ALDRIDGE
MINERALS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Three and Six Months Ended June 30, 2014
(As of August 29, 2014)

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 August 29, 2014 and should be read in conjunction with the interim condensed financial statements, the related notes and the MD&A for the three and six months ended June 30, 2014 (the "Financial Statements"), and the audited consolidated financial statements and the related notes for the year ended December 31, 2013 (the "Audited Financials"), which are prepared in accordance with the International Financial Reporting Standards ("IFRS").

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

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

Unless otherwise indicated, amounts are in the presentation currency of Canadian dollars.

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.

HIGHLIGHTS, OUTLOOK AND SELECTED FINANCIAL INFORMATION

Aldridge's ongoing development of its Yenipazar Project, which is a polymetallic volcanogenic massive sulphide ("VMS") body that hosts a gold-silver-copper-lead-zinc mineral deposit, achieved significant milestones to date in 2014. The Company's efforts focused on positioning the Company to raise the financing necessary to further develop and build the project. The Yenipazar environmental impact assessment report was approved, new company leadership was appointed, and the Yenipazar pre-production capital expenditures estimate was reduced by 40% to US$230 million. The interim financing announced on August 29, 2014, when closed, will allow the Company to focus on the Yenipazar Project land acquisition process and advance engineering design.

ALDRIDGE'S HIGHLIGHTS AND ACHIEVEMENTS

- **US$45,000,000 Interim Financing Announced (the "Interim Financing")–** On August 29, 2014, the Company announced that it has executed definitive agreements with Orion Fund JV Limited, an affiliate of Orion Mine Finance funds ("Orion"), in connection with a US$10 million equity private placement which includes participation by the Company's two largest shareholders (the "Private Placement") and a secured US$35 million bridge loan facility maturing in 24 months from the closing date (the "Loan"). The interest rate on the debt facility is equal to 9% per annum plus the greater of 3 month USD LIBOR and 1%. The Company has also entered into lead concentrate and gold offtake agreements with an Orion affiliate (the "Offtakes"), which are conditional upon the Company receiving funding from Orion under the Private Placement and the Loan. Closing of the Private Placement (the "Closing Date") and the initial advance under the Loan are expected to occur in September 2014.

  On the Closing Date, Orion will purchase 11,660,611 common shares of the Company through a non-brokered private placement for gross proceeds of US$5,247,275, representing a purchase price of US$0.45 per common share. After the close of the Private Placement, Orion will own approximately 10.9% of the outstanding common shares. The Company's two largest shareholders, ANT Holding Anonim Sti. ("ANT") and APMS Investment Fund Ltd. (formerly Mavi Investment Fund Ltd.) ("APMS"), will participate in the Private Placement to maintain their present 30.1% and 17.4% ownership positions, respectively. ANT will purchase 6,696,732 common shares at a price of US$0.45 per common share for gross proceeds of US$3,013,529. APMS will purchase 3,864,879 common shares at a price of US$0.45 per common share for gross proceeds of US$1,739,195. ANT and APMS will also receive one common share purchase warrant ("Warrant") for each common share purchased through the Private Placement. Each Warrant will entitle the holder to acquire one common share at a price of US$1.00 for a period of two years from the Closing Date.

  The Company and Orion have also entered into definitive Offtakes which are conditional upon the Company receiving funding from Orion under the Private Placement and the Loan. Under the Offtakes, the Company has agreed to sell and Orion has agreed to purchase on a take-or-pay basis certain lead concentrate and gold expected to be produced at the Company's Yenipazar Project. The Company will sell 50% of the gold produced over the first ten years of the mine plan at Yenipazar, subject to certain minimum delivery requirements. The Company will also sell 5,000 dry metric tonnes of lead concentrate per annum to Orion over the first ten years of the mine plan at

Yenipazar, corresponding to approximately 20% of the total lead concentrate volume, subject to minimum total deliveries of 50,000 dry metric tonnes of lead concentrate.

Together with the net proceeds of the Private Placement, the Loan are expected to be used to fund the Yenipazar land acquisition, advance basic and detailed engineering and for general working capital purposes through to project financing.

- **Environmental Impact Assessment ("EIA") report approved** – On March 6, 2014 the Company announced receipt of the Environmental Impact Assessment Positive Decision Certificate ("EIA Permit"). Obtaining the EIA approval in less than seven months from the initial application date is a significant achievement.

- **CEO Appointed -** Mr. Han Ilhan was appointed President and CEO of Aldridge, effective April 1, 2014. Mr. Ilhan lives in Ankara, Turkey, which is the base for the Company's operations in Turkey.

- **Receipt of Permits and License Extension**- Aldridge has received several key permits and licenses in Turkey, including the local permit that will allow the Company to conduct commercial activities in the region surrounding the Yenipazar Property and an extension to the Yenipazar Operating (mining) License to May 21, 2019. Together with the Operating License extension, the Company was granted five-year Operating Permits for each of the five metals. The Company will seek extensions to the Operating License and Operating Permits when appropriate.

- **Optimization Study ("OS")** – On April 15, 2014 the Company announced the results of its Optimization Study, which utilized revisions to key design and operating parameters undertaken since the release of the Yenipazar Feasibility Study in May 2013 (the "Feasibility Study" or "FS"). Aldridge reduced the pre-production project capital costs to US$230 million, or approximately 40% lower than the original Feasibility Study estimate of US$382 million. Plant throughput remains unchanged at 2.5 million tonnes of ore per annum over a 12-year mine life.

- **NI 43-101 Technical Report & Optimization Study** – In May 2014, the Company completed a further detailed review of significant components of the Optimization Study, as required for the Qualified Persons to complete their analysis and approval of the final report. As a result, certain sustaining capital costs increased, which were offset by significantly lower marketing penalties and allowances. The net result is an improvement to the project economics that were initially disclosed on April 15, 2014. The updated marketing study analysis concluded the processing penalty and allowance rates should be reduced to reflect the results from more recent metallurgical tests and improved markets, which translated to higher undiscounted revenues of approximately US$65 million over the life of mine. The updated NI 43-101 compliant technical report includes economic results that reflect the final adjustments requested by the Qualified Persons and other experts relied upon by the Company.

The summary below compares the project economics estimated as part of the May 2014 NI 43-101 Technical Report to the results from the Feasibility Study completed in Q2 2013:

		NI 43-101 Optimization Study May 2014	Feasibility Study May 2013
Pre-Production CAPEX (including contingencies):		**$230 million**	$382 million
Sustaining Capital (over 12-year life of mine including closure cost):		**$40 million**	$58 million
OPEX (cash operating cost per tonne of ore):		**$29.65**	$29.13
Base Case Metal Prices	Gold:	**$1,250/oz**	$1,450/oz
	Silver:	**$20.00/oz**	$28.00/oz
	Copper:	**$3.00/lb**	$3.00/lb
	Lead:	**$0.94/lb**	$0.95/lb
	Zinc:	**$0.90/lb**	$0.90/lb
IRR (after-tax at base case metal prices):		**32.2%**	23.7%
NPV_7 (after-tax at base case metal prices):		**$330 million**	$361 million
Payback (after-tax):		**2.4 years**	2.8 years

Highlights of the Optimization Study were summarized under two economic scenarios using the base case metal pricing assumptions described below. The first scenario is on a pre-tax project basis while the second scenario includes the applicable taxes. Both scenarios demonstrate robust economics. All amounts in the tables below are denominated in United States Dollars. Additional information and a comparison of the Optimization Study results to last year's FS results are included with the detailed description of the Yenipazar Project section of this report.

	Pre-Tax	After-Tax
IRR	34.5%	32.2%
NPV (0%) – US$	$739M	$644M
NPV (7%) – US$	$382M	$330M
Payback (years)	2.3	2.4

Base Case Pricing Assumptions	
Gold (US$/oz.)	$1,250.00
Silver (US$/oz.)	$20.00
Copper (US$/lb.)	$3.00
Lead (US$/lb.)	$0.94
Zinc (US$/lb.)	$0.90

Capital Costs	**$millions**
Mine Development, Plant & Equipment	$152
Owner's cost	$29
EPCM	$15
Contingency (17%)	$34
Total pre-production CAPEX	**$230**

Operating Costs	**US$**
Total average cost per tonne of ore	$29.65

Mining / Milling	
Mine life (years)	12
Strip ratio (incl. pre-stripping)	4.3:1
Nominal throughput (tonnes per annum)	2.5M

Life of mine and average annual payable production figures are detailed in the table below. As shown, gold and silver combine to generate approximately 55% of total revenue with base metals generating the balance (at Optimization Study base case pricing).

Product	**Gold (oz.)**	**Silver (M oz.)**	**Copper (M lbs)**	**Lead (M lbs)**	**Zinc (M lbs)**
Life of Mine	650,165	19.4	122.1	387.0	589.2
Average Annual	54,180	1.6	10.2	32.3	49.1
% of Revenue	38.8%	16.0%	15.8%	13.4%	16.0%

The economic results of the Optimization Study are sensitive to fluctuating commodity prices as well as capital and operating costs. Sensitivity analysis data is provided in the "Outlook", "Market Trends" and "Project Economics" sections of this MD&A.

- **Cash and cash equivalents at June 30, 2014 totalled $2,673,571**- The Company continued to prudently manage its cash by deferring certain operating and project development activities. Upon closing of the Interim Financing, expenditures will be managed to ensure achievement of land acquisition and project development objectives and to comply with use of proceeds commitments pursuant to the debt facility.

OUTLOOK

- **Land Acquisition** – Subject to the successful closing of the Interim Financing, the Company will kick-off the next stage of its land acquisition process ("LAP") at the Yenipazar Project beginning in September 2014. The LAP is a complex undertaking involving approximately 8.2 square kilometres of land divided into more than 500 land parcels presently owned by many of the people living in the nearby communities of Eğlence and Gövdecili. The Company anticipates a fair and orderly LAP (including expropriation as necessary) that will comply with the Equator Principles III typically required by international banks and project finance organizations. The successful acquisition of the land will be a key catalyst in de-risking the project and attracting full project financing. The land acquisition process is expected to take six to twelve months, although there are inherent risks that could extend the process.

- **Project Development –** Aside from the priority of advancing the project through the acquisition of land, the Company intends to refine the design of the mine by performing value engineering and starting the detailed design. The scope of the engineering will be determined in Q3. The owner's team will also be expanded in 2014 and 2015 as necessary to advance the Yenipazar Project through its development stage. As the priority for 2014 is to complete the land acquisition process as soon as possible, the scope of other project development activities will be modified as necessary in favour of that priority.

- **Project Financing** – Based on the Company's 2014 achievements, including the August 2014 announcement of the Interim Financing, Aldridge is well positioned to advance its efforts to obtain project financing in 2015. Critical to the timing of the project financing is the success of the land acquisition process, which remains as the last major project risk affecting the timing of construction. The Company, after evaluating the initial land acquisition progress, may consider engaging a financial advisory firm to facilitate the project financing process. Although the Company continues to be optimistic regarding funding, the amount and timing of obtaining new funds may be affected by the capital market conditions for junior mining companies, fluctuations in commodity prices, and potential changes to the political environment in Turkey.

- **Investment Incentive Certificate ("IIC") preliminary application filed** - In September 2013 the Company submitted a preliminary application for the IIC in order to qualify for tax incentives. The IIC application was updated based on the revised capital expenditure estimates of the Optimization Study. The incentive program allows for a government capital contribution to qualifying depreciable capital expenditures of either 40% for large scale projects or 30% for regional projects. This contribution is funded by a corporate income tax rate reduction from 20% to 6%. The Company expects to receive the IIC based on the large scale project incentive within the next two or three months. The impact of these incentives have been factored into the NI 43-101 compliant technical report that summarizes the OS.

MARKET OVERVIEW

Aldridge's prospects for creating shareholder value will be affected by its ability to achieve its major project development objectives, which may be affected by the timing of its land acquisition process and on achieving full project financing as described above. The Company's major objectives and challenges are generally focused on addressing the key risk factors potentially affecting the timing and cost of developing the Yenipazar Project and on positioning the Company to obtain the necessary financing to develop and build the Yenipazar Project. Receipt of the EIA Permit, as announced on March 6, 2014 was a critical milestone achievement for the project development. The robust results generated by the Optimization Study and the completion of interim financing that facilitates the land acquisition process are expected to be well received by prospective investors and lenders. Such catalysts should facilitate the process for raising project financing for Aldridge and the Yenipazar Project. However, fluctuations in spot and forecast commodity prices combined with generally uncertain or "soft" conditions of the capital markets for junior mining companies may result in the Company requiring more time to obtain full project financing. Obviously, delays in obtaining project financing would require the Company to modify and restrict some of its operating and project development spending in 2014, 2015 and beyond.

The market prices of gold, silver, copper, lead and zinc are primary elements for evaluating the potential economic returns of the Company's Yenipazar Project. The Company believes the Yenipazar Project provides the potential for a natural commodity pricing hedge since the revenue mix of precious metals and base metals potentially allows for the impact of price changes of precious metals to be partially offset by the opposite directional changes in base metals pricing. Although the spot and forecast precious metals prices decreased in 2013, the forecast prices for copper, lead and zinc remained relatively steady. The forecast price of lead in the Optimization Study decreased by only one cent per pound, while there was no change in the price for copper or zinc. The Company views the natural pricing hedge created by a VMS deposit as an important risk mitigating feature of the Yenipazar Project when compared to a more traditional precious metals project. Additional price sensitivity analysis is included in the "Yenipazar Project – Turkey" section of this MD&A.

The Company believes that continued stability or improvements in prices of its five commodities will lead to more favourable project economics and conditions for financing the Yenipazar Project. During the first half of 2014, commodity prices continued to fluctuate as indicated in the chart below:

		H1 2014 - January 1 to June 30, 2014 Price Range				Optimization Study	Feasibility Study
		Low	High	Close	Average	May-14	May-13
Gold	US$/oz	1,221	1,385	1,315	1,293	1,250.00	1,450.00
Silver	US$/oz	18.76	21.46	20.87	20.18	20.00	28.00
Copper	US$/lb	2.92	3.37	3.15	3.14	3.00	3.00
Lead	US$/lb	0.91	1.00	0.97	0.95	0.94	0.95
Zinc	US$/lb	0.88	1.00	1.00	0.93	0.90	0.90

Source: www.kitco.com; www.quandl.com

Going forward, we believe that gold will attract investment interest through its role as a safe haven investment, store of value and alternative to fiat currency due to concerns over geopolitical issues, sovereign debt and deficit levels, bank stability, future inflation prospects and continuing accommodative monetary policies put in place by many of the world's central banks. While there is a risk that investor interest in gold will decrease, we believe that the continuing uncertain macroeconomic environment, together with the limited choice of alternative safe haven investments, is supportive of continued strong demand for gold.

The silver price is driven by factors similar to those influencing the investment demand for gold. The physical silver market is currently in surplus and investment demand is expected to be the primary driver of prices in the near term.

Copper, lead and zinc prices should continue to be influenced by demand from emerging markets, specifically China, the availability of scrap and production levels of mines and smelters in the future. The Yenipazar Project economics and results of the May 2014 Optimization Study are discussed in more detail in the "Yenipazar Project—Turkey" section of this report.

In Turkey, during 2013 and in early 2014, there was an increase in political protests, alleged corruption, and changes affecting appointments of government ministers and senior bureaucrats. In spite of recent political events in Turkey, the Company remains optimistic that the Yenipazar Project will not be adversely affected. This is evidenced by the receipt of the EIA Permit in March 2014 and followed by the 5-year renewal of the Operating License in May 2014. Nevertheless, the Company will continue to work diligently with the various regulators and community stakeholders to facilitate timely execution of its permitting and other project development activities. The Company is sensitive to the potential financial impact of changes to schedules of various activities and factors affecting junior mining companies and expects to take the appropriate actions required to manage its liquidity position.

Fluctuations in foreign exchange rates may impact the amount of interim and project financing required to achieve the Company's objectives. The general operating expenses in Turkey and a portion of the estimated Yenipazar Project capital and operating expenditures are denominated in Turkish lira. The balance of present and future capital and operating costs are denominated in USD. Changes in the political and business environment in Turkey over the last year resulted in significant devaluation of the Turkish lira, although there has been some improvement most recently. The following chart provides representative exchange rates compared to rates used in the OS:

		Exchange Rates – July 28, 2014				Optimization Study
From	**To**	**52-week High**	**52-week Low**	**52-week Average**	**Spot**	
USD	TRY	2.33	1.92	2.09	2.09	2.10
CAD	TRY	2.11	1.85	1.95	1.93	1.93
USD	CAD	1.13	1.02	1.07	1.08	1.09

Source: www.oanda.com

Although the recent TRY devaluation may help reduce the CAD equivalent expense in the short term, there may be upward pressure on inflation in Turkey, which could negate a significant portion of the exchange impact. Changes in the USD/CAD exchange rate could also impact the equity component of potential fund raising if the Company raises future funds in Canadian dollars.

SELECTED FINANCIAL INFORMATION

The following table provides selected consolidated financial information that should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company. Up to June 30, 2013, Yenipazar Project expenditures were recorded as exploration and evaluation expenditures in the Statement of Loss. Beginning July 1, 2013 further expenditures on Yenipazar were capitalized as mineral property under development in the Statement of Financial Position in accordance with the Company's accounting policy.

(In Canadian Dollars)	**Six Months ended and as at June 30, 2014**	**Six Months ended and as at June 30, 2013**	**Twelve Months Ended and as at December 31, 2013**
Loss before income tax and discontinued operations	**$(1,722,418)**	$(5,540,039)	$(7,387,867)
Net Loss	**(1,722,418)**	(5,196,606)	(7,044,434)
Net loss per share	**(0.02)**	(0.07)	(0.09)
Cash and cash equivalents	**2,673,751**	11,401,972	7,055,868
Working capital (i)	**2,478,116**	11,173,240	6,917,577
Total assets	**9,668,777**	12,918,454	11,177,814
Total non-current financial liabilities	**145,154**	111,582	123,772

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

The Company's expenditures on mineral properties are as follows:

	Three Months Ended June 30, 2014	**Three Months Ended June 30, 2013**	**Six Months Ended June 30, 2014**	**Six Months Ended June 30, 2013**
Yenipazar Property, Turkey	$ 1,433,653	$ 1,172,528	$ 2,966,720	$3,206,247
Exploration Licenses, Turkey(i)	-	-	5,029	3,533
Total Exploration & Evaluation	$ 1,433,653	$1,172,528	$ 2,971,749	$3,209,780

(i) The Company presently holds 2 exploration licenses.

BACKGROUND

Aldridge is a publicly-traded junior exploration company in the business of identifying and developing mineral properties in Turkey. Aldridge has been working in Turkey since 2004. The Company has developed strong relationships with ANT Holding Anonim Sti. ("ANT"), a strategic partner based in Istanbul, Turkey, which owns approximately 30% of Aldridge, and Alacer Gold, who has operated in Turkey since 1998 and holds an NPI interest in the Company's flagship Yenipazar Project. The Yenipazar deposit in central Turkey includes recoverable quantities of gold, silver, copper, lead and zinc. Aldridge believes Turkey is an excellent mining jurisdiction for a number of reasons including:

- Modern mining law and commercial code;
- Well-developed infrastructure, with on-going government investment;
- Strategic location;
- Very mature and extremely competitive international construction industry;
- Well-developed contract mining business;
- Europe's largest gold producer; and
- Competitive tax and royalty structures, including an investment incentive program that could reduce corporate income tax rates from 20% to 6% based on certain new investment criteria.

Aldridge incorporated, in 2005, a 100% owned Turkish subsidiary, Aldridge Mineral Madencilik Ltd. Şti. ("Aldridge Turkey") to obtain, develop and operate mining properties in Turkey. This includes the Yenipazar Property, in which the Company owns a 100% working interest. Aldridge Turkey holds and may develop exploration licenses located outside the Yenipazar Project area. The Company announced the receipt of the Yenipazar Project EIA Permit on March 6, 2014. The Company also periodically reviews other prospective properties and exploration licenses in Turkey to identify future exploration targets.

In June 2011, the Company engaged Jacobs Minerals Canada Inc. ("Jacobs") to lead the feasibility study ("FS") on its Yenipazar Project. Significant components of the FS were completed by experienced consultants including P&E Mining, SGS UK, SRK (UK and Turkey) and Golder Associates. The FS results and filing of the NI 43-101 Technical Report were announced on May 17, 2013.

In FY 2012, Aldridge attracted a strategic investor, ANT to enhance the Company's ability to develop the Yenipazar Project. ANT maintained its 30% interest in the Company by investing an additional $4,529,000 in February 2013, following a $10,499,914 bought deal that was completed February 14, 2013.

In April 2014 the Company announced the results of its Optimization Study, which utilized revisions to key design and operating parameters undertaken since the release of the Yenipazar Feasibility Study in May 2013. Aldridge reduced the pre-production project capital costs to US$230 million, or approximately 40% lower than the original Feasibility Study estimate of US$382 million. Plant throughput remains unchanged at 2.5 million tonnes of ore per annum over a 12-year mine life.

OVERVIEW OF PROJECTS AND INVESTMENTS

The Company's flagship property and primary focus is the Yenipazar Project in Turkey. During previous years it held a number of exploration licenses and equity investments in mining companies, which have been significantly reduced through divestiture or abandonment. The following is a list of projects and investments reflected in the most recent financial statements:

- Yenipazar Project - Turkey;
- Exploration licenses - Turkey; and
- Investments – Class A performance shares in Anatolia Energy Ltd. (Value at June 30, 2014 of $Nil).

YENIPAZAR PROJECT - TURKEY

The Yenipazar Property is approximately 100 square kilometres in area and is located at the geographic center of Turkey. It is approximately 200 kilometres east-southeast of Ankara, the capital city, and is easily accessible via public roads and has good access to rail transportation and electrical power supply.

The Yenipazar Project is a polymetallic VMS body that hosts a gold-silver-copper-lead-zinc mineral deposit within the Yenipazar Property. It has a currently determined strike length of at least 1,700 metres averaging 200 metres in width, with zones of approximately 20 metres in thickness at depths between 30 and 190 metres. Much of the ore body is sitting at a depth of approximately 50 to 120 metres. The Yenipazar Project includes approximately 9.4 square kilometres of land within the project fence line, of which 8.2 square kilometres will need to be acquired from local residents through the LAP. The majority of the remaining 1.2 square kilometres is government-owned treasury lands which the Company will be able to use pursuant to the Yenipazar Operating License.

The Company's expenditures on the Yenipazar Project decreased by $239,527 in the six months ended June 30, 2014 to $2,966,720 as compared to the six months ended June 30, 2013. The decrease resulted from higher expenditures incurred in the prior year period to support the completion of the FS.

PROPERTY OWNERSHIP STRUCTURE

On December 1, 2004, the Company entered into an agreement with Alacer to acquire a 65% interest in the Yenipazar Property. In July 2006, a revised option agreement was executed whereby, supplementary to earn-in conditions, the Company has the right to earn a 100% interest in the Yenipazar Property in exchange for consideration of 250,000 common shares of the Company (issued). In June 2013, the Company delivered the FS and exercise notice to Alacer and earned a 100% working interest in the Yenipazar Property. The Company will pay Alacer a 6% NPI until such time as operational revenues reach the amount of US$165,000,000, and a 10% NPI thereafter.

The Company has an Operating License with respect to the Yenipazar Property, which was renewed on May 21, 2014 for a period of five years. The related mining permits for each payable mineral will also expire at the same time. The Company will seek extensions to the Operating License and Operating

Permits prior to 2019. With these key extensions in place, the Company will proceed in due course with the application for construction and other ancillary permits.

While the Company advances the project towards development and production, the Company is operating under a temporary shutdown permit. The temporary shutdown permit is renewed annually and the current shutdown permit expires in January 2015. If the shutdown permit is not granted, the Company is required to mine a fixed tonnage and incur related costs (approximately $900,000) in order to maintain the license in good standing. The exploration and operating licenses are registered to Aldridge Turkey. While the shutdown permit was granted in the past and the Company deems it probable that it will be renewed in the future, there can be no assurances that it will be granted going forward.

POST-FEASIBILITY STUDY ACTIVITIES

Subsequent to the completion of the FS in May 2013 the Company advanced the Yenipazar Project in the following areas:

- Project Optimization Study;
- Environmental Impact Assessment Permit and Environmental and Social Impact Assessment;
- Land Acquisition Plan; and
- Application for obtaining the Investment Incentive Certificate.

Project Optimization Study

Note: All dollar figures in this section are denominated in USD

In the fall of 2013, Aldridge engaged a group of engineering and consultancy firms including Promer Engineering (Turkey), Jacobs, Norwest Corporation (Canada), P&E Mining Consultants Inc. (Canada), Orway Mineral Consultants (Australia), Hacettepe University (Turkey), SRK Consulting (Turkey) Ltd., and SGS Mineral Services (UK) Ltd. to provide an update of the Feasibility Study that would offer value added optimization in pre-production capital and operating cost while maintaining industry best practices.

On April 15, 2014 the Company announced the results of this Optimization Study for the Yenipazar Project. In the following month the Company filed a NI 43-101 compliant technical report for the OS that incorporates some further refinements to the capital costs, operating costs and marketing costs.

Highlights of the Optimization Study as summarized in the NI 43-101 report include (dollar figures in USD):

Pre-Production CAPEX (including contingencies):		$230 million
Sustaining Capital (over 12-year life of mine incl. closure cost):		$40 million
OPEX (cash operating cost per tonne of ore):		$29.65
Revised Base Case Metal Prices	Gold:	$1,250/oz
	Silver:	$20.00/oz
	Copper:	$3.00/lb
	Lead:	$0.94/lb
	Zinc:	$0.90/lb
IRR (after-tax at revised base case metal prices):		32.2%
NPV_7 (after-tax at revised base case metal prices):		$330 million
Payback (after-tax):		2.4 years

The Optimization Study is an update of the Feasibility Study and provides revisions to key design and operating parameters undertaken since the release of the Yenipazar Feasibility Study in April 2013 that have enabled Aldridge to establish lower project capital costs with only a moderate increase in operating costs. Plant throughput remains unchanged at 2.5 million tonnes of ore per annum over a 12-year mine life. By maximizing the use of highly qualified Turkish contractors and suppliers, the work capitalized on Turkey's key positive differentiators including the ability to effectively employ contract mining, leverage the country's skilled construction industry and its lower labour and manufacturing costs. Additionally, design areas such as the waste rock dump ("WRD"), tailings management facility ("TMF"), and grinding circuits were optimized based on new studies and testwork completed since the Feasibility Study. The main areas of focus were mining, waste and tailings disposal, material handling & processing, and infrastructure.

Mining:

- By utilizing Turkey's qualified contract mining capability and capacity, the capital costs associated with the owner-operated mining fleet included in the Feasibility Study have been eliminated. The related responsibility for training labour and maintaining mining equipment has also been transferred to the contractor.

- The contractor will utilize smaller equipment (customary in mining operations in Turkey) that is significantly more fuel-efficient than the proposed owner fleet.

- The overall result is a significant decrease in pre-production capital costs.

Waste and Tailings Disposal:

- A key focus of the Optimization Study was enhancing the layout of the WRD and TMF to reduce technical, environmental and operational risk while facilitating efficient waste deposition and water management.

- High density thickeners were incorporated to result in a smaller footprint due to the steeper beach slopes.

- The mining schedule has been revised to maximize backfill of waste in the pit and reduce the overall footprint of the WRD. The smaller WRD footprint allowed the TMF to be shifted west, taking advantage of the contours of the land to form a basin and further reduce the TMF footprint.

- A smaller initial tailings facility including a starter dam and deposition area will be constructed that will be raised yearly as part of the waste deposition operations, significantly reducing the initial capital cost.

- The water management system has been improved for operations and closure requirements.

- A geotechnical field program will be completed to provide additional information to support the revised WRD and TMF configurations as the project moves forward.

Material Handling & Processing:

- Post-Feasibility Study testwork supported a single stage crusher followed by a SAG mill, eliminating the need for three stages of crushing and the ball mill previously envisioned.

- Crushing, ore storage, conveying and equipment selection have been improved, resulting in a significant reduction in equipment and footprint.

- The flowsheet has been updated based on additional metallurgical testing that has been ongoing since the completion of the Feasibility Study.

- The design maintains whole ore processing at a nominal throughput of 2.5 million tonnes per annum and is based on conventional crushing and grinding in conjunction with a Gravity Recoverable Gold ("GRG") circuit where most of the gold and a portion of the silver are recovered. The gravity circuit is followed by sequential flotation of copper, lead, and zinc, in which the copper and lead circuits both contain GRG recovery stages to enhance recovery of gold to Doré.

Infrastructure:

- Costs for mine office and maintenance buildings on site have been reduced by transferring this responsibility to the mining contractor.

- Road construction costs have been reduced by utilizing qualified Turkish contractors.

- A separate clean water dam will be constructed during pre-production, eliminating the need for a well field.

- The Turkish Power Authority (TEIAS) has agreed to provide power by connecting to the existing power grid during construction, minimizing reliance on expensive diesel generators as contemplated in the Feasibility Study.

Capital Costs

Pre-production capital costs are estimated at US$230 million compared with US$382 million in the Feasibility Study for a reduction of approximately 40%. No estimates for escalation or foreign exchange fluctuation have been included in the capital costs.

Pre-Production Capital Costs (CAPEX) in millions (USD)			
	Optimization Study	**Feasibility Study**	**$ Difference**
Directs			
Pre-production development	$20	$23	($3)
Mine equipment	$0	$41	($41)
Process plant and equipment	$63	$92	($29)
Tailings & waste rock dump	$12	$43	($31)
Infrastructure	$23	$34	($11)
Power transmission & substation	$5	$9	($4)
Total	**$123**	**$242**	**($119)**
Indirects			
Owner's cost (including land)	$29	$31	($2)
EPCM[1]	$15	$36	($21)
Other indirect costs	$29	$36	($7)
Contingency[2]	$34	$37	($3)
Total	**$107**	**$140**	**($33)**
TOTAL PRE-PRODUCTION CAPEX	**$230**	**$382**	**($152)**

[1]EPCM costs have decreased due to lower overall project costs.

[2]Despite a lower contingency in dollar terms, the Company has increased the contingency from approximately 11% to 17% of pre-production CAPEX. Of the 17%, 4% is assigned to certain design elements already identified by the Optimization Study that may result in increased costs if supported by further studies. 13% is allocated for unknowns.

Sustaining Capital

As described in the NI 43-101 compliant technical report, total sustaining capital during operations has decreased from US$58 million to US$40 million. By utilizing contract mining, US$22 million allocated for additional mining equipment and refurbishment has been eliminated. Sustaining capital for the TMF has increased from US$11 million to US$16 million. Mine closure costs have been reduced by approximately US$1 million to US$23 million.

Operating Costs

The Optimization Study operating costs with comparison to the Feasibility Study are given in the table below.

Life of Mine Operating Costs (OPEX)					
	Optimization Study[1]		**Feasibility Study**		**% Difference**
	$ Total (millions USD)	**$/tonne of ore**	**$ Total (millions USD)**	**$/tonne of ore**	
Mining - contractor	235	8.06	incl. in Mining - owner		
Mining - owner	24	0.83	325	11.15	-20%
Processing	498	17.06	488	16.72	2%
G&A[2]	108	3.70	37	1.26	192%
Total	**$865**	**$29.65**	**$850**	**$29.13**	**2%**

[1]An average contingency of approximately 10% has been included in the operating costs.
[2]The increase in G&A compared to the Feasibility Study is mainly due to the inclusion of Ankara head office labour costs. The G&A also reflects increased reliance on an expat workforce during commissioning and the early years of the mine life.

Reserve Estimate

The mineral reserves for the Yenipazar project comprise three different mineralization types to be mined and processed:

- sulphide mineralization (80% of total);
- oxide mineralization (11% of total); and
- copper-enriched mineralization (9% of total).

The processing characteristics of each are slightly different with the sulphide and copper-enriched zones yielding five payable metals (Au, Ag, Cu, Pb, Zn) while the oxide zone yields three payable metals (Au, Ag, Pb).

The mineral reserve is the portion of the mineral resource that has been identified as mineable within a design pit. The overall pit slope criteria that were used for designing the pit ranged from 26° to 35° in the upper slope (weakened and weathered rock) and from 39° to 49° in the lower slope (competent rock). The strip ratio for the deposit is 4.3:1 including the pre-stripping and drops to 4.0:1 when pre-stripping is excluded. The mineral reserve incorporates ore criteria such as mining recovery, mining losses and dilution. A mining loss factor of 3.0% and a dilution factor of 14.8% were applied to each ore type.

The Probable mineral reserves are summarized in the table below:

								Contained Metal				
	Tonnage	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Pb (%)**	**Zn (%)**	**NSR ($USD /t)**	**Au (M oz)**	**Ag (M oz)**	**Cu (M lbs)**	**Pb (M lbs)**	**Zn (M lbs)**
Oxide	3,214,000	0.83	23.2	0.24	0.96	0.54	42.24	0.09	2.40	16.67	68.02	38.31
Cu-Enriched	2,547,000	0.89	32.9	0.44	0.94	1.15	72.07	0.07	2.70	24.65	52.69	64.76
Sulphide	23,407,000	0.89	29.9	0.29	0.95	1.54	90.08	0.67	22.52	149.72	489.67	795.38
TOTAL	**29,168,000**	**0.88**	**29.4**	**0.30**	**0.95**	**1.40**	**83.24**	**0.83**	**27.61**	**191.05**	**610.37**	**898.46**

- The mineral reserves are based on NSR cut-off values of USD $17/t for oxide and USD $20/t for copper-enriched and sulphide mineralization.
- The reserve estimate is based on a resource estimate (see news release dated November 26, 2012).
- The mineral reserves in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

Recoveries

The Company will produce five metals in four products: gold/silver doré and copper, lead, and zinc concentrates. The table below reflects recoveries for the deposit's three mineralized zones: sulphide (80% of reserves), copper-enriched (9% of reserves), and oxide (11% of reserves). Recoveries for the sulphide zone reflect recent locked cycle tests on representative samples for years 1-4 and years 5-11. In years 11 and 12, stockpiled oxide ore is processed through the mill. Recoveries for the copper-enriched and oxide zones have not changed since the Feasibility Study.

	Metal	Total Recoveries	Doré	Copper Concentrate	Lead Concentrate	Zinc Concentrate
Sulphide (Years 1 -4)	Gold	**82%**	71.5%	9%	0%	1.5%
	Silver	**72%**	2.5%	9.5%	50%	10%
	Copper	**75%**		75%		
	Lead	**73%**			73%	
	Zinc	**62%**				62%
Sulphide (Years 5 - 11)	Gold	**79%**	65%	10%	0%	4%
	Silver	**76%**	4%	10%	51%	11%
	Copper	**72%**		72%		
	Lead	**70%**			70%	
	Zinc	**77%**				77%
Copper-Enriched (Years 1-11)	Gold	**75%**	53%	4%	10%	8%
	Silver	**52%**	6%	13%	21%	12%
	Copper	**47%**		47%		
	Lead	**35%**			35%	
	Zinc	**34%**				34%
Oxide (Years 1-11)	Gold	**67%**	60%		7%	
	Silver	**50%**	45%		5%	
	Copper	**0%**				
	Lead	**29%**			29%	
	Zinc	**0%**				

Marketing Parameters

As part of the OS, a review was conducted by Exen Consulting Services to update the marketing parameters to reflect current market conditions and the results from recent metallurgical tests. Significant changes since the FS include:

- Lower penalties for deleterious elements in the zinc and copper concentrates;
- Higher smelting charges on lead concentrates; and
- Higher payability factors on gold and copper content in the copper concentrate.

As a result of these marketing cost updates, undiscounted life-of-mine revenues increased by approximately US$65 million using the OS base case metal prices.

Production Highlights

Life of mine and average annual payable production figures as summarized in the NI 43-101 compliant technical report are detailed in the table below. As shown, gold and silver combine to generate approximately 55% of total revenue with base metals generating the balance (at OS base case metal pricing).

	Gold (oz)	Silver (M oz)	Copper (M lbs)	Lead (M lbs)	Zinc (M lbs)
Life of Mine	650,165	19.4	122.1	387.0	589.2
Average Annual	54,180	1.6	10.2	32.3	49.1
% of Net Revenue	38.8%	16.0%	15.8%	13.4%	16.0%

Economic Analysis: Feasibility Study Comparison Pricing

Price deck (USD) used in the original Feasibility Study:

Gold: $1,450/oz, Silver: $28.00/oz, Copper: $3.00/lb, Lead: $0.95/lb, Zinc: $0.90/lb

	Optimization Study[1]		Feasibility Study	
	Pre-Tax	After-Tax	Pre-Tax	After-Tax
IRR	41.8%	38.9%	26.5%	23.7%
NPV (0%) (USD)	$970M	$832M	$908M	$782M
NPV (7%) (USD)	$520M	$443M	$438M	$361M
Payback (years)	2.03	2.10	2.6	2.8

[1] As per NI 43-101 compliant technical report

Economic Analysis: Optimization Study Base Case Pricing

Price deck (USD) based on current market conditions:

Gold: $1,250/oz, Silver: $20.00/oz, Copper: $3.00/lb, Lead: $0.94/lb, Zinc: $0.90/lb

	Optimization Study[1]	
	Pre-Tax	After-Tax
IRR	34.5%	32.2%
NPV (0%) (USD)	$739M	$644M
NPV (7%) (USD)	$382M	$330M
Payback (years)	2.31	2.39

[1] As per NI 43-101 compliant technical report

Sensitivity Analysis
The sensitivity analyses below reflect the results of the Optimization Study as summarized in the NI 43-101 compliant technical report.

Exhibit A below shows the sensitivity of after-tax IRR and NPV (7%) to changes in the price of all five metals. Even with a 20% reduction to all metal prices, the project is sufficiently robust to generate an after-tax IRR of 19% (using $1000/oz gold, $16/oz silver, $2.40/lb copper, $0.75/lb zinc, and $0.72/lb lead).

Exhibit A.

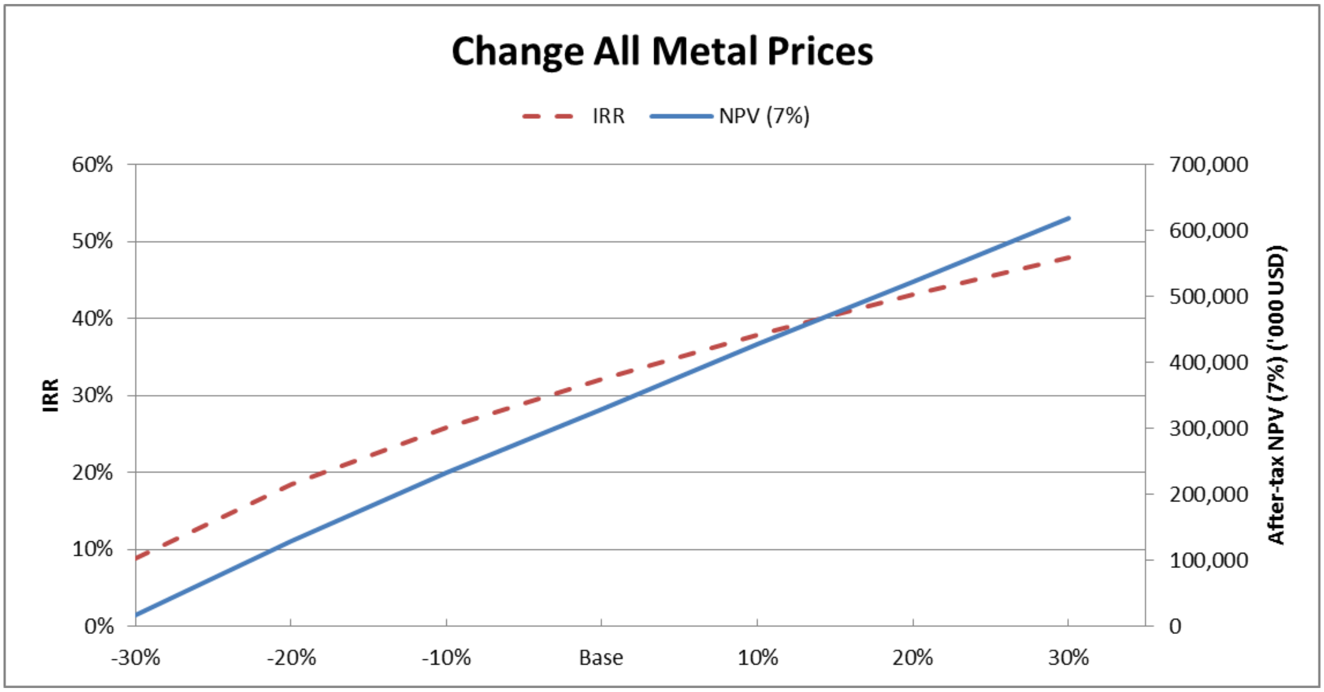


Exhibit B below shows the sensitivity of after-tax IRR and NPV (7%) to changes in the price of gold and silver while leaving base metal prices unchanged from the base case. Even with a 30% reduction to precious metal prices, the project is sufficiently robust to generate an after-tax IRR of 22% (using $875 USD/oz gold and $14 USD/oz silver).

Exhibit B.

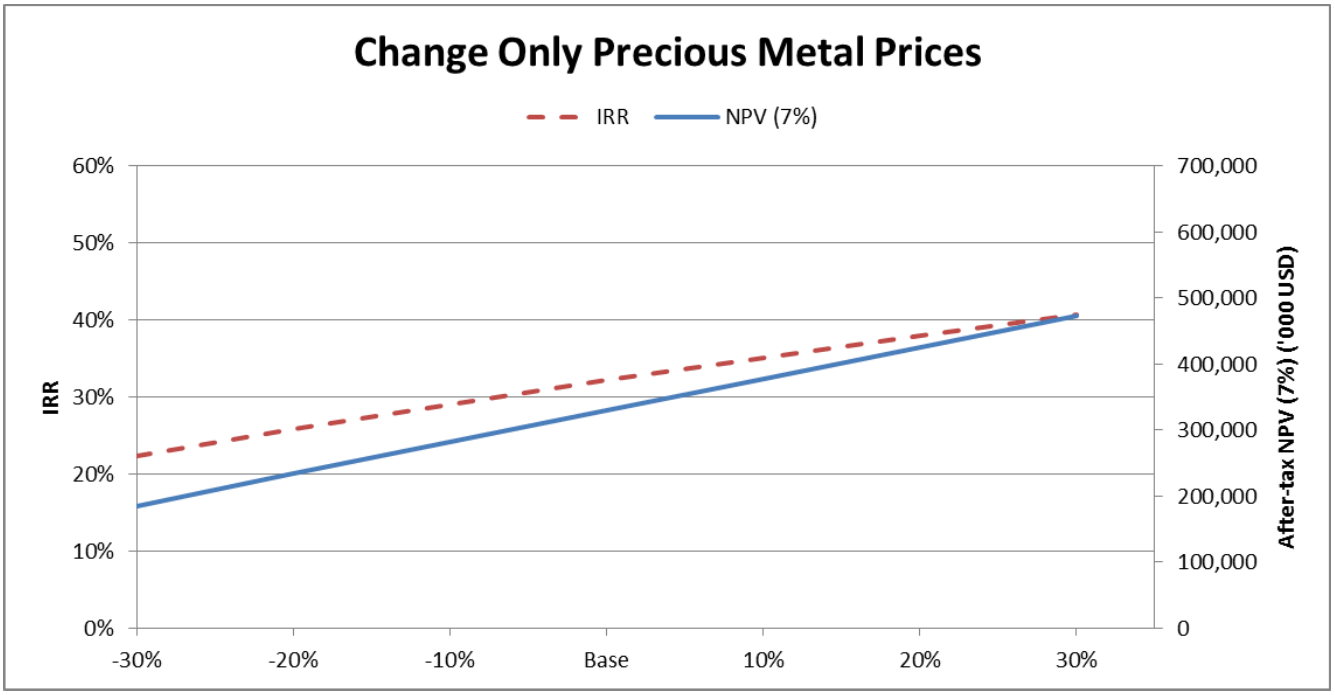
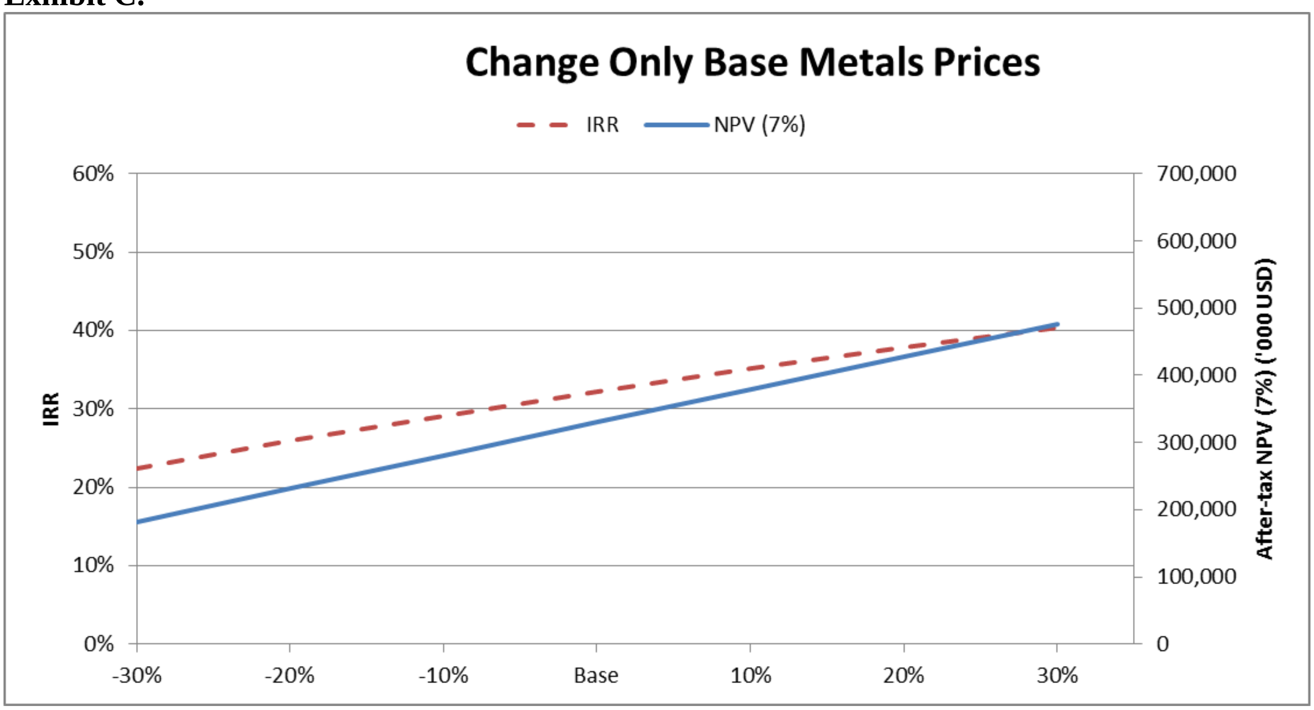


Exhibit C below shows the sensitivity of after-tax IRR and NPV (7%) to changes in the price of copper, lead and zinc while leaving precious metal prices unchanged from the base case. Even with a 30% reduction to base metal prices, the project is sufficiently robust to generate an after-tax IRR of 22% (using $2.10 USD/lb copper, $0.66 USD/lb lead, and $0.63 USD/lb zinc).

Exhibit C.



Environmental Impact Assessment ("EIA") Permit and Environmental and Social Impact Assessment

In accordance with Turkish law, an EIA report on the Yenipazar Project must be submitted for approval by the Turkish government. The EIA approval process involves the filing of an initial application defining the scope of the proposed project, a public consultation process, and a final submission. The EIA report was submitted to the Ministry of the Environment and Urbanization in Turkey in August 2013. In early November a review meeting was held with the Ministry. The Company announced on March 6, 2014 that it had received the EIA Permit for the Yenipazar Project.

Aldridge has also completed an Environmental and Social Impact Assessment ("ESIA") report, in accordance with international standards (Equator Principles III), which built on the Turkish EIA by providing additional social data analysis and the LAP.

Land Acquisition Plan

The Company's land acquisition plan document was completed in December 2013. The plan was prepared to facilitate compliance with Equator Principles III, thereby meeting the standards required by potential international financing organizations. It also builds on the present relationships with land owners and other stakeholders to facilitate project development. The funding to be provided by the Interim Financing, will allow the Company to initiate its land purchase process in September. The process is a complex undertaking since it involves approximately 8.2 square kilometres of land divided into more than 500 land parcels presently owned by many of the people living in the nearby communities of Eğlence and Gövdecili. The Company anticipates a fair and orderly process (including expropriation as necessary) that will comply with the Equator Principles III typically required by international banks and project finance organizations. The successful acquisition of the land will be a key catalyst in de-risking the project and attracting full project financing. The land acquisition process is expected to take six to twelve months or possibly longer.

Investment Incentive Certificate ("IIC")

The Yenipazar Project is eligible to participate in the Turkish investment incentive plan. Based on the rates effective for projects qualifying after January 1, 2014 the expected income tax savings are equivalent to approximately 40% of the eligible depreciable capital expenditures required to build the project. The income tax savings will be received via a corporate income tax rate reduction from 20% to 6%. (The FS assumed the project would qualify for the 2013 IIC rates and the benefits would have been received through an income tax rate reduction from 20% to 4%.) The Company submitted its initial application, in September 2013, for the Investment Incentive Certificate pursuant to Turkey's 'Decree on State Incentives in Investments'. The IIC qualification level and approval is dependent upon a number of factors, including a minimum expenditure amount incurred in the calendar year in which the IIC is issued. Subsequent to receiving the EIA Permit in March, the Company expects to receive the updated IIC in Q3 or Q4 2014. The benefits expected to be received under these incentives have been factored into the NI 43-101 compliant technical report that summarizes the OS.

EXPLORATION AND OPERATING LICENSES IN TURKEY

As at June 30, 2014, the Company held a total of 3 licenses, including one operational license for Yenipazar and 2 exploration licenses.

Early in 2011, the Company decided to focus its efforts on the Yenipazar Project and determined that it should seek buyers for certain licenses and abandon certain other licenses. 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 certain amounts at fixed intervals. The most recent payment was received in July 2013. By continuing exploration, Kenz commits to spending $1 million on exploration and evaluation over the next 24 months and agrees to pay Aldridge $250,000 USD at the end of the next 24 month exploration period (June 2015).

The Company continues to seek interested buyers for its remaining exploration licenses, while periodically looking for other licenses and properties in Turkey for future exploration. Periodically the Turkish government holds auctions for available exploration licences and the Company's exploration team evaluates the available licenses to determine if it is appropriate for the Company to bid on them.

MARKET TRENDS

Metal	OS Base Case	Approximate Spot Prices - as at July 31		
		2014	2013	2012
Gold (US$/oz.)	1,250	1,286	1,322	1,614
Silver (US$/oz.)	20.00	20.74	19.82	27.95
Copper (US$/lb.)	3.00	3.23	3.11	3.35
Lead (US$/lb.)	0.94	1.01	0.94	0.84
Zinc (US$/lb.)	0.90	1.08	0.82	0.82

Settlement Date	GLOBEX Gold Futures At July 31, 2014 US$	GLOBEX Silver Futures At July 31, 2014 US$
December 31, 2014	1,290	20.69
December 31, 2015	1,302	20.89
December 31, 2016	1,317	21.23
December 31, 2017	1,344	21.69

(Sources include: www.kitco.com; www.kitcometals.com; cmegroup.com)

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. The recently completed Optimization Study took into account prevailing market conditions in determining the appropriate base case metal pricing. For a summary of other factors and risks that may affect the Company and its financial position, please refer to “Risks Factors”.

FINANCING ACTIVITIES

US$45,000,000 Interim Financing Announced– On August 29, 2014, the Company announced that it has executed definitive agreements with Orion Fund JV Limited, an affiliate of Orion, in connection with a US$10 million equity private placement which includes participation by the Company’s two largest shareholders and a secured US$35 million bridge loan facility. The Company has also entered into lead concentrate and gold offtake agreements with an Orion affiliate, which are conditional upon the Company receiving funding under the Private Placement and the Loan. Closing of the Private Placement and the initial advance under the Loan are expected to occur in September 2014.

On the Closing Date, Orion will purchase 11,660,611 common shares of the Company through a non-brokered private placement for gross proceeds of US$5,247,275, representing a purchase price of US$0.45 per common share. Subject to certain conditions, Orion will have the right to participate in future securities offerings by the Company in order to maintain its ownership share in the Company.

The Company’s two largest shareholders, ANT and APMS, will participate in the Private Placement to maintain their present 30.1% and 17.4% ownership positions, respectively. ANT will purchase 6,696,732 common shares at a price of US$0.45 per common share for gross proceeds of US$3,013,529. APMS will purchase 3,864,879 common shares at a price of US$0.45 per common share for gross proceeds of US$1,739,195. ANT and APMS will also receive one Warrant for each common share purchased through the Private Placement. Each Warrant will entitle the holder to acquire one common share at a price of US$1.00 for a period of two years from the Closing Date. The common shares and the Warrants, and the Common Shares issuable on exercise of the Warrants, will be subject to a four-month hold period from the Closing Date under applicable securities laws.

In connection with the Private Placement, Orion, which, following completion of the Private Placement, will own approximately 10.9% of the outstanding Common Shares, has been granted the right to nominate one individual for election to the Board of Directors of the Company for 24 months following the Closing Date and thereafter for such time as Orion owns at least 10% of the outstanding common shares, subject to certain adjustments. Subject to Exchange approval, a representative of Orion will be appointed to the Board of Directors on the Closing Date.

Highlights of the Loan include:

- Principal amount of US$35 million.
- Term of 2 years following the Closing Date.
- Interest is 9% per annum plus the greater of 3 month USD LIBOR and 1%. Interest will accrue over the term of the Loan and will be capitalized monthly.
- Early repayment of the Loan may occur at any time without charges.
- The Loan is not subject to any structuring or arrangement fees.

- Orion will have first priority security interest in all of the material assets of the Company. Such security will be released following full repayment of the Loan plus all accrued interest.

The Company and Orion have also entered into definitive Offtakes which are conditional upon the Company receiving funding from Orion under the Private Placement and the Loan. Under the Offtakes, the Company has agreed to sell and Orion has agreed to purchase on a take-or-pay basis certain lead concentrate and gold expected to be produced at the Company's Yenipazar Project. The Company will sell 50% of the gold produced over the first ten years of the mine plan at Yenipazar, subject to certain minimum delivery requirements. The Company will also sell 5,000 dry metric tonnes of lead concentrate per annum to Orion over the first ten years of the mine plan at Yenipazar, corresponding to approximately 20% of the total lead concentrate volume, subject to minimum total deliveries of 50,000 dry metric tonnes of lead concentrate. The payment price for both the lead concentrate and the gold will be determined in the context of the market at the time of delivery, subject to certain quotational periods. The Offtakes underscore Orion's confidence in the Project and will assist Aldridge in demonstrating bankable revenue streams to prospective project lenders.

Together with the net proceeds of the Private Placement, the Loan are expected to be used to fund the Yenipazar land acquisition, advance basic and detailed engineering and fund general working capital purposes through to project financing.

Subject to the approval of the Exchange, Baran Umut Baycan, a director of the Company, will receive approximately US$332,000 in finder's fees in connection with securing the Private Placement investments from ANT and APMS.

Project Financing

Based on the Company's 2014 achievements, including the August 2014 announcement of the Interim Financing, Aldridge is well positioned to advance its efforts to obtain project financing in 2015. Critical to the timing of the project financing is the success of the land acquisition process, which remains as the last major project risk affecting the timing of construction. The Company, after evaluating the initial land acquisition progress, may consider engaging a financial advisory firm to facilitate the project financing process. The timing of obtaining project financing may be affected by many factors, including the capital market conditions for junior mining companies, fluctuations in commodity prices, and potential changes to the political environment in Turkey.

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2014 compared with the three and six months ended June 30, 2013:

	Three Months Ended		Six Months Ended	
	June 30 2014	**June 30 2013**	**June 30 2014**	**June 30 2013**
EXPENSES				
Exploration and evaluation expenditures	**$ -**	$ 1,172,528	**$ 5,029**	$ 3,209,780
General and administrative	**907,994**	1,354,930	**1,713,564**	2,373,922
	$ (907,994)	$ (2,527,458)	**$ (1,718,593)**	$(5,583,702)
OTHER EXPENSES/(INCOME)	**(13,187)**	21,969	**(3,825)**	43,663
Net loss for the period before income tax	**$ (921,181)**	$ (2,505,489)	**$ (1,722,418)**	$(5,540,039)
Income tax recovery	**-**	-	**-**	343,433
Net loss for the period	**$ (921,181)**	$ (2,505,489)	**$ (1,722,418)**	$ (5,196,606)

For the three and six month period ended June 30, 2014, the Company incurred net losses from continuing operations of $921,181 and $1,722,418 versus the net loss of $2,505,489 and $5,196,606 during the comparable periods ended June 30, 2013. The decrease mainly relates to the start of capitalization of mine development costs relating to the Yenipazar Project beginning July 2013 upon the completion of the FS.

General and administrative expenses decreased by $446,936 and $660,358, respectively, during the three and six months ended June 30, 2014 to $907,994 and $1,713,564, respectively, mainly as a result of cost-cutting measures.

EXPLORATION AND EVALUATION EXPENDITURES

The Company's primary focus in FY2013 and FY2014 was to advance the FS on its Yenipazar Project in Turkey. Consequently its exploration and evaluation expenditures on mineral properties were as follows:

	THREE MONTHS ENDED JUNE 30, 2013 ($)	**THREE MONTHS ENDED JUNE 30, 2013 ($)**	**SIX MONTHS ENDED JUNE 30, 2014 ($)**	**SIX MONTHS ENDED JUNE 30, 2013 ($)**
Yenipazar Property				
Analytical	**1,129**	4,802	**1,326**	25,025
Depreciation	**28,254**	7,719	**56,486**	15,190
Drilling	-	43,578	**-**	112,318
Drilling site access fees	**8,633**	6,850	**13,221**	10,586
Engineering consulting for Optimization Study	**588,719**	-	**1,205,680**	-
Environmental consulting	**38,846**	-	**60,587**	-
Feasibility studies and project management	**-**	294,272	**-**	1,039,803
Geotechnical consulting	**-**	11,009	**-**	67,682
Land acquisition planning and development	**-**	74,101	**-**	165,455
License	**8,008**	1,088	**10,414**	3,741
Metallurgical consulting	**18,755**	20,035	**104,236**	201,614
Permitting	**61,055**	-	**138,074**	-
Professional expenses	**58,145**	136,543	**156,270**	161,978
Project expenses and employee costs	**535,161**	455,792	**1,037,001**	1,075,523
Resource estimate and mine design	**-**	36,533	**-**	183,338
Travel	**63,343**	52,409	**132,177**	91,683
Vehicles and Equipment maintenance	**20,807**	24,199	**44,818**	44,969
Other	**2,798**	3,598	**6,430**	7,342
	1,433,653	1,172,528	**2,966,720**	3,206,247
Exploration Licenses				
Licenses and fees	**-**	-	**5,029**	3,533
Total exploration and evaluation expenditures	**1,433,653**	1,172,528	**2,966,720**	3,209,780

During the first six months of FY 2014, the exploration and evaluation expenditures relating to the Yenipazar Project decreased by $239,527 as compared to the prior year due to non-recurring expenditures relating to the completion of the feasibility study that was completed in May 2013.

Prior to June 30, 2013 expenditures relating to the Yenipazar Project were recorded as exploration and evaluation expenditures in the Statement of Loss. On completion of the feasibility study, further expenditures on Yenipazar were capitalized as mineral property under development in the Statement of Financial Position beginning July 1, 2013.

GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes the Company's general and administrative ("G&A") and other expenses:

	THREE MONTHS ENDED JUNE 30, 2014 ($)	THREE MONTHS ENDED JUNE 30, 2013 ($)	YEAR OVER YEAR CHANGE ($)	SIX MONTHS ENDED JUNE 30, 2014 ($)	SIX MONTHS ENDED JUNE 30, 2013 ($)	YEAR OVER YEAR CHANGE ($)
Amortization	**15,258**	16,617	(1,359)	**30,447**	31,865	(1,418)
Directors' fees and expenses	**94,944**	83,303	11,641	**158,605**	134,803	23,802
Office and sundry	**137,443**	165,188	(27,745)	**279,232**	360,396	(81,164)
Professional fees	**115,765**	516,051	(400,286)	**273,667**	868,663	(594,966)
Salaries and benefits	**393,669**	379,103	14,566	**741,166**	631,082	110,084
Shareholder information	**41,733**	73,221	(31,488)	**66,142**	131,808	(65,666)
Stock-based compensation	**47,374**	53,482	(6,108)	**78,847**	102,221	(23,374)
Transfer and filing	**12,493**	13,843	(1,350)	**24,509**	28,049	(3,540)
Travel and promotion	**49,315**	54,122	(4,807)	**60,949**	85,035	(24,086)
General and administrative	**907,994**	1,354,930	(446,936)	**1,713,564**	2,373,922	(660,358)

Additional comments on individual expense item changes follow:

- Salaries and benefits increased by $110,084 during the six months ended June 30, 2014 to $741,166 due to the reversal of an unpaid bonus accrual in the first quarter of FY2013.
- Professional fees decreased by $400,286 and $594,966, respectively, during the three and six months ended June 30, 2014 as compared to the corresponding periods in the prior fiscal year due to the engagement of Cutfield Freeman & Co. Ltd. ("CF&Co.") in February 2013 as the Company's project finance advisor with Roscoe Postle Associates Inc. as the independent engineer. The CF&Co. engagement was terminated in November 2013 as a result of adverse capital market conditions.
- Office and sundry expenses decreased by $81,164 to $279,232 during the first six months of FY2014 as compared to the comparable period in FY2013 due to various cost reduction efforts.
- Shareholder information costs decreased by $65,666 when comparing the six months ended June 30, 2014 to the comparable period in the prior year because the Company realized some cost savings by electing not to continue certain investor relations consulting contracts.

The Company recognizes that the uncertain capital markets may require the Company to manage its spending to facilitate a potentially longer financing process. As a result, the Company may take further actions to manage expenses in Turkey and Canada, including reducing and re-assigning staff and reducing professional fees and other expenses.

FOREIGN EXCHANGE AND INCOME TAXES

Net foreign exchange losses were $25,014 and $32,669 for the three and six month period ended June 30, 2014, compared to losses of $14,397 and $15,534 in the comparable prior year periods. The FY 2014 loss related primarily to the impact of a weakening Canadian dollar against the Turkish Lira on a subsidiary's working capital balances.

Future income tax recoveries of $nil and $343,433, recorded during the first six months of FY2014 and FY2013 respectively, related to the expiration of outstanding warrants. Upon the expiration of the warrants, the Company recorded a reduction in contributed surplus related to the deferred tax liability for capital gains taxes and recorded an equivalent income tax recovery recording the application of accumulated losses to offset the deferred tax liability.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters. Net losses are mainly driven by the Company's expenditures on exploration and evaluation activities at Yenipazar.

Quarterly period ended[1]	Total revenues $	Loss before taxes and Discontinued Operations $	Loss before taxes and Discontinued Operations per share $	Net income (loss) $	Net income (loss) per share $	Total Assets $
June 30, 2014	Nil	(921,181)	(0.01)	(921,181)	(0.01)	9,668,777
March 31, 2014	Nil	(801,236)	(0.01)	(801,236)	(0.01)	10,457,580
December 31, 2013	Nil	(592,098)	(0.01)	(592,098)	(0.01)	11,177,814
September 30, 2013	Nil	(1,255,730)	(0.01)	(1,255,730)	(0.01)	11,811,215
June 30, 2013	Nil	(2,505,489)	(0.03)	(2,505,489)	(0.03)	12,918,454
March 31, 2013	Nil	(3,034,550)	(0.04)	(2,691,117)	(0.04)	15,702,807
December 31, 2012	Nil	(3,946,620)	(0.07)	(3,719,405)	(0.06)	5,258,701
August 31, 2012	Nil	(3,232,479)	(0.06)	(3,235,830)	(0.06)	8,809,249

(1) Represents three-month quarters except for the four-month period ended December 31, 2012 arising from a change in year end.

Note: The Company has no history of declaring dividends.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 30, 2014 totaled $2,673,751 (December 31, 2013 - $7,055,868). Excess cash is invested in guaranteed investment certificates ("cash equivalents") issued by the Company's primary Canadian bank. At June 30, 2014, the Company had working capital (current assets less current liabilities) of $2,478,116 as compared to $6,917,577 at December 31, 2013, a decrease of $4,439,461. During the six months ended June 30, 2014, the Company's average monthly cash expenditures of approximately $730,000 included recurring G&A and project costs of approximately

$480,000 per month and non-recurring costs relating to the Yenipazar Optimization Study of approximately $250,000 per month. If this pace of spending continued, without an interim financing, the Company would deplete its cash resources before the end of 2014. Fortunately, the closing of the Interim Financing will provide sufficient liquidity to fund the Company's land acquisition process, project engineering and development, and its ongoing operations costs. Nevertheless, the Company recognizes that it needs a prudent approach to spending to ensure it optimizes the use of its cash resources to achieve its project development objectives and obtain the long term project financing required. The Company's rate of spending will be closely monitored and the discretionary spending may be adjusted to reflect potential changes in requirements and the timing of financing activities.

Following is a detailed discussion on the financing, operating and investing activities of the Company during the first half of FY 2014.

Financing Activities: As a result of the estimated value of the Yenipazar Project and the Company's ongoing marketing and financing efforts, the Company announced its Interim Financing on August 29, 2014, which included a US$35 million debt facility maturing in 24 months and combined private placements raising a total of US$10,000,000. The Interim Financing will fund land acquisition and engineering for the Yenipazar Project as well as the Company's working capital through 2015. With the financing necessary for the land acquisition process and further engineering design work, the Company believes that the Yenipazar Project is an attractive candidate for full project financing in 2015. The project financing is expected to repay the debt facility and accrued interest, and fund the project through construction to operation. In the meantime, considering the present mining sector and capital markets environment, prospective spending plans will balance short and long term project development plans with a conservative cash management strategy.

Operating Activities: During the first half of 2014, cash used in operating activities mainly comprise expenses to complete the OS on the Company's Yenipazar Project, and general and administrative expenses. Cash used in operating activities for the six month period ended June 30, 2014 was $1,663,196, compared to $5,476,008 for the six month period ended June 30, 2013. Operating activities for the six months ended June 30, 2014 were affected by the net increase in non-cash working capital balances of $47,902 (versus an increase of $155,795 in the six month period ended June 30, 2013) primarily due to a decrease in other receivables of $37,082, increase in prepaid expenses of $45,157, and an increase in accounts payable and other liabilities of $26,001, and decreases in due to related parties of $13,826. The Company also recorded a stock-based compensation expense of $78,847, and amortization of $30,444.

Investing Activities: For the six month period ended June 30, 2014, cash outflows arising from investing activities totaled $2,715,685, as compared to cash outflows of $276,749 for the six months ended June 30, 2013. For the six month period ended June 30, 2014, cash outflows mainly consisted of net expenditures on the Yenipazar Project that were capitalized to mineral property under development of $2,732,767 and net purchases of property and equipment of $15,733, offset by a refund of exploration license deposits of $32,815.

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

At June 30, 2014 the Company had no contractual commitments for the acquisition of property, plant or equipment (December 31, 2013 - $Nil).

The Company did not enter into any new leases in the first half of 2014, nor have there been any changes to existing commitments.

RELATED PARTY TRANSACTIONS

Related party transactions, include legal and consulting fees, management fees and compensation paid to key management personnel, and are recorded as either G&A expenses or exploration and evaluation expenditures, depending on their nature. Key management personnel are defined as officers and directors of the Company. Transactions between the Company and its subsidiaries have been eliminated on consolidation and not disclosed.

Amounts payable to key management personnel were $18,060 as at June 30, 2014 (December 31, 2013 - $31,886). Transactions with key management personnel were as follows:

	Three months ended June 30 2014	Three months ended June 30 2013	Six months ended June 30 2014	Six months ended June 30 2013
Salaries and benefits [1]	**$ 209,202**	$ 201,316	**$ 335,886**	$ 403,501
Share based payments[1]	**76,420**	47,489	**102,342**	91,301
Total compensation	**$ 285,622**	$ 248,805	**$ 438,228**	$ 494,802
Consulting and management fees[2]	**103,632**	118,168	**307,067**	176,264
Common share subscriptions[3]	**-**	-	**-**	845,011
Total transactions with key management personnel	**$ 389,254**	$ 366,973	**$ 745,295**	$ 1,516,077

(1) Directors do not have employment or service contracts with the Company, but may be 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 (stock options).

(2) These amounts represent consulting fees paid or payable to various current and former officers and directors of the Company or to companies controlled by such individuals. During the three and six month period ended June 30, 2014, the Company paid consulting fees of $26,308 and $49,301, respectively, to Dr. Martin Oczlon, as compensation for his role as VP Exploration. During the three and six month period ended June 30, 2014, $700 and $22,300, respectively, was paid to John Cook, a director of the Board, for consulting services rendered during the completion of the Yenipazar Optimization Study. The Company paid $76,624 and $235,466 in professional fees during the three and six month period ended June 30, 2014, respectively, to Baycan Law Firm, a firm of which Baran Umut Baycan, a director of the Board, is a partner. The services were incurred in the normal course of operations for general corporate and project-related matters. The foregoing related party transactions were made on terms equivalent to those that prevail with arm's length transactions.

(3) At the closing of private placement on February 14, 2013, key management personnel subscribed to 1,778,970 common shares at $0.475 per share.

Subsequent to the end of the second quarter and subject to approval by the Board and the TSX-V, Baran Umut Baycan may receive approximately $332,000 in finders' fees upon the closing of the Interim Financing.

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 14 "Commitments" contained in the consolidated financial statements for the year ended December 31, 2013.

SHARE CAPITAL AS AT AUGUST 29, 2014

Note: The below disclosures do not reflect the Interim Financing discussed above, since the relevant transactions are not scheduled to close until after the date of this document.

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	84,733,660

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. On June 25, 2014 the stock option plan as amended and restated in May 2013 was re-approved at the annual shareholders' meeting, subject to the review and acceptance of the TSX Venture Exchange. 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 as at August 29, 2014, 8,473,366 common shares.

As at August 29, 2014, the following stock options were outstanding:

Expiry Date	Exercise Price	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
October 9, 2014	1.40	935,000	935,000	0.11
November 29, 2014	0.88	375,000	375,000	0.25
April 28, 2015	0.88	200,000	200,000	0.66
November 9, 2015	1.11	200,000	200,000	1.20
November 30, 2015	1.40	300,000	300,000	1.25
February 22, 2016	1.46	50,000	50,000	1.48
March 21, 2016	1.06	50,000	50,000	1.56
March 30, 2016	1.29	60,000	60,000	1.59
June 15, 2016	1.25	400,000	400,000	1.80
June 20, 2016	1.05	200,000	200,000	1.81
August 3, 2016	0.80	110,000	110,000	1.93
February 28, 2017	0.54	75,000	56,250	2.50
March 28, 2017	0.64	233,000	174,750	2.68
May 1, 2017	0.61	200,000	150,000	2.67
November 26, 2018	0.20	1,450,000	362,500	4.25
April 7, 2019	0.24	1,000,000	250,000	4.61
	0.74	**5,838,000**	**3,873,500**	**2.50**

As at August 29, 2014, the maximum additional number of stock options that can be issued pursuant to the Plan is 2,635,366.

As at August 29, 2014, the following warrants, granted in February 2013 in connection with the private placement offered through Dundee, were outstanding:

Description	Expiry Date	Exercise Price	Warrants Outstanding	Value Assigned on Issue Date
Broker Warrants	February 14, 2015	$0.475	515,750	$126,720
Special Warrants	February 14, 2015	$0.475	222,463	36,928
		$0.475	738,213	$163,648

CAPITAL MANAGEMENT

The Company’s objectives when managing capital are:

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

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

The Company considers its capital to be equity, comprising share capital, contributed surplus, deficit, and accumulated other comprehensive loss which at June 30, 2014 totaled $8,655,445 (December 31, 2013 - $10,251,001).

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 monthly based on its exploration and development activities. Over the last sixteen months, the Company's capital management objectives, policies and processes evolved to recognize the positive impact of completing the Yenipazar FS in Q2 2013 and the challenging capital markets for junior mining companies. Consequently, the Company adjusted its plans to include completing in Q2 2014 the Optimization Study aimed at reducing the pre-production capital expenditures, and adjusting its financing targets in recognition of a need and opportunity for a staged financing approach.

The financing plan, as disclosed in November 2013, included:

- an interim financing for working capital needs;
- land acquisition financing; and
- project financing.

On August 29, 2014, the Company announced a US$45,000,000 Interim Financing that includes a US$35,000,000 debt facility maturing in 24 months and US$10,000,000 in private placements from Orion (US$5,247,275), APMS (US$1,739,195) and ANT (US$3,013,529). The funds raised will fund land acquisition and the Company's working capital requirements through FY2015. With the first two parts of the financing plan complete, the Company continues to seek out alternative sources for full project financing. The timing and amount of project financing will be affected by progress on land acquisition, and the availability of debt, equity or other forms of financing to junior mining companies such as Aldridge.

The Company is subject to certain covenants and capital requirements imposed by its debt facility agreement with Orion. The Company shall maintain a Debt/Book Equity ratio of less than or equal to 3:1 in FY2014 and less than or equal to 5:1 in FY2015 as measured at the end of each fiscal quarter. Orion has also first priority security interest in all of the assets of the Company. Such security will be released following full repayment of the debt facility and all accrued interest.

RISK FACTORS

The Company's principal activity of mineral exploration and development 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. Please refer to the section entitled "Risk Factors" in the Company's annual MD&A dated March 7, 2014.

QUALIFIED PERSONS

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

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of the Company's financial statements requires the Company to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenues and expenses. The Company's accounting policies are thoroughly described in Note 2 to the consolidated financial statements as at December 31, 2013.

ACCOUNTING STANDARDS AND AMENDMENTS ISSUED

Accounting standards and amendments issued and adopted

(i) 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. The Company identified no significant impacts as a result of the adoption of this interpretation.

(ii) 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. The Company identified no significant impacts as a result of the adoption of this interpretation.

Accounting standards and amendments issued and not yet adopted

(i) IFRS 9 - The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. IFRS 9 is effective for annual periods beginning on or after

January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

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 audited consolidated financial statements in accordance with IFRS. 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 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 audited consolidated financial statements; and (ii) the 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 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 Project will not be converted to a sufficient amount of indicated or measured resources to warrant development; risks that the hydrogeological characteristics at the Yenipazar Project 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.