ALDRIDGE MINERALS INC.

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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

	As at September 30 2014	As at December 31 2013
ASSETS		
Current		
Cash and cash equivalents	**$ 21,769,998**	$ 7,055,868
Other receivables and current assets (Note 5)	**502,924**	429,441
Prepaid expenses	**60,983**	186,028
	22,333,905	7,671,337
Exploration license deposits (Note 6(b))	**40,389**	71,786
Mineral property under development (Note 6(a))	**6,196,632**	2,476,462
Property and equipment (Note 7)	**892,589**	860,314
Other assets (Note 8)	**97,915**	97,915
	$ 29,561,430	$ 11,177,814
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 1,272,275**	$ 721,874
Due to related parties (Note 13)	**126,155**	31,886
	1,398,430	753,760
Borrowings (Note 4, 9)	**7,768,063**	-
Deferred revenues (Note 4)	**2,457,819**	-
Environmental rehabilitation provision	**49,281**	49,281
Warrants (Note 4, 9)	**351,001**	-
Other liabilities (Note 10)	**162,326**	123,772
	12,186,920	926,813
SHAREHOLDERS' EQUITY		
Share capital (Note 11(b))	**68,712,471**	59,042,061
Contributed surplus	**13,510,560**	13,336,689
Deficit	**(64,848,463)**	(62,127,379)
Accumulated other comprehensive loss	**(58)**	(370)
	17,374,510	10,251,001
	$ 29,561,430	$ 11,177,814

Nature of Operations and Going Concern (Note 1)

Approved by the Board of Directors:

"Barry Hildred"
Barry Hildred, Director

"Ed Guimaraes"
Ed Guimaraes, Director

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

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

	Three Months Ended		Nine Months Ended	
	September 30 2014	**September 30 2013**	**September 30 2014**	**September 30 2013**
EXPENSES				
Exploration and evaluation expenditures (Note 6)	**$ -**	$ -	**$ 5,029**	$ 3,209,780
General and administrative (Note 12)	**920,420**	1,272,788	**2,633,984**	3,646,710
	(920,420)	(1,272,788)	**(2,639,013)**	(6,856,490)
OTHER INCOME (EXPENSE)				
Net interest income/(expense)	**(16,212)**	28,687	**8,195**	90,757
Other income	**373**	52,974	**7,416**	61,246
Other expense	**(133,468)**	(21)	**(136,073)**	(11,166)
Foreign exchange gain/(loss)	**71,059**	(64,582)	**38,391**	(80,116)
	(78,248)	17,058	**(82,071)**	60,721
Net loss for the period before income tax	**$ (998,668)**	$ (1,255,730)	**$ (2,721,084)**	$ (6,795,769)
Income tax recovery (Note 16)	**-**	**-**	**-**	343,433
Net loss for the period	**$ (998,668)**	$ (1,255,730)	**$ (2,721,084)**	$ (6,452,336)
Items that may be reclassified to net loss:				
Change in unrealized foreign currency translation gains on foreign operations	**2,718**	655	**4,096**	665
Items that will not be subsequently reclassified to net loss:				
Changes in gains/(losses) on employment termination benefits	**652**	-	**(3,784)**	-
Comprehensive loss for the period	**$ (995,298)**	**$ (1,255,065)**	**$ (2,720,772)**	**$ (6,451,671)**
Basic and diluted net loss per share	**$ (0.01)**	$ (0.01)	**$ (0.03)**	$ (0.08)
Weighted average number of shares outstanding - basic and diluted	**85,941,389**	84,733,660	**85,140,660**	79,596,568

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

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

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance, December 31, 2012	**$ 45,526,494**	**$ 13,265,748**	**$ -**	**$ (55,082,945)**	**$ 3,709,297**
Net and comprehensive loss for the period	-	-	665	(6,452,336)	(6,451,671)
Shares issued for cash	15,028,914	-	-	-	15,028,914
Share issue cost	(1,513,347)	163,648			(1,349,699)
Stock based compensation	-	176,122	-	-	176,122
Tax on expired warrants	-	(343,433)	-	-	(343,433)
Balance, September 30, 2013	**$ 59,042,061**	**$ 13,262,085**	**$ 665**	**$(61,535,281)**	**$ 10,769,530**

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance, December 31, 2013	**$ 59,042,061**	**$ 13,336,689**	**$ (370)**	**$ (62,127,379)**	**$ 10,251,001**
Net loss for the period	-	-	-	**(2,721,084)**	**(2,721,084)**
Change in unrealized foreign currency translation gains on foreign operations	-	-	4,096	-	4,096
Change in gains (losses) on employment termination benefits	-	-	(3,784)	-	(3,784)
Comprehensive loss for the period	-	-	312	(2,721,084)	(2,720,772)
Interim financing (Note 4)	9,670,410	-	-	-	9,670,410
Stock based compensation	-	173,871	-	-	173,871
Balance, September 30, 2014	**$ 68,712,471**	**$ 13,510,560**	**$ (58)**	**$ (64,848,463)**	**$ 17,374,510**

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

	Nine Months Ended September 30 2014	Nine Months Ended September 30 2013
Cash Flows from (used in) Operating Activities		
Net loss from continuing operations	**$ (2,721,084)**	$ (6,452,336)
Add (deduct) items not affecting cash:		
Amortization	**46,829**	72,951
Income tax recovery (Note 16)	**-**	(343,433)
Stock-based compensation	**103,895**	176,122
Unrealized foreign exchange loss/(gain)	**(116,088)**	(2,526)
Loss on disposal of assets	-	22,616
Other	-	20,683
	(2,686,448)	(6,505,923)
Changes in non-cash operating assets and liabilities (Note 15)	**3,159,531**	(371,398)
	473,083	(6,877,321)
Cash Flows from (used in) Financing Activities		
Proceeds from issuance of common shares, net of costs (Note 4)	**9,670,410**	13,679,215
Proceeds from borrowings, net of costs (Note 4, 9)	**7,763,064**	**-**
Proceeds from issuance of warrants, net of costs (Note 4, 9)	**351,001**	**-**
	17,784,475	13,679,215
Cash Flows from (used in) Investing Activities		
Investment in mineral property under development	**(3,526,781)**	(933,278)
Purchase of property and equipment	**(164,128)**	(424,904)
Exploration license deposit	**32,454**	79,577
	(3,658,455)	(1,278,605)
Impact of foreign exchange on cash balances	**115,027**	(3,812)
Net change in cash and cash equivalents	**14,714,130**	5,519,477
Cash and cash equivalents, beginning of period	**7,055,868**	3,475,088
Cash and cash equivalents, end of period	**$ 21,769,998**	$ 8,994,565
Total interest paid	**$ -**	$ -
Total income taxes paid	**$ -**	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aldridge Minerals Inc. (the "Company") is listed on the TSX Venture Exchange (TSX-V: AGM). During the three and nine months ended September 30, 2014, the Company's principal business activities were the exploration and development of mineral properties in Turkey. As at September 30, 2014, the Company is incorporated under the Canadian Business Corporations Act, and its head office is located at 10 King Street East, Suite 300, Toronto, Ontario, M5C 1C3.

The unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2014 were approved and authorized for issue by the Board of Directors on November 12, 2014.

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

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has incurred a net loss in the current nine-month period of $2,721,084 (September 30, 2013 - $6,452,336) and has an accumulated deficit of $64,848,463 (December 31, 2013 - $62,127,379). As the Company moves into the development stage of its Yenipazar Project, it will need to secure additional funding to advance the mine towards production, meet its obligations and keep its mineral claims in good standing. Although the Company has closed its Interim Financing on September 25, 2014 (Note 4), there can be no assurance that sufficient project financing will be obtained in the future to realize the economic value of the Yenipazar Project. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The condensed consolidated interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual consolidated financial statements and accordingly, should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS.

A summary of significant accounting policies is included in Note 2 of Company's annual financial statements for the year ended December 31, 2013. The accounting policies adopted are consistent with those of the previous financial year, with the addition of the below.

(i) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of debt facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(iii) Deferred revenue

Deferred revenues are recognized on the statement of financial position for certain offtake agreements for future lead concentrate and gold production (Note 4). Deferred revenues will be recognized in profit and loss as deliveries are made.

(b) 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.

(c) Accounting standards and amendments issued but 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 recognized 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.

(d) Significant estimates and judgments

In addition to the critical accounting estimates listed in Note 2 of the Consolidated Financial Statements for the year ended December 31, 2013, the following are significant assumptions that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities:

- Discount rate and other inputs used to assign a fair value to the Loan, which in turn affect the value of Deferred revenues recognized with respect to the Offtake agreements (Note 4);
- All inputs used in the option pricing models for determining the fair value of Warrants issued (Note 4).

3. CAPITAL MANAGEMENT

There have been no changes to the Company's capital management objectives, nor to the way by which its capital structure is monitored. As at September 30, 2014, the Company is subject to certain debt covenants. (Note 4).

4. INTERIM FINANCING

On September 25, 2014 the Company closed a financing arrangement (the "Interim Financing") with Orion JV Ltd ("Orion"), ANT Holding Anonim Sti. ("ANT") and APMS Investment Fund Limited ("APMS"). The Interim Financing includes a US$10,000,000 million equity private placement (the "Private Placement"), a US$35,000,000 million bridge loan facility (the "Loan"), and offtake agreements for future lead concentrate and gold production (the "Offtakes").

Details of the interim financing arrangement are as follows:

a) *Share Purchases*

Under the Private Placement agreements, Orion purchased 11,660,611 common shares, ANT 6,696,732 common shares and APMS 3,864,879 common shares at US$0.45, for gross proceeds of $10,338,731 and transaction costs of $668,321. The common shares issued through the Interim Financing are subject to a four-month hold period from the closing date.

As a result of an equity position greater than 10%, Orion was granted one nominee to the Company's board of directors, for a period of 24 months from September 25, 2014 and to continue as long as ownership meets or exceeds the 10% requirement.

b) *Warrants*

ANT and APMS have received one common share purchase warrant ("Warrant") for each common share purchased through the Private Placement agreements for a total of 10,561,611 Warrants. The Warrant exercise price is US$1.00 ($1.108 as at the closing date) for a period of two years from the closing date of September 25, 2014. The Warrants are subject to a four-month hold period from the closing date.

The Warrants were valued using the Black-Scholes Options Pricing Model. Although the Warrants were issued as part of the Private Placement, the Warrants are classified as liabilities due to the exercise price being denominated in a currency that is not the functional currency of the Company.

c) *Loan*

The US$35,000,000 Loan carries an interest rate of 9% per annum, plus the greater of the 3 month USD LIBOR rate or 1% USD, and a maturity date of August 29, 2016. 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 (other than customary breakage costs).

Orion will have first priority 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. A debt covenant is in place for the Company, restricting the ratio of liabilities to equity to a maximum of 3:1 for FY 2014 and a maximum of 5:1 thereafter until the Loan and all accrued interest are repaid fully. As at September 30, 2014 a total of US$10,000,000 has been drawn down.

Financing costs of $1,341,593 have been netted against the value of the Loan and will be amortized over the term of the Loan using the effective interest rate method.

4. INTERIM FINANCING (continued)

c) Offtake Agreements

Orion has entered into a purchase agreement with the Company, on a take-or-pay basis, to buy certain lead concentrate and gold offtakes produced at the Yenipazar Project. Under the agreement, the Company will sell and Orion will purchase, 50% of the gold produced (subject to a minimum of 237,089 ounces) and 5,000 dry metric tonnes of lead concentrate per annum (subject to a minimum total delivery of 50,000 dry metric tonnes), over the first ten years of the mine plan at Yenipazar. Payment price for both the gold and lead concentrate will be determined at the time of delivery by market values, subject to specific quotational periods. Deferred revenues relating to the Offtakes totaling $2,457,819 have been recorded and will be taken into profit and loss as deliveries are made. Deferred revenues are calculated as the net residual value after deducting the fair market values of all individual financing components, excluding the Offtakes, from gross proceeds. On closing, transaction costs totaling $131,128, which relate to the Offtakes, were recognized as other expenses in the statement of profit and loss.

5. OTHER RECEIVABLES

	As at September 30 2014	As at December 31 2013
Deferred rent	**$ -**	$ 6,519
Interest receivable	**96**	63,106
Sales taxes receivable	**502,828**	359,816
Other receivables	**$ 502,924**	$ 429,441

6. EXPLORATION & DEVELOPMENT EXPENDITURES ON MINERAL PROPERTIES

a) Yenipazar Project, Turkey

Mineral Property Under Development	**Yenipazar Project**
Balance, December 31, 2013	**$ 2,476,462**
Additions	**3,720,170**
Balance, September 30, 2014	**$ 6,196,632**

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

The Company’s wholly-owned subsidiary in Turkey holds an Operational License for the Yenipazar Project. On May 21, 2014 the Company’s Operational License and related mining permits for the Yenipazar Project were renewed for 5 years.

6. EXPLORATION & DEVELOPMENT EXPENDITURES ON MINERAL PROPERTIES (continued)

While the Company advances the project towards development and production, the Company is operating under a temporary shutdown permit that expired on January 4, 2014. The temporary shutdown permit is renewed annually. The temporary shutdown permit was renewed in April 2014 and expires in January 2015.

During the nine months ended September 30, 2014, additions to the mineral property under development mainly related to the completion of the Optimization Study for the Yenipazar Project.

The expenditures on the mineral property in Yenipazar were as follows:

	Three months ended September 30 2014	Three months ended September 30 2013	**Nine months ended September 30 2014**	Nine months ended September 30 2013
Yenipazar Property				
Analytical	**$ 1,327**	$ 14,446	**$ 2,651**	$ 39,471
Depreciation	**28,670**	10,819	**85,156**	26,009
Drilling	**-**	2,875	**-**	115,192
Drilling site access fees	**2,612**	1,987	**15,834**	12,573
Engineering consulting for Optimization Study	**5,612**	85,138	**1,211,291**	85,138
Environmental consulting	**22,801**	132,616	**83,388**	132,616
Feasibility studies and project management	**-**	23,136	**-**	1,062,938
Geotechnical consulting	**-**	-	**-**	67,682
Land acquisition planning and development	**-**	63,881	**-**	229,337
License	**-**	419	**10,413**	4,161
Metallurgical consulting	**-**	63,429	**104,236**	265,043
Permitting	**21,204**	37,571	**159,278**	37,571
Professional expenses	**62,711**	138,339	**218,982**	300,318
Project expenses and employee costs	**526,592**	464,936	**1,563,593**	1,540,458
Resource estimate and mine design	**26,125**	-	**26,125**	183,338
Travel	**30,762**	30,640	**162,940**	122,323
Vehicles and equipment	**22,579**	26,381	**67,397**	71,350
Other	**2,455**	2,894	**8,886**	10,236
	$ 753,450	$ 1,099,507	**$ 3,720,170**	$ 4,305,754

b) Other Exploration Licenses, Turkey

Exploration license deposits	
Balance, December 31, 2013	**$ 71,786**
Refunded on abandoned licenses	(33,419)
Impact of foreign exchange	2,022
Balance, September 30, 2014	**$ 40,389**

At September 30, 2014, the Company held one exploration license (December 31, 2013 - 8). Exploration and evaluation expenditures for the nine months ended September 30, 2014 include amounts related to other licenses and fees in Turkey of $5,029 (nine months ended September 30, 2013 - $3,553).

7. PROPERTY AND EQUIPMENT

Cost	Equipment	Computer equipment	Land	Leasehold Improvements	Building	Total
Balance, December 31, 2013	$ 709,651	$ 117,830	$ 64,700	$ 20,890	$ 338,040	$ 1,251,111
Additions	21,374	102,341	-	40,413	-	164,128
Balance, September 30, 2014	$ 731,025	$ 220,171	$ 64,700	$ 61,303	$ 338,040	$ 1,415,239

Accumulated amortization	Equipment	Computer equipment	Land	Leasehold Improvements	Building	Total
Balance, December 31, 2013	$ 320,548	$ 52,982	$ -	$ 6,268	$ 10,999	$ 390,797
Net amortization	82,056	22,021	-	2,421	25,353	131,853
Balance, September 30, 2014	$ 402,604	$ 75,003	$ -	$ 8,689	$ 36,352	$ 522,650

Carrying value	Equipment	Computer equipment	Land	Leasehold Improvements	Buildings	Total
Balance, December 31, 2013	$ 389,103	$ 64,848	$ 64,700	$ 14,622	$ 327,041	$ 860,314
Balance, September 30, 2014	$ 328,421	$ 145,167	$ 64,700	$ 52,614	$ 301,688	$ 892,589

In September 2014, the Company purchased enterprise resource planning ("ERP") software licenses for $100,000. The Company has committed to an additional $338,460 for ERP implementation services and $4,828 per month for the next three years for IT support services.

The Company entered into a new office lease in the third quarter of 2014 for a land acquisition field office in Boğazliyan. The term of the lease is 12 months and rent is TRY 1,200/month. The Company also entered into a new car lease in October 2014 for a lease term of 36 months and lease payments of TRY 2,400/month. Both leases are classified as operating leases.

8. OTHER ASSETS

	As at September 30, 2014	As at December 31, 2013
Rent deposits held by lessor	**$ 67,915**	$ 67,915
Restricted cash	**30,000**	30,000
	$ 97,915	$ 97,915

9. FINANCIAL INSTRUMENTS

(a) Financial assets

The Company holds Class A Performance shares in Anatolia Energy Limited ("Anatolia"). Shareholders of these Performance shares are entitled to be issued common shares in Anatolia if Anatolia issues Australian Joint Ore Reserves Committee ("JORC") Code compliant resource estimates that meet predetermined thresholds. These thresholds are described in Note 7 of the consolidated financial statements for the year ended December 31, 2013. As at September 30, 2014, the Company continued to hold the Class A Performance shares at an estimated fair value of $nil (December 31, 2013 - $nil) based on the assessment of the likelihood of Anatolia achieving the minimum performance requirement. The valuation processes and results are reviewed and approved by Management. The shares are classified as Level 3 fair value measurements.

(b) Financial liabilities

(i) Borrowings

On September 25, 2014 the Company entered into a bridge loan facility as described in Note 4. The Loan is classified as a financial liability measured at amortized cost. As at September 30, 2014 its carrying value is $7,768,063 (December 31, 2013 - $nil).

The initial fair value of the bridge loan facility was determined by discounting the proceeds of the Loan and expected interest costs at an appropriate discount rate. An appropriate discount rate was determined with reference to the interest rates and arrangement costs of comparable transactions. If the discount rate had been 100 basis points higher with all other variables held constant, the initial fair value of the bridge loan would have been approximately $617,000 lower. If the discount rate had been 100 basis points lower with all other variables held constant, the initial fair value of the bridge loan would have been $632,000 higher. The initial recognition of the Loan is classified as a Level 3 fair value measurement.

(ii) Warrants

Concurrently with the bridge loan facility, the Company closed the Private Placement as described in Note 4. ANT and APMS received one common share purchase Warrant for each common share purchased through the Private Placement agreements for a total of 10,561,611 Warrants. The Warrant exercise price is US$1.00 ($1.108 as at the closing date) for a period of two years from the closing date of September 25, 2014. The initial fair value of the Warrants of $351,001 was determined using the Black-Scholes Options Pricing Model.

Although the Warrants were issued as part of the Private Placement, they are classified as financial liabilities at fair value through profit or loss due to their exercise price being denominated in a currency that is not the functional currency of the Company. The Warrants are classified as Level 2 fair value measurements.

10. OTHER LIABILITIES

	As at September 30, 2014	As at December 31, 2013
Deferred rent	**$ 18,108**	$ 16,092
Statutory employee termination benefits	**144,218**	107,680
	$ 162,326	$ 123,772

11. SHARE CAPITAL

(a) Authorized

Authorized share capital is unlimited.

(b) Issued

	Number of Shares	Amount
Balance, December 31, 2013	**84,733,660**	**$ 59,042,061**
Issued (Note 4)	22,222,222	9,670,410
Balance, September 30, 2014	**106,955,882**	**$ 68,712,471**

(c) Warrants

The following table shows the continuity of warrants for the period ended September 30, 2014:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2013	**738,213**	**$ 0.475**
Issued (Note 4)	10,561,611	US$1.00[1]
Balance, September 30, 2014	**11,299,824**	**$ 1.070**

[(1)] $1.108 as at date of issuance. Although the Warrants were issued as part of the Interim Financing Private Placement, they are classified as liabilities due to their exercise price being denominated in a currency that is not the functional currency of the Company.

As at September 30, 2014, the following warrants were outstanding:

Description	Expiry date	Weighted Average 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
Warrants (Note 4)	September 25, 2016	US$1.00[1]	10,561,611	351,001
		$ 1.070	11,299,824	$ 514,649

[(1)] $1.108 as at date of issuance. Although the Warrants were issued as part of the Interim Financing Private Placement, they are classified as liabilities due to their exercise price being denominated in a currency that is not the functional currency of the Company.

11. SHARE CAPITAL (continued)

(d) Stock options

The following table shows the continuity of stock options for the nine months ended September 30, 2014:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2013	**5,038,000**	**$ 0.85**
Expired	(200,000)	1.11
Issued	1,000,000	0.24
Forfeiture	(7,500)	0.20
Balance, September 30, 2014	**5,830,500**	**$ 0.74**

On April 7, 2014 the Company granted 1,000,000 stock options to its new President and Chief Executive Officer. All options are exercisable at a price of $0.235 per common share. One quarter of the options vest immediately, one quarter on the first anniversary, one quarter on the second anniversary and the balance on the third anniversary. They expire in 5 years. The fair value of options granted is $149,900 on the date of issuance.

12. GENERAL AND ADMINISTRATIVE

	Three months ended September 30 2014	Three months ended September 30 2013	Nine months ended September 30 2014	Nine months ended September 30 2013
Amortization	**$ 16,384**	$ 15,077	**$ 46,829**	$ 46,942
Directors' fees and expenses	**60,230**	58,344	**218,837**	193,147
Office and sundry	**156,984**	142,958	**436,216**	503,360
Professional fees	**103,060**	205,631	**376,727**	1,074,287
Salaries and benefits	**493,282**	742,347	**1,234,448**	1,373,429
Shareholder information	**34,272**	34,885	**100,413**	166,693
Stock-based compensation	**25,047**	37,441	**103,895**	139,662
Transfer and filing	**9,458**	7,455	**33,967**	35,505
Travel and promotion	**21,703**	28,650	**82,652**	113,685
General and administrative expenses	**$ 920,420**	$ 1,272,788	**$ 2,633,984**	$ 3,646,710

13. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Related party transactions include consulting fees, management fees and compensation paid to key management personnel or to companies controlled by such individuals. Key management personnel are defined as officers and directors of the Company.

	Three months ended September 30 2014	Three months ended September 30 2013	Nine months ended September 30 2014	Nine months ended September 30 2013
Salaries and benefits [1]	**$ 227,423**	$ 146,800	**$ 563,309**	$ 550,301
Termination and Retirement Benefits	**100,000**	466,687	**100,000**	466,687
Share based payments	**34,044**	13,789	**136,386**	105,090
Total compensation	**$ 361,467**	$ 627,456	**$ 799,695**	$ 1,122,258
Consulting and management fees[2]	**185,222**	97,236	**492,289**	273,500
Common share subscriptions[3]	**-**	-	**-**	845,011
Finder's fees[4]	**368,567**	**-**	**368,567**	**-**
Total transactions with key management personnel	**$ 915,256**	$ 724,692	**$ 1,660,551**	$ 2,240,769

(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.

(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.

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

(4) On closing of the Interim Financing on September 25, 2014, a board member received a finder's fee (Note 4).

Amounts owed to key management personnel were $126,155 as at September 30, 2014 (December 31, 2013 - $31,886).

14. SEGMENTED INFORMATION

Segmented information is provided on the basis of geographical segments as the Company operates in one industry, exploration and evaluation of mineral properties and manages its business and exploration activities in one geographical region, namely Turkey. The business segments presented reflect the management structure of the Company and the way in which the Company's Board of Directors review business performance. The Company evaluates performance of its operating and reportable segments as noted below:

Three months ended September 30, 2014	**Corporate**	**Turkey**	**Total**
Exploration and evaluation expenditures	**$ -**	**$ -**	**$ -**
General and administrative	**619,887**	**300,533**	**920,420**
	$ (619,887)	**$ (300,533)**	**$ (920,420)**
Net interest income/(expense)	**(16,212)**	**-**	**(16,212)**
Other income	**-**	**373**	**373**
Other expenses	**-**	**133,466)**	**(133,466)**
Foreign exchange gain/(loss)	**95,923**	**(24,863)**	**71,060**
Income tax recovery	**-**	**-**	**-**
Net loss – three months ended September 30, 2014	**$ (540,176)**	**$ (458,489)**	**$ (998,665)**

Three months ended September 30, 2013	**Corporate**	**Turkey**	**Total**
Exploration and evaluation expenditures	$ -	$ -	$ -
General and administrative	1,042,740	230,048	1,272,788
	$ (1,042,740)	$ (230,048)	$ (1,272,788)
Net interest income	28,687	-	28,687
Other income	-	52,974	52,974
Other expenses	-	(21)	(21)
Foreign exchange gain/(loss)	(4,577)	(60,005)	(64,582)
Income tax recovery	-	-	-
Net loss – three months ended September 30, 2013	$ (1,018,360)	$ (237,100)	$ (1,255,730)

Nine months ended September 30, 2014	**Corporate**	**Turkey**	**Total**
Exploration and evaluation expenditures	**$ -**	**$ 5,029**	**$ 5,029**
General and administrative	**1,806,300**	**827,684**	**2,633,984**
	$ (1,806,300)	**$ (832,713)**	**$ (2,639,013)**
Net interest income/(expense)	**8,195**	**-**	**8,195**
Other income	**-**	**7,416**	**7,416**
Other expenses	**-**	**(136,072)**	**(136,072)**
Foreign exchange loss	**86,300**	**(47,909)**	**38,391**
Net loss – nine months ended September 30, 2014	**$ (1,711,805)**	**$ (1,009,278)**	**$ (2,721,084)**

14. SEGMENTED INFORMATION (continued)

Nine months ended September 30, 2013	Corporate	Turkey	Total
Exploration and evaluation expenditures	$ -	$ 3,209,780	$ 3,209,780
General and administrative	2,910,691	736,019	3,646,710
	$ (2,910,691)	$ (3,945,799)	$ (6,856,490)
Interest income	90,757	-	90,757
Other income	-	61,246	61,246
Other expenses	-	(11,166)	(11,166)
Foreign exchange gain/(loss)	(26,168)	(53,948)	(80,116)
Income tax recovery	343,433	-	343,433
Net loss – Nine months ended September 30, 2013	$ (2,502,669)	$ (3,949,667)	$ (6,452,336)

	Corporate	Turkey	Total
Mineral property under development	**$ -**	**$ 6,196,632**	**$ 6,196,632**
Corporate and other assets	**21,578,593**	**1,786,205**	**23,364,798**
Total assets -September 30, 2014	**$ 21,578,593**	**$ 7,982,837**	**$ 29,561,430**

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

	Corporate	Turkey	Total
Borrowings	**$ 7,768,063**	**$ -**	**$ 7,768,063**
Other liabilities	**1,597,814**	**2,821,043**	**4,418,857**
Total liabilities – September 30, 2014	**$ 9,365,877**	**$ 2,821,043**	**$ 12,186,920**

	Corporate	Turkey	Total
Borrowings	$ -	$ -	$ -
Other liabilities	356,195	570,618	926,813
Total liabilities - December 31, 2013	$ 356,195	$ 570,618	$ 926,813

14. SEGMENTED INFORMATION (continued)

Geographic Information

	Canada	Turkey	The Netherlands	Total
Exploration license deposits	**$ -**	**$ 40,389**	**$ -**	**$ 40,389**
Mineral property under development	**-**	**6,196,632**	**-**	**6,196,632**
Property and equipment	**152,708**	**739,881**	**-**	**892,589**
Other assets	**97,915**	**-**	**-**	**97,915**
Total non-current assets – September 30, 2014	**$ 250,623**	**$ 6,976,902**	**$ -**	**$ 7,227,525**

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

15. CHANGES IN NON-CASH OPERATING ASSETS AND LIABILITIES

	Nine months ended September 30, 2014	Nine months ended September 30, 2013
Changes in non-cash operating assets and liabilities:		
Other receivables	**$ (73,483)**	$ 83,712
Prepaid expenses	**124,843**	212,385
Other assets	**-**	6,519
Accounts payable, accrued liabilities, and other liabilities	**3,013,902**	(680,698)
Due to related parties	**94,269**	6,684
	$ 3,159,531	$ (371,398)

16. INCOME TAXES

Income tax recoveries are recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The Company recorded an income tax recovery of $nil during the three and nine months ended September 30, 2014 (nine months ended September 30, 2013 - $343,433) to reflect the expiration of outstanding warrants.