claims in good standing. Although the Company has successfully raised additional funding in the past and the Company has reached a major project milestone by earning a 100% working interest in the Yenipazar Property after the completion of the related feasibility study, there can be no assurance that sufficient new funding will be obtained. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved the consolidated financial statements for issuance on March 7, 2014.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets to fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

The following entities have been consolidated within the consolidated financial statements:

	Country of incorporation	Principal activity	Ownership %
Aldridge Mineral Madencilik Sanayi Ticaret Ltd. Sti.[1]	Turkey	Development company	100%
Aldridge Minerals Canada Inc.	Canada	Holding company	100%
Aldridge Netherlands B.V.	The Netherlands	Holding company	100%
Aldridge Minerals Netherlands Cooperatie U.A	The Netherlands	Holding company	100%

(1) 405,600 shares outstanding, of which 1 share is owned by a Turkish national pursuant to Turkish regulations and the balance is owned by the Company.

(d) Foreign currencies

The functional currency, as determined by management, of Aldridge Minerals Inc., Aldridge Minerals Canada Inc., and Aldridge Mineral Madencilik Sanayi Ticaret Ltd. Sti. is the Canadian Dollar. The functional currency of the holding companies based in The Netherlands is the Euro. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
iii. All resulting exchange differences are recognized in other comprehensive income.

(e) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash, and have an initial maturity of less than 90 days, and are subject to an insignificant risk of change in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments

As at December 31, 2013, the Company's financial instruments consisted of the following:

Financial assets:	Classification:
Cash and cash equivalents	Loans and receivables
Long-term investments:	
Anatolia Energy Ltd. – Class A performance shares	Fair value through profit and loss
Other receivables	Loans and receivables

Financial liabilities:	Classification:
Amounts payable and other liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value on initial recognition. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the Company's obligations are discharged, cancelled or they expire.

Measurement in subsequent periods depends on the classification of the financial instrument.

(i) Financial assets at fair value through profit or loss (FVTPL)

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including transaction costs and other premiums or discounts) through the expected life of the instrument to the net carrying amount on initial recognition. Cash and cash equivalents are classified as loans and receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(iii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

(iv) Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of loss.

(g) Exploration and evaluation expenditures

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

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Depreciation on capitalized expenditures begins when commercial levels of production are capable of being achieved, as determined by management judgement.

From July 1, 2013, the Company began capitalizing expenditures with respect to the Yenipazar project.

(h) Property and equipment

Property and equipment ("PE") are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property and equipment (continued)

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Automotive	30% per annum, declining balance
Equipment	30% per annum, declining balance
Computer equipment and software	30% per annum, declining balance
Furniture	20% per annum, declining balance
Leasehold improvements	Straight line over the term of the lease

Land is not amortized. An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of gain or loss on sale of equipment in the statement of loss.

(i) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its mineral property and equipment to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

(j) Leases

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is depreciated over the shorter of the useful life and the lease term.

Other leases are operating leases, which are not recognized on the Company’s balance sheet. Payments made under operating leases are expensed in profit or loss in general and administrative expenses on a straight-line basis over the term of the lease.

(k) Discontinued Operations

A discontinued operation is a component of the Company that represents a separate line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive loss is re-presented as if the operation had been discontinued from the start of the comparative year. Results of operations and any gain or loss from disposal are excluded from continuing operations and are reported separately as income from discontinued operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case it is recognized in equity or other comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current.

(m) Share based payment transactions

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

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using an appropriate option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.

Cancelled options are accounted for as an acceleration of vesting and the amount that otherwise would have been recognized for services received over the vesting period is recognized immediately.

(n) Restoration, rehabilitation and environmental obligations

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on basic loss per share is recognized on the use of the proceeds that could be obtained upon exercise of these instruments. It assumes that the proceeds would be used to purchase common shares at the weighted average market price during the period. Diluted earnings (loss) per share is not adjusted when the impact of the share issuances would be anti-dilutive.

(p) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- All inputs used in the option pricing models for determining the fair value of share based payment transactions and warrants issued. (Note 11)
- The estimated useful lives and residual value of PE used for calculating the amortization. (Note 8)

Critical accounting judgments

- Management's assumptions in determining the functional currencies of the Company's subsidiaries.
- Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- Management’s assessment of impairment indicators for long-lived assets
- Assessment of the recoverability of deferred tax assets and associated valuation allowances. (Note 18)

(q) Change in year end

The Company changed its year end from November 30 to December 31, effective for the period ended December 31, 2012. The year end change was made to align the year end of the Company with the year end of its wholly-owned subsidiary Aldridge Madencilik Sti., which is required by the laws of Turkey to have its fiscal year end on December 31. The change in year end required the Company to have a transition year with a thirteen month period ended December 31, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Accounting standards and amendments issued and adopted (continued)

(i) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 became effective for the Company on January 1, 2013. The Company determined that the adoption did not result in any change to the consolidated financial statements.

(ii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. The Company adopted IFRS 11 on January 1, 2013. The Company determined that the adoption did not result in any change to the consolidated financial statements.

(iii) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities' reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 became effective for the Company on January 1, 2013. The Company determined that the adoption did not result in any change to the consolidated financial statements.

(iv) IFRS 13 – 'Fair value measurement' ("IFRS 13"), aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 was issued by the IASB in May 2011. IFRS 13 became effective for the Company on January 1, 2013. The adoption did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at December 31, 2013. Enhanced disclosures are included in these consolidated financial statements.

(v) IAS 1 – Presentation of financial statements ("IAS 1") IAS 1 was amended to change the disclosure of items presented in Other Comprehensive Income ("OCI"), including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. The amendments to IAS 1 became effective for the fiscal year beginning January 1, 2013 and appropriate disclosures have been included in the consolidated financial statements.

(s) Accounting standards and amendments issued but not yet adopted

(i) IFRS 9 – 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. In July 2013 the IASB voted to defer the mandatory adoption date of IFRS 9 for annual periods beginning on or after January 1, 2015. The IASB agreed that the mandatory effective date should be left open pending finalization of the impairment and classification and measurement requirements. Early adoption will continue to be permitted. The Company has not elected to adopt early and is assessing the impact of the new standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Accounting standards and amendments issued but not yet adopted

(ii) IFRIC 21 – Levies ("IFRIC 21") is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for the fiscal year beginning January 1, 2014.

(iii) Amendment to IAS 36 – Impairment of assets ("IAS 36") addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments are effective for the fiscal year beginning January 1, 2014.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company is not subject to any capital requirements imposed by a lending institution.

The Company considers its capital to be equity, comprising share capital, contributed surplus, accumulated other comprehensive loss and deficit which at December 31, 2013 totaled $10,251,001 (December 31, 2012 - $3,709,297).

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. The Company's capital management objectives, policies and processes have remained unchanged during the twelve months ended December 31, 2013.

4. FINANCIAL RISK FACTORS

(a) 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.

<u>Credit risk</u>

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

4. FINANCIAL RISK FACTORS (continued)

(a) Financial risk (continued)

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013, the Company had cash and cash equivalents of $7,055,868 (December 31, 2012 - $3,475,088) to settle current liabilities of $753,760 (December 31, 2012 - $1,404,457).

All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Although the Company has successfully raised additional funding in the past, there can be no assurance that sufficient new funding will be obtained. These circumstances may cast significant doubt as to the Company’s ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern. At December 31, 2013, cash equivalents includes a cashable guaranteed investment certificate (GIC) of $5,984,500 (December 31, 2012 - $3,000,000). The GIC can be cashed at any time with accrued interest and without penalty.

Market risk

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

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company’s policy is to invest excess cash in fixed interest investment-grade short-term deposit 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, Turkish Lira ("TRY"), British Pound Sterling (“GBP”), Euros, and United States Dollars ("USD"). The Company funds exploration expenditures in Turkey. In Turkey, the Company maintains separate bank accounts for Turkish Lira, Euro, British Pound Sterling, United States Dollars and Canadian Dollars 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.

4. FINANCIAL RISK FACTORS (continued)

(b) Sensitivity analysis

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

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

(ii) The Company maintains bank accounts, and has other current assets and current liabilities denominated in TRY, EUR, GBP, and USD and is subject to foreign currency risk. As at December 31, 2013, had these foreign currencies weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's loss would have been approximately $22,262 lower/higher and reported shareholders' equity would have been approximately $22,262 lower/higher. During the year ended December 31, 2013, the TRY has depreciated from 1.80 TRY/CAD to 2.01 TRY/CAD. Management does not believe these developments will expose the Company to material foreign exchange risk as the Company's cash balances are mainly denominated in CAD with small working capital balances in TRY. Management believes there is no significant exposure to foreign currency risk for any of the other currencies described.

(c) Fair value hierarchy

The different levels of fair value hierarchy are defined as follows:

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

As at December 31, 2013, the Company held 3,051,196 Class A Performance Shares in Anatolia Energy Limited valued at $nil (December 31, 2012 – 3,051,196 valued at $nil). Such shares are classified as Level 3 fair value measurements (see Note 6).

5. OTHER RECEIVABLES AND CURRENT ASSETS

	As at December 31 2013	As at December 31 2012
Deferred rent	**$ 6,519**	$ -
Interest receivable	**63,106**	28,872
Sales taxes receivable	**359,816**	582,884
Other receivables	**$ 429,441**	$ 611,756

6. LONG-TERM INVESTMENTS

	As at December 31, 2013	As at December 31, 2012
Anatolia Energy Ltd. - Class A performance shares	**$ -**	$ -
Long-term investments	**$ -**	$ -

In February 2011 the Company completed the spin-off of Aldridge Uranium Inc. ("Aldridge Uranium") to Anatolia Energy Limited ("Anatolia"). Following the transaction, the Company owned 8,150,633 Anatolia shares, 3,051,196 Class A performance shares in Anatolia Energy (described below) and 5,666,506 shares in Vetter Uranium Limited ("Vetter"), a private company holding a 65% interest in Aldridge Uranium.

The Class A performance shares are non-transferable, non-voting and are not entitled to any dividends or any amount on the winding up of Anatolia. If the Aldridge Uranium properties (the "Project") were found to have an Australian Joint Ore Reserves Committee ("JORC") Code compliant resource estimate of between 15 million pounds and 20 million pounds of contained uranium each Class A performance share of Anatolia would entitle the holder to be issued 0.303092 Anatolia ordinary shares for each 1 million pounds of contained uranium in the resource estimate in excess of 15 million pounds, but up to 20 million pounds (or a maximum conversion of 1.51546 Anatolia ordinary shares per Class A Performance share).

During 2011, Anatolia increased the reserves to 17.41 million pounds of contained uranium and Anatolia declared a pro rata conversion which decreased the remaining maximum conversion ratio to 0.90928. As at December 31, 2013, the Class A Performance shares were held at its estimated fair value of $nil (December 31, 2012 - $nil), which was based on the assessment of the likelihood of achieving the next performance threshold. Specific conditions of the Class A Performance Shares prohibit their sale. The Class A performance shares will lapse and will be cancelled in fiscal year 2016.

Over the thirteen-month period ended December 31, 2012, impairment losses on Anatolia shares totaled $535,305, while impairment losses on Vetter shares totaled $176,738. On November 12, 2012, the Company announced that it sold its interests in Anatolia and Vetter for total proceeds of $763,253. As a result of the transaction, a loss of $100,619 was recorded on the sale of Anatolia shares, offset by a gain of $181,000 on the sale of Vetter shares for a net gain of $80,381.

7. EXPLORATION AND DEVELOPMENT EXPENDITURES ON MINERAL PROPERTIES

a) Yenipazar Project, Turkey

The Yenipazar Project is located in central Turkey and hosts a polymetallic volcanogenic massive sulphide ("VMS") body. On April 3, 2013, the Company announced the results of its feasibility study on the Yenipazar Project. On May 16, 2013, the Company filed the NI 43-101 compliant technical report on its Yenipazar Project, which included an update to the financial results of the feasibility study as announced on April 3, 2013.

The Company announced on June 17, 2013 that the feasibility study has been formally delivered to Alacer Gold Corp. and that the option to earn a 100% working interest in the Yenipazar Project has been exercised.

In accordance with the Company's accounting policy, upon determination of technical feasibility and commercial viability of a project, related development expenditures are capitalized. At the beginning of the third quarter of 2013, the Company began to capitalize expenditures with respect to the Yenipazar Project. Prior to that time, exploration and evaluation expenditures relating to the Yenipazar Project were expensed as incurred.

7. EXPLORATION AND DEVELOPMENT EXPENDITURES ON MINERAL PROPERTIES (continued)

a) Yenipazar Project, Turkey (continued)

Mineral Property under Development	Yenipazar Project
Balance, December 31, 2012	**$ -**
Additions	**2,476,462**
Balance, December 31, 2013	**$ 2,476,462**

Expenditures incurred prior to June 30, 2013 were recorded as exploration and evaluation expenditures in the statement of loss. Expenditures on the Yenipazar Project were as follows:

	Exploration & Evaluation Expenditures	Mineral Property Under Development	Twelve months ended December 31 2013	Thirteen months ended December 31 2012
Yenipazar Project				
Analytical	**$ 25,025**	**$ 15,069**	**$ 40,094**	$ 439,251
Depreciation	**15,190**	**28,309**	**43,499**	35,461
Drilling	**112,318**	**5,092**	**117,410**	1,678,672
Drilling site access fees	**10,586**	**5,127**	**15,713**	124,492
Engineering consulting	**-**	**552,222**	**552,222**	-
Environmental consulting	**-**	**173,239**	**173,239**	-
Feasibility studies and project management	**1,039,802**	**23,136**	**1,062,938**	2,221,324
Geotechnical consulting	**67,682**	**-**	**67,682**	557,576
Land acquisition and development	**165,455**	**98,043**	**263,498**	-
License	**3,741**	**420**	**4,161**	15,246
Metallurgical consulting	**201,614**	**126,646**	**328,260**	451,831
Permitting	**-**	**77,946**	**77,946**	-
Professional expenses	**161,978**	**329,694**	**491,672**	42,036
Project expenses and employee costs	**1,075,523**	**915,390**	**1,990,913**	1,598,165
Resource estimate and mine design	**183,338**	**-**	**183,338**	304,339
Travel	**91,683**	**66,274**	**157,957**	169,549
Vehicles and equipment maintenance	**44,969**	**50,495**	**95,464**	113,504
Other	**7,342**	**9,360**	**16,702**	97,310
Total project costs	**$ 3,206,246**	**$ 2,476,462**	**$ 5,682,708**	$ 7,848,756

Exploration and evaluation expenditures for the twelve months ended December 31, 2013 also include amounts related to other licenses and fees in Turkey of $3,534 (2012 - $nil).

The Company's wholly-owned subsidiary in Turkey holds an Operational License for the Yenipazar Project. This license expires on December 17, 2014 and the Company has submitted an application to extend the license for five years. While the Company advances the project towards development and production, the Company is operating under a temporary shutdown permit that expired on January 4, 2014. The temporary shutdown permit is renewed annually and the Company has submitted a renewal application. While the shutdown permit was granted in the past, there can be no assurances that it will be granted going forward. If the shutdown permit is not granted, the Company is required to mine a fixed tonnage and incur related costs in order to maintain the license in good standing.

7. EXPLORATION AND DEVELOPMENT EXPENDITURES ON MINERAL PROPERTIES (continued)

b) Other Exploration Licenses, Turkey

Exploration license deposits		
Balance, November 30, 2011	**$**	**80,406**
Paid		112,986
Balance, December 31, 2012		**193,392**
Refunded on expiry or transfer of license		(100,260)
Impact of foreign exchange		(21,346)
Balance, December 31, 2013	**$**	**71,786**

The Company holds exploration licenses in Western Turkey which are prospective for nickel and chromite. During the second half of the year ended November 30, 2011, the Company evaluated all of its licenses to determine which licenses should be held for further development and which licenses should be either sold, written down, or abandoned.

In July 2011, the Company agreed to assign 6 exploration licenses prospective for nickel and chromite, covering approximately 19,318 hectares in western Turkey, to Kenz Mining Inc. ("Kenz") pursuant to an assignment agreement that required Kenz to pay the Company US$50,000 within 30 days of the end of the first twelve month exploration period. Due to various delays and difficulties in obtaining the necessary drilling licenses, the acquirer requested a twelve month extension of the option to pay the additional US$50,000 to retain its exploration rights for the second and third years. The Company considered the various challenges faced by the acquirer and extended the initial exploration option by twelve months and received the US$50,000 payment in July 2013 as scheduled. By continuing exploration, Kenz 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 the next 24 month exploration period.

In August 2011, the Company entered into an agreement to sell six licenses for US$100,000 subject to certain conditions including full payment. As at December 31, 2013, the Company still had not received full payment and the agreement was considered breached. The non-refundable deposit of US$66,000 was recorded as other income during the fiscal year 2012.

At December 31, 2013, the Company held a total of 8 exploration licenses (December 31, 2012 - 15)

c) Uranium Exploration Licenses, Turkey

In accordance with the terms of the spin-off arrangement for Aldridge Uranium in 2011 (Note 6), the uranium exploration licenses owned by Aldridge Uranium continued to be held in trust by the Company with Aldridge Uranium paying for all ongoing license maintenance fees. In 2013, these licenses have been completely transferred to Aldridge Uranium and the Company retains no further obligations with respect to these exploration licenses.

8. PROPERTY AND EQUIPMENT

Cost	Equipment	Computer equipment	Land	Leasehold Improvements	Building	Total
Balance, November 30, 2011	$ 479,965	$ 89,572	$ 29,014	$ -	$ -	$ 598,551
Additions	45,916	30,163	15,128	44,645	71,294	207,146
Disposals	(16,092)	(10,656)	-	-	-	(26,748)
Balance, December 31, 2012	$ 509,789	$ 109,079	$ 44,142	$ 44,645	$ 71,294	$ 778,949
Additions	199,862	19,495	20,558	-	266,746	506,661
Disposals	-	(10,744)	-	(23,755)	-	(34,499)
Balance, December 31, 2013	$ 709,651	$ 117,830	$ 64,700	$ 20,890	$ 338,040	$ 1,251,111

Accumulated amortization	Equipment	Computer equipment	Land	Leasehold Improvements	Building	Total
Balance, November 30, 2011	$ 178,083	$ 28,727	$ -	$ -	$ -	$ 206,810
Net amortization	72,414	9,671	-	12,627	-	94,712
Balance, December 31, 2012	$ 250,497	$ 38,398	$ -	$ 12,627	$ -	$ 301,522
Net amortization	70,051	14,584	-	(6,359)	10,999	89,275
Balance, December 31, 2013	$ 320,548	$ 52,982	$ -	$ 6,268	$ 10,999	$ 390,797

Carrying value	Equipment	Computer equipment	Land	Leasehold Improvements	Buildings	Total
Balance, November 30, 2011	$ 301,882	$ 60,845	$ 29,014	$ -	$ -	$ 391,741
Balance, December 31, 2012	$ 259,292	$ 70,681	$ 44,142	$ 32,018	$ 71,294	$ 477,427
Balance, December 31, 2013	$ 389,103	$ 64,848	$ 64,700	$ 14,622	$ 327,041	$ 860,314

As at December 31, 2013, contractual commitments for the acquisition of property, plant and equipment totaled $nil (December 31, 2012 - $99,240).

9. OTHER ASSETS

	As at December 31, 2013	As at December 31, 2012
Deferred rent	**$ -**	$ 15,211
Rent deposits held by lessor	**67,915**	67,915
Restricted cash	**30,000**	30,000
	$ 97,915	$ 113,126

10. OTHER LIABILITIES

	As at December 31, 2013	As at December 31, 2012
Deferred rent	**$ 16,092**	$ 12,407
Rent deposits from sublessee	**-**	18,864
Statutory employee termination benefits	**107,680**	64,395
	$ 123,772	$ 95,666

11. SHARE CAPITAL

(a) Authorized

At the Company's annual and special meeting of shareholders on May 15, 2013, the shareholders of the Company approved a special resolution to file Articles of Continuance for the Company under the Canada Business Corporations Act ("CBCA") and the Company became a federal corporation governed by the CBCA. Under the CBCA, authorized share capital is unlimited.

(b) Issued

	Number of Shares	Amount
Balance, November 30, 2011	**37,093,841**	**$ 35,090,168**
Shares issued for cash (i)	16,000,000	11,200,000
Share issue cost (i)	-	(763,674)
Balance, December 31, 2012	**53,093,841**	**$ 45,526,494**
Shares issued for cash (ii)	31,639,819	15,028,914
Share issue cost (ii)	-	(1,513,347)
Balance, December 31, 2013	**84,733,660**	**$ 59,042,061**

(i) On April 26, 2012, the Company closed a private placement with ANT Holding Anonim Sti. ("ANT") by which ANT has purchased a total of 16,000,000 common shares of the Company at a price of $0.70 per share for gross proceeds of $11,200,000. The Company paid cash commission and expenses of $763,674 with respect to this private placement. Upon closing of the Private Placement, ANT held approximately 30.1% of the Company's outstanding Shares. The Company's Shareholder Rights Plan had been waived in respect of this transaction and otherwise remains in effect.

(ii) On February 14, 2013, the Company closed a $10,499,914 private placement offering (gross) through Dundee Securities Ltd. ("Dundee"), which included an investment of $7,000,000 (gross) from Mavi Investment Fund Ltd. ("Mavi"). The financing involved the issuance of 22,105,082 common shares at a price of $0.475. On February 22, 2013, the Company's largest shareholder, ANT, maintained its pro rata interest in the Company pursuant to its investment agreement by purchasing an additional 9,534,737 common shares on a private placement basis at the same price of $0.475, for proceeds of $4,529,000.

As part of Mavi's investment, Mavi was granted the right to nominate one individual for election to the Board of Directors of the Company for so long as Mavi owns at least 9% of the outstanding common shares of the Company. Upon closing of the offering, Mavi owned approximately 17.4% of the outstanding common shares of the Company.

11. SHARE CAPITAL (continued)

(b) Issued (continued)

Dundee received $400,000 in cash commission and 515,750 compensation warrants (“Dundee warrants”), each such compensation warrant exercisable to acquire one common share at the issuing price of $0.475 for a period of 24 months after the closing of the offering. In order to maintain ANT’s pro rata interest in the Company, ANT also received 222,463 warrants to acquire one common share per warrant at an issuing price of $0.475, which become exercisable upon the exercise of the Dundee warrants. In addition, the Company paid a total finder’s fee of $716,441 to an arm’s length Turkish-based party. The balance of share issue costs related to legal, filing and bank fees.

(c) Warrants

The following table shows the continuity of warrants for the period ended December 31, 2013:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2011	9,830,172	$ 1.71
Expired	(5,108,805)	1.50
Balance, December 31, 2012	4,721,367	$ 1.94
Expired	(4,721,367)	1.94
Issued	738,213	0.475
Balance, December 31, 2013	**738,213**	**$ 0.475**

As at December 31, 2013, the following warrants were outstanding:

Description	Expiry date	Weighted Average Exercise Price	Warrants Outstanding	Value Assigned on Issue Date
Broker Warrants (Note 11(b)(ii))[(1)]	February 14, 2015	$ 0.475	515,750	$ 126,720
Special Warrants(Note 11(b)(ii))[(1)]	February 14, 2015	0.475	222,463	36,928
		$ 0.475	738,213	$ 163,648

[(1)] Each Warrant is exercisable for one common share.

The fair value of the warrants was estimated on the measurement date using the Black-Scholes option-pricing model. The weighted average assumptions used to calculate the fair value were as follows:

Share price at grant date	$0.52
Risk-free interest rate	1.13%
Expected life of warrants	2 years
Expected volatility	73%
Dividend yield	Nil
Estimated forfeiture rate	Nil

11. SHARE CAPITAL (continued)

(d) Stock options

The Company has 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 of the Company to directors, officers, employees and consultants. As at December 31, 2013, the maximum number of shares that may be issuable pursuant to the options granted under the Plan is 10% of the Company's issued share capital, or 8,473,366 shares.

The following table shows the continuity of stock options for the period ended December 31, 2013:

	Number of Stock Options	Weighted Average Exercise Price
Balance, November 30, 2011	5,125,000	$ 1.31
Granted	508,000	0.61
Forfeited	(75,000)	1.06
Cancelled	(30,000)	1.82
Expired	(930,000)	1.41
Balance, December 31, 2012	4,598,000	$ 1.22
Granted	1,550,000	0.22
Cancelled	(200,000)	0.73
Expired	(910,000)	1.66
Balance, December 31, 2013	**5,038,000**	**$ 0.85**

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

	2013	2012
Share price at grant date	**$0.21**	$0.63
Risk-free interest rate	**1.67%**	1.30%
Expected life of options	**5 years**	5 years
Expected volatility	**82%**	85%
Dividend yield	**Nil**	Nil
Estimated forfeiture rate	**Nil**	Nil

The expected volatility used in the Black-Scholes option pricing model is based on historical volatility of the Company.

The weighted average per share fair value of options granted was $0.13 (2012 - $0.43).

11. SHARE CAPITAL (continued)

(d) Stock options (continued)

As at December 31, 2013, the following stock options were outstanding:

Expiry Date	Exercise Price	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
January 21, 2014	1.11	200,000	200,000	0.06
October 9, 2014	1.40	935,000	935,000	0.77
November 29, 2014	0.88	375,000	375,000	0.91
April 28, 2015	0.88	200,000	200,000	1.32
November 9, 2015	1.11	200,000	200,000	1.86
November 30, 2015	1.40	300,000	300,000	1.92
February 22, 2016	1.46	50,000	50,000	2.15
March 21, 2016	1.06	50,000	50,000	2.22
March 30, 2016	1.29	60,000	60,000	2.25
June 15, 2016	1.25	400,000	300,000	2.46
June 20, 2016	1.05	200,000	150,000	2.47
August 3, 2016	0.80	110,000	82,500	2.59
February 27, 2017	0.54	75,000	37,500	3.16
March 28, 2017	0.64	233,000	116,500	3.24
May 1, 2017	0.61	200,000	100,000	3.33
November 26, 2018	0.20	1,450,000	362,500	4.91
	$0.85	**5,038,000**	**3,519,000**	**2.62**

As at December 31, 2013, 3,519,000 stock options were exercisable. The remaining 1,519,000 outstanding stock options vest over the following three years.

As at December 31, 2013, a maximum of 3,435,366 additional stock options could be issued in accordance to the Plan. On January 21, 2014, 200,000 stock options expired unexercised. As a result, the maximum additional options increased to 3,635,366.

12. GENERAL AND ADMINISTRATIVE

	Twelve months ended December 31 2013	Thirteen months ended December 31 2012
Accretion	**$ -**	$ 549
Amortization	**62,193**	64,778
Directors' fees	**292,192**	234,781
Office and sundry	**637,969**	764,343
Professional fees	**1,174,073**	559,787
Salaries and benefits	**1,414,619**	1,628,564
Shareholder information	**193,815**	459,117
Stock-based compensation	**197,355**	423,322
Transfer and filing	**38,375**	41,093
Travel and promotion	**199,400**	325,887
General and administrative expenses	**$ 4,209,991**	$ 4,502,221

13. DISCONTINUED OPERATIONS

Kili Teke License, Papua New Guinea

The Company held an exploration license for an area in the Southern Highlands province of Papua New Guinea (the "Kili Teke License"). The Company completed an exploration and drilling program on certain parts of the area subject to the Kili Teke License. An application for renewal of the license was submitted in accordance with local mining regulations in January 2011 and the license remained in effect until a response was received from the local authorities.

On July 6, 2012, the Company reported the receipt of a formal notice from the Registrar of Tenements in Papua New Guinea that the Company's license renewal application for its Kili Teke property had not been approved. With the receipt of the formal notice, the Company determined that it would take no further action in Papua New Guinea, in order to focus management efforts on the Yenipazar project in Turkey and to avoid any litigation costs to seek redress. The Company had no significant assets remaining at the PNG Property as at December 31, 2013 and December 31, 2012. The results from discontinued operations recorded in the Statements of Loss and Comprehensive Loss are as follows:

	Twelve months ended December 31 2013	Thirteen months ended December 31 2012
Project expenses and employee costs	**$ -**	$ 281,826
Drilling	**-**	78,182
Assays and Analytical	**-**	8,879
Transportation	**-**	711,634
Travel	**-**	8,719
Net loss from discontinued operations	**$ -**	$ 1,089,240

14. COMMITMENTS

Operating Lease Agreements

The Company entered into an agreement to lease office space in Ankara, Turkey from July 1, 2011 to June 30, 2014. During the thirteen-month period ended December 31, 2012, the Company agreed to lease additional office space to expand its office in Ankara. The commitment for the gross rent, operating costs and realty taxes is estimated to be approximately $5,232 per month, or $62,784 per annum.

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

On July 26, 2012, the Company entered into a lease agreement for smaller office premises in Toronto, Ontario, in conjunction with a sublet agreement for its existing office premises in order to realize cost savings on rental payments. The new lease agreement is effective from September 1, 2012 to March 31, 2018. The commitment for the gross rent, including operating costs and realty taxes is estimated at $11,179 per month or $134,148 per annum for the first two years and $11,928 per month or $143,136 per annum for the balance of the term. On the sublet agreement, the total of future minimum sublet payments expected to be received is $350,561 over the sublease term to September 30, 2014.

The minimum lease payments with respect to the arrangements described above (excluding expected proceeds from the sublet of the previous Toronto office) total $877,860 and are to be paid as follows:

Fiscal year ending December 31, 2014	$	388,267
Fiscal year ending December 31, 2015		159,476
Fiscal year ending December 31, 2016		150,381
Fiscal year ending December 31, 2017		144,702
Fiscal year ending December 31, 2018		35,034

Mineral Property Licenses in Turkey

As at December 31, 2013, the Company held a total of 9 exploration and operation licenses, including one license for the Yenipazar Project. Exploration licenses are granted for three years and can be extended for an additional two years upon application. Exploration license holders are required to submit reports on exploration at the end of the second, third and fifth years of the exploration period. Operation license holders are required to submit annual reports on operation projects to the relevant departments. To obtain the appropriate licenses, deposits must be made based on a per hectare fee. The applicable deposits are proportional to the size of the mining area and are determined each year or re-valued according to prevailing economic conditions. In the event the required reports and projects are not submitted on time, deposits for that period are forfeited. If a site is abandoned, the remaining part of the deposit is returned.

As at December 31, 2013, the Company is in compliance with reporting and license fees requirements. License fees paid during the fiscal year ended December 31, 2013 totaled $4,161 ($112,986 during the thirteen months ended December 31, 2012). License deposits recorded on the balance sheet as at December 31, 2013 totaled $71,786 ($193,392 as at December 31, 2012).

While the Company advances the Yenipazar Project towards development and production, the Company is operating under a temporary shutdown permit that expired on January 4, 2014. The temporary shutdown permit is renewed annually and the Company has submitted a renewal application. While the shutdown permit was granted in the past, there can be no assurances that it will be granted going forward. If the shutdown permit is not granted, the Company is required to mine a fixed tonnage and incur related costs in order to maintain the license in good standing.

15. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Related party transactions include consulting fees, management fees and compensation paid to key management personnel or to companies controlled by such individuals. Key management personnel are defined as officers and directors of the Company.

Transactions with key management personnel were as follows:

	Twelve months ended December 31 2013	Thirteen months ended December 31 2012
Salaries and benefits [(1)]	**$ 699,534**	$ 1,050,770
Termination and retirement benefits	**466,867**	225,000
Share based payments	**172,978**	335,928
Total compensation	**$ 1,339,379**	$ 1,611,698
Legal and consulting fees[(2)]	**404,774**	246,457
Common share subscriptions[(3)]	**845,011**	-
Total transactions with key management personnel	**$ 2,589,164**	$ 1,858,155

[(1)] Directors do not have employment or service contracts with the Company, but are entitled to director fees while officers have employment contracts and earn salaries and benefits for their services. Both directors and officers are also eligible for share-based payments.
[(2)] These amounts represent legal and consulting fees paid or payable to various current and former officers and directors of the Company or to companies controlled by such individuals.
[(3)] At the closing of the private placement on February 14, 2013, key management personnel subscribed to 1,778,970 common shares at $0.475 per share.

Amounts owed to key management personnel were as follows:

Balance owed as at December 31 2013	Balance owed as at December 31 2012
$ 31,886	$ 22,233

On July 16, 2013, the Company announced that the President and Chief Executive Officer had resigned his position effective July 31, 2013, which resulted in retirement benefits of $406,867.

16. ENVIRONMENTAL REHABILITATION

The Company's asset retirement obligations ("ARO") are based on management's estimates of costs to abandon and reclaim mineral properties and facilities, as well as an estimate of the future timing of costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the ARO associated with the retirement of the Company's Yenipazar property:

	Twelve months ended December 31, 2013	Thirteen months ended December 31, 2012
Balance, beginning of year	**$ 49,281**	$ 48,732
Accretion for asset retirement	**-**	549
Balance, end of year	**$ 49,281**	$ 49,281

The Company has estimated its total asset retirement obligations to be $49,281 at December 31, 2013 (December 31, 2012 - $49,281), which has been calculated using an annual inflation rate of 1.5%, and a risk free rate of 7%. This obligation pertains to the exploration shaft on the Yenipazar Property in Turkey.

17. SEGMENTED INFORMATION

Segmented information is provided on the basis of geographical segments as the Company operates in one industry, exploration and evaluation of mineral properties and manages its business and exploration activities through geographical regions, namely Turkey and Papua New Guinea (now discontinued), in addition to a Corporate segment based mainly in Canada and The Netherlands. The business segments presented reflect the management structure of the Company and the way in which the Company's Board of Directors review business performance. The Company evaluates performance of its operating and reportable segments as noted below:

Year ended December 31, 2013	**Corporate**	**Turkey**	**Papua New Guinea (Discontinued)**	**Total**
Exploration and evaluation expenditures	**$ -**	**$ 3,209,780**	**$ -**	**$ 3,209,780**
General and administrative	**3,175,306**	**1,034,685**	**-**	**4,209,991**
	$ (3,175,306)	**$ (4,244,465)**	**$ -**	**$ (7,419,771)**
Interest income	**113,072**	**-**	**-**	**113,072**
Other income	**-**	**61,549**	**-**	**61,549**
Other expenses	**-**	**(24,597)**	**-**	**(24,597)**
Foreign exchange loss	**(26,881)**	**(91,239)**	**-**	**(118,120)**
Income tax recovery	**343,433**	**-**	**-**	**343,433**
Net loss – year ended December 31, 2013	**$ (2,745,682)**	**$ (4,298,752)**	**$ -**	**$ (7,044,434)**

17. SEGMENTED INFORMATION (continued)

Thirteen months ended December 31, 2012	**Corporate**	**Turkey**	**Papua New Guinea (Discontinued)**	**Total**
Exploration and evaluation expenditures	$ -	$ 7,848,756	$ 1,089,240	$ 8,937,996
General and administrative	3,689,999	812,222	-	4,502,221
	$ (3,689,999)	$ (8,660,978)	$ (1,089,240)	$ (13,440,217)
Interest income	72,136	-	-	72,136
Other income	10,368	125,454	-	135,822
Foreign exchange gain/(loss)	(37,866)	37,403	-	(463)
Impairment loss on Anatolia Energy Ltd.	(712,043)	-	-	(712,043)
Net gain on disposition of Vetter and Anatolia	80,381	-	-	80,381
Income tax recovery	189,672	-	-	189,672
Net loss – thirteen months ended December 31, 2012	$ (4,087,351)	$ (8,498,121)	$ (1,089,240)	$ (13,674,712)

	Corporate	**Turkey**	**Papua New Guinea (Discontinued)**	**Total**
Mineral property under development	**$ -**	**$ 2,476,462**	**$ -**	**$ 2,476,462**
Corporate and other assets	**7,321,743**	**1,379,609**	**-**	**8,701,352**
Total assets - December 31, 2013	**$ 7,321,743**	**$ 3,856,071**	**$ -**	**$ 11,177,814**

	Corporate	**Turkey**	**Papua New Guinea (Discontinued)**	**Total**
Mineral property under development	$ -	$ -	$ -	$ -
Corporate and other assets	3,831,960	1,426,741	-	5,258,701
Total assets - December 31, 2012	$ 3,831,960	$ 1,426,741	$ -	$ 5,258,701

Geographic Information

	Canada	**Turkey**	**The Netherlands**	**Papua New Guinea (Discont'd)**	**Total**
Exploration license deposits	**$ -**	**$ 71,786**	**$ -**	**$ -**	**$ 71,786**
Mineral property under development	**-**	**2,476,462**	**-**	**-**	**2,476,462**
Property and equipment	**62,822**	**797,492**	**-**	**-**	**860,314**
Other assets	**97,915**	**-**	**-**	**-**	**97,915**
Total non-current assets - December 31, 2013	**$ 160,737**	**$ 3,345,740**	**$ -**	**$ -**	**$ 3,506,477**

17. SEGMENTED INFORMATION (continued)

	Canada	Turkey	The Netherlands	Papua New Guinea (Discont'd)	Total
Exploration license deposits	$ -	$ 193,392	$ -	$ -	$ 193,392
Mineral property under development	-	-	-	-	-
Property and equipment	69,741	407,686	-	-	477,427
Other assets	113,126	-	-	-	113,126
Total non-current assets - December 31, 2012	$ 182,867	$ 601,078	$ -	$ -	$ 783,945

18. INCOME TAXES

The following table reconciles the expected income tax recovery at the Canadian Federal and Provincial statutory rate to the amounts recognized in the statements of loss and comprehensive loss:

For the fiscal year	**2013**	**2012**
Net loss before income taxes	**$ (7,387,867)**	$ (12,775,144)
Expected income tax recovery	**(1,957,785)**	(3,400,153)
Expenses not deductible	**537,578**	939,177
Effect of foreign tax rate difference	**180,033**	-
Effect of current and future tax rate difference	**-**	198,501
Unrecognized benefit of deferred tax assets	**896,741**	2,072,803
Income tax recovery reflected in the statements of loss and comprehensive loss	**$ (343,433)**	$ (189,672)

The applicable tax rate was 26.5% (2012 - 26.6%). The decrease is caused by a reduction in the Canadian federal statutory tax rate.

	As at December 31, 2013	**As at December 31 2012**
Current tax expense:		
Adjustments in respect of prior years	**$ -**	$ 3,400
Deferred tax recovery:		
Origination and reversal of temporary differences	**(343,433)**	(193,072)
Income tax recovery	**$ (343,433)**	$ (189,672)

18. INCOME TAXES (continued)

The gross movement on the deferred income tax asset account, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	For the Twelve Months Ended December 31, 2013	For the Thirteen Months Ended December 31, 2012
Balance at the beginning of the period	**$ 4,508**	$ -
Non-capital losses arising from accelerated tax depreciation charged to the Statement of Loss	**5,841**	4,508
Balance at the end of the period	**$ 10,349**	$ 4,508

The gross movement on the deferred income tax liability account, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	For the Twelve Months Ended December 31, 2013	For the Thirteen Months Ended December 31, 2012
Balance at the beginning of the period	**$ 4,508**	$ -
Accelerated tax depreciation charged to the Statement of Loss	**5,841**	4,508
Balance at the end of the period	**$ 10,349**	$ 4,508

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company did not recognize deferred income tax assets with respect to the following deductible temporary differences:

	As at December 31, 2013	As at December 31, 2012
Non-capital losses	**$ 18,528,484**	$ 14,727,247
Mineral properties	**18,575,115**	16,806,549
Undeducted share issue costs	**2,249,392**	1,080,777
Capital losses	**-**	947,042
Other	**375,725**	154,974
Total	**$ 39,728,716**	$ 33,716,589

18. INCOME TAXES (continued)

The Company's non-capital income tax losses total $18,528,484 and expire as follows:

Year of expiry	Amount
2014	$ 913,859
2015	328,327
2016	1,234,809
2017	795,059
2018	1,939,396
2022	84,278
2025	597,635
2026	735,702
2027	546,144
2028	1,435,562
2029	1,366,169
2030	2,098,525
2031	3,345,396
2032	433,262
2033	2,674,361

19. CHANGES IN NON-CASH OPERATING ASSETS AND LIABILITIES

	Twelve months ended December 31, 2013	Thirteen months ended December 31, 2012
Other receivables	**$ 188,834**	$ 205,599
Prepaid expenses	**201,884**	(93,739)
Other assets	**8,692**	(45,212)
Accounts payable, accrued liabilities, and other liabilities	**(849,805)**	490,831
Due to related parties	**9,653**	(78,911)
	$ (440,742)	$ 478,568

20. SUBSEQUENT EVENT

On March 6, 2014 the Company announced that it received formal approval of its Environmental Impact Assessment for the Yenipazar Project.

21. RECLASSIFICATION

Certain disclosure items have been reclassified to conform to the presentation for the year ended December 31, 2013.