ALDRIDGE
MINERALS INC.

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

For the Year Ended December 31, 2015
(As of March 24, 2016)

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 March 24, 2016 and should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended December 31 2015 (the "Financial Statements"), which are prepared in accordance with the International Financial Reporting Standards ("IFRS"). The Company's common shares are listed on the TSX Venture Exchange (TSX-V: AGM). Continuous disclosure materials, including the Company's Annual Information Form, are available on SEDAR at WWW.SEDAR.COM and on the Company's website at WWW.ALDRIDGEMINERALS.CA.

For the purposes of preparing our MD&A, we consider the materiality of information. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity. Information is considered material if: (i) it would significantly alter the total mix of information available to investors; 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.

Under IFRS, an entity's functional currency should reflect the underlying transactions, events, and conditions relevant to the entity. On January 1, 2015 the functional currency of the Turkish subsidiary, Aldridge Mineral Madencilik Ltd. Şti. ("Aldridge Turkey"), changed from the Canadian Dollar ("CAD") to the United States Dollar ("USD") while the functional currencies remained the same for the Company's entities domiciled in Canada (CAD) and in The Netherlands (the Euro "EUR"). The change is based on management's evaluation, taking into consideration the currency that most strongly influences primary operating and capital decisions in addition to the currency in which funding requirements are met. This change in accounting treatment is applied prospectively. The assets and liabilities of the Turkish subsidiary were translated from CAD to USD at the exchange rate on the date of change in functional currency. Concurrently with the functional currency change, the Company changed its reporting currency from CAD to USD effective January 1, 2015. For comparative purposes, historical financial statements were translated into the reporting currency of USD whereby assets and liabilities were translated at the closing rate in effect at the end of the comparative periods; revenues, expenses and cash flows were translated at the average rate in effect for the comparative periods; and equity transactions were translated at historical rates. ***Unless otherwise noted, all dollar amounts in this MD&A are expressed in USD.***

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 is a development stage mining company focused on its wholly-owned Yenipazar Project, which is a polymetallic volcanogenic massive sulphide ("VMS") body that hosts a gold-silver-copper-lead-zinc mineral deposit in central Turkey. After receiving all key permits and completing the "Technical Report on the Yenipazar Optimization Study, Yozgat Province, Turkey" (the "Optimization Study") in April 2014 and a $45,000,000 financing in September 2014, Aldridge's 2015 focus was to advance its land acquisition, engineering, exploration and project financing.

ALDRIDGE'S HIGHLIGHTS AND ACHIEVEMENTS

- **Working Capital and Debt Facility –** The Company ended the year with $8,520,566 in cash and negative working capital of $10,005,830. As at December 31, 2015 the Company had drawn down $17,500,000 of its $35,000,000 loan facility, which matures August 29, 2016 (the "Loan"). Aldridge is analyzing all of the alternatives for a refinancing of the Loan prior to its maturity date.

- **Land Acquisition –** The land acquisition process ("LAP") was initiated in 2014, and continued in 2015, with an offer price of Turkish lira ("TRY") 5.1 per square meter. The State started the compulsory LAP in June 2015, which continues in parallel with the voluntary land acquisition. As at December 31, 2015, the Company had purchased private land representing approximately 32% of the total required land. Aldridge also receives the legal right to access the State's Treasury land (including meadow land upon reclassification to Treasury land) which represent 13% of the required land within the approved fence line, pursuant to the mining regulations. The total cost, based on the offer price of TRY 5.1 per square meter, of land acquired as at December 31, 2015 was $9,446,761, which includes capitalized interest of $1,709,598 related to the Loan.

  Aldridge estimates that the LAP will be completed through a combination of voluntary land sales and the State-led compulsory LAP. As land is purchased by the Company through voluntary sales, it is dropped from the State-led compulsory LAP. During January and February 2016 approximately $667,000 was spent acquiring land through voluntary sales, increasing the amount of private land acquired to approximately 34% of the Project total. Significant LAP milestones achieved to date include:

  - June 2015 – Received the "Public Benefit" letter from the Ministry of Energy and Natural Resources in Turkey. This approval provides certainty of access to all of the land needed for the development of the Yenipazar Project. It initiates the well-established State-led compulsory LAP, whereby landowners that do not sell their land to the Company voluntarily are obligated to sell at a price determined by the State and confirmed by the courts.
  - October 2015 - Yozgat Governor's Office, which is the agency leading the compulsory LAP, completed its pricing review, and declared prices of TRY 1.5 per square metre for non-irrigated land and TRY 2.35 per square meter for irrigated land with access to water. Aldridge's offer price, initially made at time the LAP was initiated, continues to be TRY 5.1 per square metre for all private land required.
  - November 2015 - Individual landowners began being notified of the State-price offered for their individual land parcels.
  - January to March 2016 – 114 court cases were opened by the State at the local court in Bogazliyan to acquire substantially all of the private land not yet acquired voluntarily by

Aldridge. The final remaining land parcels not yet acquired or addressed by open court cases, are expected to have court cases opened in the coming weeks.

- March 2016 – The site visit by the court-appointed land pricing experts was held on March 5th to assess the land values related to the first grouping of court cases opened. The experts' valuation results are expected to be reported to the court over the coming weeks.

The court is expected to refer to valuation assessments presented by the Company, the Yozgat Governor's Office, and the court appointed experts' reports in order to determine the compulsory acquisition prices for land under each of the court cases. Ultimately, the judge presiding over the court cases is empowered to determine the final prices to be paid in accordance with the well-established compulsory LAP in Turkey. The price to be determined by the court could exceed the Company's offer price, thereby increasing total land costs. In this scenario, pursuant to Equator Principles, Aldridge would top-up the price from the amount paid for land previously acquired through voluntary sales at TRY 5.1 per square meter.

- **Value Engineering** - The Company's Value Engineering Study ("VE Study") was completed in April 2015. The VE Study found no material changes to the Yenipazar Project and the Optimization Study results were confirmed. The VE Study provides higher confidence solutions and best practice mitigation to risk areas identified in the Optimization Study. The VE Study:

  - Provided additional alignment and consensus of a "cold eyes review" within the context of value engineering for the technical aspects of comminution, process, water management, tailings management, temporary and permanent power, and mine plan integration; and
  - Provided confirmation of the construction schedule.

  The Company has since developed alternative basic engineering schedules to maximize the focus on critical path items while considering the variability of the timing of land acquisition and project financing. These alternative schedules allow for engineering flexibility that will facilitate a timely construction schedule following the closing of project financing.

- **Exploration Program –** In the first half of 2015 the Company completed its exploration program on the Yenipazar Property, which was primarily focused on the northern extension from the known resource area where two outcrops were previously identified. Eight drill holes with a combined depth of 2,525 metres were drilled. The drilling confirmed the continuity of mineralization to the north of the known ore body. Highlights from assaying included 6.13% lead, 7.78% zinc, 1.06% copper, 1.79 g/t gold and 118 g/t silver over 17 metres. Additional information regarding all holes drilled is included in the Exploration Drilling section of this report.

- **Investment Incentive Certificates ("IICs") -** During the second quarter of 2015, the Company was approved for and received both a Strategic IIC and Regional IIC from the Turkish Ministry of Economy for the development of the Yenipazar Project. As a result, the corporate income tax rate is reduced from 20% to a range of 2% to 4% until the IIC tax savings benefit is earned (approximately the first seven years of operations). Obtaining the Strategic IIC approval increased the incentive contribution rate from 40% to 50% on the majority of qualifying capital expenditures, which will increase the life of mine tax savings benefit to $76,000,000, or $14,000,000 higher than the $62,000,000 estimated in the Optimization Study.

STRATEGY AND OUTLOOK

The Company's most important objectives of 2016 include advancing the LAP, refinancing the loan, as well as positioning the Company to obtain project financing. Prospective senior lenders have indicated that substantial completion of the LAP will be a condition precedent to advancing funds, and consequently the LAP is critical for completing project financing. The Company's engineering and exploration initiatives will also continue in 2016.

Upon completion of project financing the Company expects a project development period of approximately 24 months involving engineering, construction, commissioning and leading to commercial production. As a result, the Company's focus in 2016 is on advancing the following initiatives already underway:

- **Loan Facility Refinancing –** The Company is analyzing all of the alternatives for a refinancing of the Loan prior to its maturity date of August 29, 2016.

- **Land Acquisition** – The LAP includes two components that currently continue in parallel:

  - <u>Voluntary Land Sale/Purchase</u>: Aldridge continues to offer its price of TRY 5.1 per square metre for all of the privately held land within the approved Project fence line.

  - <u>State-led Compulsory Land Sale/Purchase:</u> In June 2015, the State approved the privately held land within our Project fence line to be allocated for mining activities, and accordingly initiated the compulsory land sale/purchase program. As part of this program, the State Governor's office independently determined the value of land without access to water to be TRY 1.5 per square metre and land with access to water to be TRY 2.35 per square metre.

    Beginning in Q4 2015, the State contacted all landowners to inform them of the price and gave them 15 days to respond. Any landowner that did not respond to the State or sell to Aldridge was taken to court by the State. As of March 2016, 114 court cases have been opened by the State to acquire substantially all of the remaining privately held land within the Project fence line. In accordance with land acquisition laws in Turkey, the landowners cannot object to the State-led LAP and must sell based on the final price determined by the court.

    In March 2016, the court appointed pricing commission visited the Project site to assess the valuation of specific land parcels included in the initial group of court cases and are expected to report their findings to the court in the next few weeks. After considering all information presented to it, the court may deliberate for a period of time before the court determines the price for the land. There is a risk the price determined by the court exceeds the Company's offer price. Once the court determines the price for each parcel of land, unless Aldridge otherwise appeals, the court will then request Aldridge to fund the State's purchase of the land. The land acquired through the court will be classified as Treasury land to which Aldridge is granted full access rights in accordance with the key permits received to date and Turkish mining law.

  Throughout the court case phase of the State-led LAP, Aldridge plans to continue to purchase land from owners willing to avoid or stop the court cases. There are inherent procedural risks outside of the Company's control, such as the timing of government department and judicial activities (see "Risk Factors") and the court determination of the purchase price that may adversely affect the duration of the process.

- **Engineering** – The Company expects to start basic engineering in the second half of 2016, with continuation in 2017. Aldridge will continue to refine its basic engineering schedule and execution to ensure the focus is on critical path items while considering the variability of the timing of land acquisition and project financing. Basic engineering, detailed engineering, equipment procurement, construction and commissioning will be executed in compliance with project financing requirements.

- **Exploration** – Given the promising results of the exploration program completed in May 2015, the Company is in the process of finalizing plans to investigate the additional potential within our licence area immediately adjacent to the existing ore body and other areas within the 100 square kilometre Yenipazar licence area, where encouraging ground survey results, geophysical and geochemical anomalies, and outcrops indicate potential for further upside.

- **Project Financing –** The Company will actively consider various project financing alternatives, which may include senior and subordinated debt, equity, metal streams, and strategic investments. The timing of progress towards completion of the LAP is anticipated to affect the timing of further project evaluation by prospective financing organizations. Consequently, the Company plans to increase its project financing efforts later in 2016 as the LAP process continues. The timing of the project financing will likely be affected by general market conditions.

MARKET OVERVIEW

Aldridge's major objectives are focused on acquiring the land within the Yenipazar Project fence-line by utilizing the State-led compulsory acquisition process, advancing the engineering within the Engineering, Procurement, Construction Management (EPCM) phase of the Project, and on obtaining the necessary financing to develop and build the Yenipazar Project. The Company's project financing efforts are affected by the time required to complete the LAP and the capital markets for junior mining companies. Fluctuations in spot and forecast commodity prices and the availability of funding for junior mining companies may result in the Company requiring more time to obtain full project financing.

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. During the year ending December 31, 2015, commodity prices fluctuated as indicated in the chart below:

		January 1 to December 31, 2015 Price Range Low	High	Close	Average	February 29, 2016 Close	Optimization Study (May 2014)
Gold	$/oz	1,049	1,295	1,060	1,160	1,222	1,250
Silver	$/oz	13.71	18.23	13.82	15.68	14.67	20.00
Copper	$/lb	2.00	2.96	2.13	2.51	2.14	3.00
Lead	$/lb	0.74	0.97	0.74	0.86	0.80	0.94
Zinc	$/lb	0.75	1.07	0.75	0.91	0.80	0.90

Source: www.kitco.com; www.kitcometals.com

Turkey is a mining-friendly jurisdiction based on the key reforms to its mining regulations in 2010 and its investment incentive programs. The Company has successfully worked within the Turkish regulatory environment for more than ten years. Most recently its success was evidenced by the receipt of the IICs for the Yenipazar Project in July 2015 and the "Public Benefit" letter in June 2015. The Company will continue to work diligently with the various regulators and community stakeholders to facilitate the timely execution of its LAP and other project development activities.

Fluctuations in foreign exchange rates may impact the amount of 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 TRY. The balance of present and future capital and operating costs are denominated in USD. The following chart provides representative exchange rates compared to rates used in the Optimization Study:

Exchange Rates – December 31, 2015						
From	To	52-week High	52-week Low	52-week Average	Spot	Optimization Study (May 2014)
USD	TRY	3.03	2.28	2.73	2.87	2.10
USD	CAD	1.39	1.17	1.28	1.31	1.09

Source: www.oanda.com – midpoint price – Spot at March 21, 2016

Continued strength in the USD relative to the TRY has reduced the USD equivalent costs in Turkey throughout 2015 and early 2016. Inflation rates in Turkey averaged approximately 8.8% during 2015. Currently, the Company has not experienced any material adverse effects resulting from changing domestic input prices that have influenced its operations. However, persistent and prolonged inflation in Turkey may eventually increase the USD equivalent costs, depending on movements in exchange rates.

The Company monitors foreign exchange exposure closely and has taken steps to manage its foreign exchange risks in accordance with its foreign exchange risk management policy (See "Financial Instruments and Other Instruments").

SELECTED FINANCIAL INFORMATION

The following table provides selected consolidated financial information in USD for the previous three fiscal years.

	YEAR ENDED AND AS AT DECEMBER 31, 2015	YEAR ENDED AND AS AT DECEMBER 31, 2014	YEAR ENDED AND AS AT DECEMBER 31, 2013
Loss before income tax and discontinued operations	**$(5,279,998)**	$(3,191,177)	$(7,174,079)
Net loss	**(5,279,998)**	(3,191,177)	(6,840,585)
Net loss per share	**(0.05)**	(0.04)	(0.08)
Cash and cash equivalents	**8,520,566**	14,331,409	6,597,969
Working capital[(i)]	**(10,005,830)**	14,103,639	6,468,652
Total assets	**30,814,033**	25,829,329	10,452,416
Total non-current financial liabilities	**126,974**	8,445,579	115,740

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

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

	YEAR ENDED DECEMBER 31, 2015	YEAR ENDED DECEMBER 31, 2014
Yenipazar Project, Turkey	**$5,066,014**	$4,832,486
Exploration Licences, Turkey[(i)]	-	4,564
Total Exploration & Evaluation	**$5,066,014**	$4,837,050

[(i)] The Company did not renew its non-Yenipazar Project licences in 2015.

BACKGROUND

Aldridge is a publicly-traded mining company in the business of identifying and developing mineral properties in Turkey. Aldridge has been working in Turkey since 2004. The Company has developed a strong relationship with ANT Holding Anonim Şti. (“ANT”), a strategic partner based in Istanbul, Turkey, which owns approximately 30% of Aldridge. 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 construction industry;
- Well-developed contract mining business;
- Europe’s largest gold producer; and

- Competitive tax and royalty structures, including IICs received which will reduce the Company's corporate income tax rates from 20% to a range of 2% to 4% until the IIC tax savings benefit is earned (approximately the first seven years of operations).

Aldridge incorporated, in 2005, a 100% owned Turkish subsidiary, 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. The Company announced the receipt of the Yenipazar Project Environmental Impact Assessment ("EIA") Permit on March 6, 2014. The Company also periodically reviews other prospective properties and exploration licences in Turkey to identify future exploration targets.

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

In 2012, Aldridge attracted a strategic investor, ANT to enhance the Company's ability to develop the Yenipazar Project. ANT acquired a 30% interest in the Company by investing CAD$11,200,000. ANT maintained its interest in the Company by investing an additional CAD$4,529,000 in February 2013, following a CAD$10,499,914 bought deal that was completed February 14, 2013. ANT has since maintained its proportion of ownership, through participation in the financing that closed in September 2014 by an investing an additional $3,013,529.

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 Feasibility Study in May 2013. Aldridge reduced the pre-production project capital costs to $230,000,000, or approximately 40% lower than the original Feasibility Study estimate of $382,000,000. Plant throughput remains unchanged at 2.5 million tonnes of ore per annum over a 12-year mine life.

In September 2014 the Company closed a $45,000,000 financing, which included the Loan, which matures on August 29, 2016. The proceeds were to fund the Yenipazar LAP, advance basic and detailed engineering and fund general working capital.

OVERVIEW OF PROJECTS AND INVESTMENTS

The Company's key property and primary focus is the Yenipazar Property in Turkey. The Company also held Class A performance shares in Uranium Resources Inc. (formerly Anatolia Energy Ltd) valued at $nil at December 31, 2015 and December 31, 2014. The Class A performance shares expired on February 10, 2016 with no value.

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 deposit 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 was originally privately owned. The majority of the remaining 1.2 square kilometres (or 13% of the required land) is government-owned land which the Company will be authorized to use for mining pursuant to the Yenipazar Operating Licence. At December 31, 2015 and February 29, 2016 the Company had purchased approximately 32.0% and 34%, respectively, of the required land through voluntary acquisitions. Future land acquisition will continue with the assistance of the State-led compulsory LAP.

The Company's expenditures on the Yenipazar Project (excluding land) in the year ended December 31, 2015 were $5,066,014 or $223,528 more than the amount spent in the prior year ended December 31, 2014. The increase was mainly driven by the capitalized interest expenses on its borrowings offset by decreased employee costs due to staff reductions and engineering consulting fees. Land purchased for the Yenipazar Project in 2015 totalled $6,276,756, compared to expenditures of $3,109,504 in 2014.

PROPERTY OWNERSHIP STRUCTURE

In 2004 the Company first entered into an agreement (the "Option Agreement") with Alacer Gold Corp. ("Alacer"), to acquire an interest in the Yenipazar Property. By June 2013 the Company had fulfilled its last remaining obligation to earn a 100% interest in the Yenipazar Property by delivering the Feasibility Study to Alacer. Once the Yenipazar Project is in production, the Company will pay Alacer a 6% Net Profit Interest ("NPI") until such time as operational revenues reach the amount of $165 million, and a 10% NPI thereafter.

Through Aldridge Turkey, the Company has an Operating Licence with respect to the Yenipazar Property, which was renewed in May 2014 for a period of five years. The related mining permits for each payable mineral will also expire at the same time. In accordance with the normal process in Turkey, the Company will request extensions to the Operating Licence and Operating Permits prior to 2019. The Company announced in March 2014 that it had received the EIA Permit for the Yenipazar Project. In addition, Aldridge has received the GSM Permit, allowing the Company to conduct commercial activities in the Yenipazar region surrounding the Yenipazar Property; and the "Public Benefit" letter and IICs, which demonstrates the Government of Turkey's support for the project. With these key permits and documentation 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 that expires December 31, 2016. The temporary shutdown permit is extended on a yearly basis.

DEVELOPMENT ACTIVITIES

In 2015 the Company advanced the Yenipazar Project in the following areas:

- Land acquisition;
- VE Study;
- Exploration drilling; and
- Investment Incentive Certificates.

Land Acquisition

The Yenipazar Project involves acquiring approximately 8.2 square kilometres of land divided into approximately 500 land parcels presently owned by many of the people living in the nearby communities of Eğlence and Gövdecili. As all of the required land is farmland, the land acquisition does not involve any relocation or resettlement of people. The successful acquisition of the land will be a key catalyst in de-risking the project and attracting full project financing. Approximately 87% of the required land within the approved fence line was originally privately owned, while the remaining land is owned by the State and is classified as either Treasury or meadow land. Pursuant to the mining regulations, Aldridge has legal right to access the State's Treasury land within the approved fence line.

The Company has strived towards a fair, orderly and timely process that will comply with the Equator Principles III typically required by international banks and project finance organizations, as well as to maintain the Company's social licence to operate in the region. To that effect, in 2014 the Company adopted a strategy that included an offer price of TRY 5.1 per square meter of land, plus additional payments for other items, such as trees and vines. Some landowners, continued to expect an even higher price, which led Aldridge to request the State to initiate the compulsory LAP. Accordingly, the State started the compulsory LAP in June 2015, which continues in parallel with the voluntary land acquisition.

As at December 31, 2015, the Company had acquired private land representing approximately 32% of the Project total. The total cost of land acquired as at December 31, 2015 was $9,446,761, which is based on the offer price of TRY 5.1 per square meter, and includes capitalized interest of $1,709,598 related to the Loan. During January and February 2016 approximately $667,000 was spent acquiring land through voluntary sales, increasing the amount of private land acquired to approximately 34% of the Project total. In February 2015, the Company applied for the legislated State-led compulsory LAP. In June 2015, the Company received the approved "Public Benefit" letter from the Ministry of Energy and Natural Resources in Turkey. The approved Public Benefit letter initiated the State-led LAP, in accordance with the well-established legal process that does not permit landowner hold-outs, but does require an independent price verification by the State. Accordingly, this letter provides certainty that the Company will have access to all of the land needed for the development and for the life of the Yenipazar Project.

In August 2015 the Yozgat Governor's Office, which is the agency leading the compulsory LAP for the State, formed an independent land valuation commission to determine a fair transaction price. This commission, relying on objective guidelines that are based on factors including the current usage of the land and proximity to roads and water, completed their independent land valuation in October 2015. The State Governor's office independently determined the value of land without access to water to be TRY 1.5 per square metre and land with access to water to be TRY 2.35 per square metre.

In November 2015 the Governor's office began the process of inviting landowners to meetings to inform each of them of their respective price assessments. Meetings began in December 2015 and continued into 2016.

In January 2016 the Governor's office moved to the next stage of the State-led LAP and began opening court cases to acquire the private land not yet purchased by Aldridge. As of March 2016 the State had initiated the legal process to acquire substantially all of the remaining private land by opening 114 court cases. During this process the court will independently study, review and assess the land values to confirm the price for the land to be paid by the State. Land pricing experts were appointed in March 2016 and their report on the parcels associated with the first few court cases, expected to be completed in the next few weeks, will be used as the primary basis for the court determined price. Since the State land acquisition is compulsory, the court's price decision results in the land being purchased by the State and classified as Treasury land. Aldridge is required to fund the State's purchase of the land at the court determined price, subject to any appeals. Pursuant to the mining regulations, Aldridge is awarded access to the Treasury land, for a nominal annual fee, for the life of the mine.

Throughout the court case phase of the State-led LAP, Aldridge will continue to purchase land from owners willing to avoid or stop the court cases. The Company remains committed to maintaining open communications with the local community members that wish to take advantage of the price offered by the Company. There are, however, inherent procedural risks in the LAP outside of the Company's control, such as the timing of government department and judicial activities (see "Risk Factors") that may adversely affect the duration of the process. In addition, there is a risk the price to be determined by the court could exceed the Company's offer price, thereby increasing total land costs. In this scenario, pursuant to Equator Principles, Aldridge would top-up the price from the amount paid for land previously acquired at TRY 5.1 per square meter. The Company's present Loan provides the funding for the voluntary LAP and State-led LAP. However, since the LAP is not expected to be completed prior to the Loan maturity date of August 29, 2016, it is critical that the Company refinances the Loan to provide additional time to complete the LAP and project financing. Aldridge is analyzing all of the alternatives for a refinancing of the Loan prior to its maturity date.

The Company remains committed to enhancing the economic and social conditions of the local communities in all phases of the mine development, including during construction and operations as well as after mine closure. The Company will work closely with the communities to maximize local hiring and to establish joint social and commercial projects.

VE Study

Subsequent to the completion of the Optimization Study in May 2014, the Company initiated a follow-up VE Study to evaluate alternative engineering and construction strategies and to ensure constructability and operational effectiveness. The VE Study, which was completed in April 2015, included additional work on the comminution circuit as well as the water balance throughout the life of mine. The VE Study found no material changes to the Yenipazar Project and the Optimization Study results were confirmed. The Company has since further developed its engineering and construction schedules to align them with the estimated timing for completion of the LAP and project financing.

Exploration Drilling

In May 2015, the Company announced diamond drill results from the exploration drilling program at its wholly-owned Yenipazar Project in central Turkey.

The program consisted of in-fill holes within the current open pit reserve boundary, as well as step-outs to the north. The Company completed eight vertical drill holes totaling 2,525 metres in March and April of 2015. A summary of the drill results, including a table of drill intercepts, is given below.

- Drill holes NE-01 through NE-04 are located on the boundary of the reserve area (projected to the surface), and all four holes confirmed mineralization extending to the north.
  - NE-03 intersected 4.03% lead, 5.13% zinc, 0.84% copper, 1.51 g/t (grams per tonne) gold and 79 g/t silver over 26 metres, with a 17 metre sub-interval grading 6.13% lead, 7.78% zinc, 1.06% copper, 1.79 g/t gold and 118 g/t silver.
  - NE-04 is located 65 metres east of NE-03 and intersected 5.48% lead, 4.84% zinc, 0.56% copper, 3.11 g/t gold and 116 g/t silver over 14 metres.
  - The above intervals are particularly notable in that both the base and precious metals grades are higher than the average grades reported for the Project's reserves, as well as those typically encountered in earlier exploration drilling.
  - For comparison, the Optimization Study has a statement of open pit probable mineral reserves of 29.17 million tonnes averaging 0.88 g/t gold, 29.4 g/t silver, 0.30% copper, 0.95% lead, and 1.40% zinc (see Company news release dated April 15, 2014 and the Optimization Study).
- Holes NE-05 and NE-06 are step-outs from the reserve area, and confirm the northward extension of mineralization. NE-05 is located 76 metres north of NE-03 and intersected 2.06% lead, 2.32% zinc, 0.13% copper, 0.50 g/t gold and 42 g/t silver over 16 metres.
- NE-07 and NE-08 are long exploration step-outs to the north of the reserve area. NE-07 is located 164 metres north of NE-05 and intersected anomalous copper mineralization over 5 metres grading 0.22% between 327 and 332 metres. Additionally, NE-08 which is located 321 metres north of NE-05, intersected 4 metres grading 1.02% copper at shallower depths between 83 and 87 metres. The Company believes that these two holes provide a basis for further exploration potential beyond the current area of the defined reserves for the Yenipazar Project.
- Results from mineralized intercepts in holes NE-01 to NE-08 are provided in the following table.

Drill samples were collected in accordance with accepted industry standards and procedures. Samples were submitted to ALS Geochemistry (ISO9001:2000) in İzmir, Turkey for sample preparation and analysis. Gold was analyzed by fire assay with an AAS finish and silver and base metals, including over limits, were analyzed by ICP/AES-AAS techniques. QA/QC procedures included the systematic insertion of blanks, duplicates, and sample standards into the sample stream.

Summary of Diamond Drilling Results*

Hole No		From (m)	To (m)	Intercept (m)	Pb %	Zn %	Cu %	Au g/t	Ag g/t	Hole Depth (m)
NE-01		94	102	8	0.55	0.31	0.29	0.96	21.75	225
		160	185	25	1.26	1.75	0.38	1.00	31.00	
	Including	171	176	5	4.12	5.83	0.39	2.00	89.00	
	Including	182	185	3	2.49	2.98	0.11	0.47	49.06	
		194	213	19	1.05	1.51	0.34	0.87	28.06	
NE-02		124	160	36	0.16	1.11	0.11	0.35	13.00	205.7
	Including	128	132	4	1.12	2.69	0.31	1.23	49.00	
NE-03		123	135	12	0.91	1.06	0.46	1.17	38.00	255
	Including	123	127	4	1.67	2.24	1.09	3.11	76.00	
		183	209	26	4.03	5.13	0.84	1.51	79.00	
	Including	192	209	17	6.13	7.78	1.06	1.79	118.00	
		224	242	18	0.79	0.88	0.39	1.05	19.00	
NE-04		131	145	14	5.48	4.84	0.56	3.11	116.00	230
		174	178	4	1.21	1.06	0.45	3.06	35.00	
		192	195	3	2.35	2.50	0.21	0.88	71.00	
NE-05		220	224	4	1.13	2.35	1.31	2.92	46.00	325
		266	269	3	3.06	3.36	0.40	0.99	55.00	
		282	298	16	2.06	2.32	0.13	0.50	42.00	
NE-06		237	247	10	0.58	0.61	0.24	0.39	12.00	302
	Including	237	240	3	1.79	1.86	0.39	1.00	33.00	
NE-07		327	332	5	0.001	0.003	0.22	0.01	0.76	450
NE-08		83	87	4	0.003	0.005	1.02	0.12	0.95	532.7

**All holes are vertical (Azimuth/Dip as $0^0/90^0$).*
**True widths are interpreted as 60% to 90% of reported intercept lengths.*

<u>Investment Incentive Certificates</u>

During the second quarter of 2015, the Company was approved for and received both a Strategic IIC and Regional IIC from the Turkish Ministry of Economy for the development of the Yenipazar Project. As a result, the corporate income tax rate is reduced from 20% to a range of 2% to 4%. Using the Base Case economic assumptions as described in the Optimization Study, Aldridge estimates that it will benefit from this low 2% to 4% corporate income tax rate from Year 1 through most of Year 7 of the 12-Year mine life, upon which the tax rate is expected to revert to 20% for the remainder of the mine life. Obtaining the Strategic IIC approval increased the incentive contribution rate from 40% to 50% on the majority of qualifying capital expenditures, which will increase the life of mine corporate income tax savings benefit to $76,000,000; $14,000,000 higher than the $62,000,000 estimated in the Optimization Study.

Aldridge's Yenipazar Project, by achieving Turkey's highest ranking as a Strategic Investment, will also receive interest rate support, in addition to benefits common to both Strategic IIC and Regional IIC, which include VAT, customs duty and social security premium exemptions. The investment incentives administrative regulations allow for the ongoing review of qualifying expenditures and changes in the approved contribution amounts to account for revisions to cost estimates and exchange rate fluctuations.

The financial model contained in the Optimization Study estimated the Yenipazar Project would qualify for only the Large-scale IIC, which limited the incentive contribution rate to 40% and reduced the corporate income tax rate from 20% to a range of 2% to 4%. The additional IIC tax savings estimate of $14,000,000 will improve the financial metrics determined in the Optimization Study financial model.

New Mining Legislation in Turkey

New mining legislation was approved by the Turkish National Assembly and subsequently received Presidential approval in February 2015. The approved legislation will impact the royalty regime and mining licence regime. The Company expects the financial impact on the Yenipazar Project to be immaterial as preliminary analysis indicates that internal rate of return based on Optimization Study prices would decrease by less than 0.5% when taking into account the new royalty regime. This analysis is subject to confirmation when the detailed regulations accompanying the new legislation are issued and there can be no assurance that the Company's estimate of the impact the legislation will have on the Yenipazar Project's economics will prove accurate.

EXPLORATION AND OPERATING LICENCES IN TURKEY

As at December 31, 2015, and the date of this report, the Company holds one operational licence for the Yenipazar Property and no other exploration licences. Prior to 2015, the Company held a number of exploration licenses in different regions in Turkey, which were evaluated and either abandoned or sold.

In July 2011, the Company agreed to assign 6 exploration licences prospective for nickel and chromite to Kenz Mining Inc. ("Kenz") pursuant to an assignment agreement that required Kenz to pay the Company certain amounts at fixed intervals. By continuing exploration, Kenz committed to spending $1 million on exploration and evaluation over a period ending in June 2017. Upon completion of this exploration phase, Kenz may advance the licences to the operation period upon payment to Aldridge of $250,000.

Periodically the Turkish government holds auctions for exploration licences and the Company's exploration team evaluates the available licences for potential acquisition.

FINANCING ACTIVITIES

$45,000,000 Financing Closed – In September 2014, the Company closed a financing (the "2014 Financing") comprised of a $10,000,000 equity private placement (the "Private Placement") and a $35,000,000 loan facility (the "Loan"). The Company also entered into lead concentrate and gold offtake agreements with an Orion affiliate (the "Offtakes"), which were conditional upon the Company receiving funding under the Private Placement and the Loan.

As a result of the 2014 Financing, Orion purchased 11,660,611 common shares of the Company through a non-brokered private placement for gross proceeds of $5,247,275, representing a purchase price of $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.

Immediately following closing of the Private Placement, Orion owned approximately 10.9% of the outstanding Common Shares, and was granted the right to nominate one individual for election to the Board of Directors of the Company for until September 25, 2016 and thereafter for such time as Orion owns at least 10% of the outstanding common shares, subject to certain adjustments. As a result, Mr. Douglas Silver was appointed to the Board of Directors by Orion.

The Company's two largest shareholders, ANT and APMS Investment Fund Ltd. (formerly Mavi Investment Fund Ltd.) ("APMS"), participated in the Private Placement to maintain their 30.1% and 17.4% ownership positions, respectively. ANT purchased 6,696,732 common shares at a price of $0.45 per common share for gross proceeds of $3,013,529. APMS purchased 3,864,879 common shares at a price of $0.45 per common share for gross proceeds of $1,739,195. ANT and APMS also received one warrant for each common share purchased through the Private Placement. Each warrant entitles the holder to acquire one common share at a price of $1.00 until September 25, 2016.

Highlights of the Loan include:

- Principal amount of $35,000,000.
- Maturity date of August 29, 2016.
- Interest is 9% per annum plus the greater of 3 months 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 is required to maintain a ratio of liabilities to equity of no more than 3:1 in 2014 and no more than 5:1 thereafter until the Loan and all accrued interest are repaid fully.

The Company and Orion also entered into definitive Offtakes under the terms of the Private Placement and the Loan agreement. Under the Offtakes, the Company 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 the Yenipazar Project, 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 the Yenipazar Project, 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.

Transaction costs relating to the 2014 Financing totaled CAD$2,141,042, including stamp duties of CAD$502,304 paid on the registration of documents relating to the 2014 Financing in Turkey. Also included in the transaction costs was $333,817 paid as finder's fees to Baran Umut Baycan, a director of the Company, in connection with securing the Private Placement investments from ANT and APMS.

Loan Facility Refinancing – The Company is analyzing all of the alternatives for a refinancing of the Loan prior to its maturity date of August 29, 2016.

Project Financing - The project financing activities will be initiated upon completion of the Loan refinancing and will continue in parallel with the LAP. However, the project financing timing is expected to be affected by other 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 year ended December 31, 2015 compared with the years ended December 31, 2014 and 2013:

	Year Ended December 31		
	2015	**2014**	**2013**
EXPENSES			
Exploration and evaluation expenditures	**$ -**	**$ 4,564**	$ 3,116,896
General and administrative	**3,802,894**	**2,980,408**	4,088,164
	$ (3,802,894)	**$ (2,984,972)**	$ (7,205,060)
OTHER EXPENSES/(INCOME)	**(1,477,104)**	**(206,205)**	30,981
Net loss for the period	**$ (5,279,998)**	**$ (3,191,177)**	$ (7,174,079)

During the year ended December 31, 2015 the Company incurred net losses from continuing operations of $5,279,998 as compared to net losses of $3,191,177 in the prior year. The increased expenses mainly relate to salaries and benefits and foreign exchange losses. Prior to June 30, 2013 expenditures related to the Yenipazar Project were recorded as exploration and evaluation expenditures. On completion of the Feasibility Study, expenditures were capitalized as mineral property under development in the Statement of Financial Position beginning July 1, 2013.

EXPLORATION AND EVALUATION EXPENDITURES

The Company's primary focus in 2015 and 2014 was to advance the Yenipazar Project in Turkey. Consequently its exploration and evaluation expenditures on mineral properties were as follows:

	THREE MONTHS ENDED DECEMBER 31 2015	THREE MONTHS ENDED DECEMBER 31 2014	YEAR ENDED DECEMBER 31 2015	YEAR ENDED DECEMBER 31 2014
Yenipazar Property				
Analytical	**$ -**	$ 1,475	**$ -**	$ 3,899
Depreciation	**23,918**	27,834	**95,934**	105,709
Drilling	**16,884**	1,761	**280,751**	1,761
Drilling site access fees	**-**	1,942	**4,026**	16,422
Engineering consulting	**134,297**	256,871	**925,081**	1,364,590
Environmental consulting	**4,000**	-	**16,000**	76,258
Land Acquisition Plan and Development	**46,648**	-	**176,892**	-
Licence fees	**-**	-	**4,454**	9,523
Metallurgical consulting	**-**	-	**-**	95,323
Permitting	**13,722**	16,689	**42,287**	162,348
Professional expenses	**-**	144,295	**167,007**	445,016
Employee costs	**403,915**	581,873	**1,803,183**	1,844,941
Community relations	**86,348**	20,182	**353,682**	59,814
Resources estimate and mine design	**-**	-	**-**	23,891
Travel	**10,915**	155,925	**71,928**	265,300
Vehicles and Equipment maintenance	**19,614**	10,192	**77,746**	71,826
Interest Capitalization	**200,533**	172,819	**879,535**	172,819
Camp costs	**16,564**	24,244	**129,260**	88,421
Other	**4,337**	14,308	**38,248**	24,625
	981,695	1,430,410	**5,066,014**	4,832,486
Exploration Licences				
Licences and fees	**-**	-	**-**	4,564
Total exploration and evaluation expenditures	**981,695**	1,430,410	**5,066,014**	4,837,050

During the year ended December 31, 2015 the exploration and evaluation expenditures relating to the Yenipazar Project advanced the VE Study, whereas expenditures in the prior year related to the completion of the Optimization Study that was completed in May 2014.

GENERAL AND ADMINISTRATIVE EXPENSES

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

	THREE MONTHS ENDED DECEMBER 31 2015 ($)	THREE MONTHS ENDED DECEMBER 31 2014 ($)	YEAR OVER YEAR CHANGE ($)	TWELVE MONTHS ENDED DECEMBER 31 2015 ($)	TWELVE MONTHS ENDED DECEMBER 31 2014 ($)	YEAR OVER YEAR CHANGE ($)
Amortization	**23,963**	11,266	12,697	**78,154**	54,091	24,063
Directors' fees and expenses	**43,681**	59,008,	(15,327)	**195,301**	259,133	(63,832)
Office and sundry	**117,605**	164,854	(47,249)	**524,074**	563,772	(39,698)
Professional fees	**236,489**	97,668	138,821	**796,779**	442,183	354,596
Salaries and benefits	**142,552**	(11,237)	153,789	**1,581,204**	1,117,659	463,545
Shareholder information	**24,791**	149,577	(124,786)	**190,339**	241,404	(51,065)
Stock-based compensation	**39,714**	71,670	(31,956)	**199,651**	166,681	32,970
Transfer and filing	**6,371**	2,522	3,849	**29,852**	33,585	(3,733)
Travel and promotion	**50,048**	26,315	23,733	**207,540**	101,900	105,640
General and administrative	**685,214**	571,643	113,571	**3,802,894**	2,980,408	822,486

Additional comments on individual expense item changes follow:

- Directors' fees and expenses decreased by $63,832 for the twelve months ended December 31, 2015 as compared to the prior year, mainly due to the resignation of a director in Q3 2015 and due to lower travel costs.
- Professional fees increased by $138,821 and $354,596 during the three and twelve months ended December 31, 2015 as compared to the prior fiscal year due to the engagement of a finance advisor to assist with the evaluation of project financing alternatives, and due to training costs and support cost relating to an accounting system implementation.
- Salaries and benefits increased by $463,545 during the twelve months ended December 31, 2015 as compared to the same period in the prior year, mainly due to staff terminations expenses.
- Shareholder information costs decreased by $51,065 when comparing the year ended December 31, 2015 to the prior year primarily due to the deferral of investor relations consulting contracts.
- Stock-based compensation increased by $32,970 for 2015 as compared to the prior year mainly because of the issuance of 1,450,000 stock options in 2015.
- Travel and promotion expenses increased by $23,733 and $105,640 during the three and twelve months ended December 31, 2015 as compared to the same periods in the prior year due to increased efforts to promote the Company to potential investors.

The Company recognizes that the uncertain capital markets may require the Company to manage its spending to facilitate a potentially longer project 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 as necessary.

FOREIGN EXCHANGE AND INCOME TAXES

Net foreign exchange losses were $93,195 and $1,321,373, respectively, for the three and twelve months ended December 31, 2015, compared to the gains of $381,671 and $416,745 in the comparable prior year periods. The 2015 loss related primarily to the impact of a weakening CAD and TRY against the USD, the currency in which most of the proceeds of its 2014 Financing is held. The 2014 gains related to the weakening TRY against the CAD on a subsidiary's working capital balances.

Future income tax recoveries of $nil during the years ended December 31, 2015 and December 31, 2014 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	Total revenues $	Loss before taxes $	Loss before taxes per share $	Net income (loss) $	Net income (loss) per share $	Total Assets $
December 31, 2015	Nil	(863,594)	(0.01)	(863,594)	(0.01)	30,814,033
September 30, 2015	Nil	(1,693,221)	(0.02)	(1,693,221)	(0.02)	26,359,752
June 30, 2015	Nil	(1,218,202)	(0.01)	(1,218,202)	(0.01)	24,280,358
March 31, 2015	Nil	(1,504,981)	(0.01)	(1,504,981)	(0.01)	24,827,014
December 31, 2014	Nil	(702,760)	(0.01)	(702,760)	(0.01)	25,829,329
September 30, 2014	Nil	(917,298)	(0.01)	(917,298)	(0.01)	26,498,234
June 30, 2014	Nil	(843,979)	(0.01)	(843,979)	(0.01)	9,069,297
March 31, 2014	Nil	(727,140)	(0.01)	(727,140)	(0.01)	9,457,027

Note: The Company has no history of declaring dividends.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at December 31, 2015 totaled $8,520,566 (December 31, 2014 - $14,331,409). At December 31, 2015 the Company had negative working capital (current assets less current liabilities) of $10,005,830 as compared to positive working capital of $14,103,640 at December 31, 2014, a decrease of $24,109,470. This significant swing to negative working capital results from the reclassification of the borrowings (the $17,500,000 drawn portion of the $35,000,000 loan facility, plus accrued interest) maturing on August 29, 2016. The Company is analyzing all of the alternatives for a refinancing of the Loan prior to its maturity date of August 29, 2016.

During the year ended December 31, 2015, the Company's average monthly recurring cash expenditures were approximately $621,000. The Company continues to recognize 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 project financing activities.

Following is a detailed discussion on the financing, operating and investing activities of the Company during the year ended 2015 and to the date of this report.

Financing Activities: The 2014 Financing funded land acquisition, engineering activities, and the Company's working capital requirements in 2015 and 2016. Prior to the Loan maturity date of August 29, 2016, the Company anticipates refinancing the Loan. Critical to the timing of the project financing is the success of the LAP, which is likely to affect the timing of closing such financing. The project financing timing may also be affected by other factors, including the capital market conditions for junior mining companies, fluctuations in commodity prices, and potential changes to the political environment in Turkey. Although the Company expects to refinance the Loan before it matures, there can be no assurance that it is successfully refinanced and that sufficient project financing will be obtained in the future to realize the economic value of the Yenipazar Project.

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.

For the year ended December 31, 2015 cash inflows arising from financing activities totaled $7,500,000 as compared to cash inflows of $16,054,045 for the twelve months ended December 31, 2014. In July 2015 and October 2015, the Company drew $2,500,000 and $5,000,000 respectively of the Loan. At December 31, 2015 the Company had drawn $17,500,000 or 50% of the Loan. There were no drawdowns in Q1 2016.

The Company is subject to certain covenants and capital requirements imposed by the Loan. The Company shall maintain, and has maintained, a Liability/Equity ratio of less than or equal to 5:1 as measured at the end of each fiscal quarter.

As at December 31, 2015 all the Company's shares in wholly-owned Aldridge Turkey, its mining licences, and land with a net book value of $4,443,549 were pledged as collateral for the Company's borrowings.

Operating Activities: During the year ended December 31, 2015, cash used in operating activities mainly comprised of general and administrative expenses. Cash used in operating activities for the year ended December 31, 2015 was $2,912,403 compared to $2,492,390 for the prior year ended December 31, 2014. The Company has various commitments relating to rental office space and to IT support services as indicated in 'Note 14 Commitments' of the Financial Statements.

Investing Activities: For the year ended December 31, 2015 cash outflows arising from investing activities totaled $9,188,418 as compared to cash outflows of $7,522,974 for the prior year ended December 31, 2014. The cash outflows consisted mainly of net expenditures on the Yenipazar Project that were capitalized to mineral property under development of $4,053,655, and net purchases of property and equipment, consisting primarily of land within the Yenipazar Project, of $5,136,726.

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 $16,337 as at December 31, 2015 (December 31, 2014 - $102,937). Transactions with key management personnel were as follows:

	Year ended December 31 2015	**Year ended December 31 2014**
Salaries and benefits [(1)]	**$ 717,971**	$ 705,196
Share based payments [(1)]	**181,168**	240,209
Termination and Retirement benefits	-	90,572
Total compensation	**$ 899,139**	$1,035,977
Consulting and management fees [(2)]	**628,635**	641,650
Finder's fee[(3)]	-	333,817
Total transactions with key management personnel	**$ 1,527,774**	$2,011,444

[(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)] On closing of the Private Placement on September 25, 2014, a board member received a finder's fee.

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.

Payments Due by Period

Contractual Obligations	Less than 1 Year	1-3 years	4-5 years	After 5 years	Total
Loan	$18,346,881	$ -	$ -	$ -	$18,346,881
Operating Leases	108,572	129,655	-	-	238,227
Purchase Obligation	41,792	31,344	-	-	73,136
Total	**$18,497,245**	**$ 160,999**	**$ -**	**$ -**	**$18,658,244**

The Loan amount noted above is due August 29, 2016. The Company is analyzing all of the alternatives for a refinancing of the Loan.

On July 31, 2015 the Company extended its office lease in Ankara for a period of one year. The commitment for the gross rent, operating costs and realty taxes is estimated to be approximately $9,431 per month, or $113,167 per annum.

In September 2014, the Company purchased enterprise resource planning ("ERP") software licences for $100,000. The Company has committed to an additional $3,483 per month for the next two years for IT support services.

On July 26, 2012, the Company entered into a lease agreement for smaller office premises in Toronto, Ontario. The new lease agreement is effective from September 1, 2012 to March 31, 2018. The commitment for the gross rent, including operating costs and realty taxes is estimated at $8,604 per month or $103,247 per annum for the balance of the term.

The Company has certain obligations pursuant to the Option Agreement with Alacer as described previously in this MD&A. Once the Yenipazar Project is in production, the Company will pay Alacer a 6% Net Profit Interest ("NPI") until such time as operational revenues reach the amount of $165 million, and a 10% NPI thereafter.

The Company also has certain obligations pursuant to its operating licence in Turkey including reports on exploration, annual reports on operation projects, and 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.

Additional disclosure concerning the Company's contractual obligations is provided in Note 14 "Commitments" contained in the Financial Statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of December 31, 2015 consist of cash and cash equivalents, receivables, trade and other payables and borrowings. The Company's financial instruments are denominated primarily in USD, CAD, EUR and TRY.

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

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

Interest rate risk is generally associated with the Company's cash balances that are invested in fixed interest investment-grade short-term deposit certificates and overnight deposits. During the year ended December 31, 2015, the Company recorded interest income of $93,383 and interest expense of $2,594,633 before interest capitalization to mineral property and land. Future net cash flows from interest income on cash and cash equivalents and interest expense on variable rate borrowings will be affected by interest rate fluctuations. The Company closely monitors prevailing interest rates and will take appropriate mitigating actions should interest rate risk become material.

Foreign currency risk is generally associated with financial instruments and transactions denominated in non-USD currencies. While the Company has borrowings in USD, it funds development and exploration expenditures in Turkey primarily in TRY, CAD and USD. The Company maintains separate bank accounts for these currencies with sufficient funds to support monthly forecasted cash outflows over the following month.

The Company will continue to monitor its forecasted cash uses and take the appropriate foreign currency risk mitigation measures.

Net foreign exchange losses were $93,195 and $1,321,373 for the three and twelve months ended December 31, 2015, compared to gains of $381,671 and $416,745 for the comparable prior year periods. The 2014 gains related primarily to the impact of a weakening CAD against the TRY on a subsidiary's working capital balances. The 2015 losses mainly relate to the weakening CAD against the USD on USD-denominated borrowings and due to loss on fair market valuation of hedging contracts. The Company will take the necessary steps, including cash flow hedging, to manage any foreign exchange risks with respect to its US-denominated borrowings in accordance with its foreign exchange risk management policy.

SHARE CAPITAL AS AT DECEMBER 31, 2015 AND MARCH 24, 2016

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	106,955,881

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. 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 December 31, 2015 and at March 24, 2016, 10,695,588 common shares.

As at March 24, 2016 the following stock options were outstanding:

Expiry Date	Exercise Price (CAD)	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
March 30, 2016	1.29	47,000	47,000	0.25
June 15, 2016	1.25	400,000	400,000	0.46
June 20, 2016	1.05	200,000	200,000	0.47
August 3, 2016	0.80	110,000	110,000	0.59
February 28, 2017	0.54	75,000	75,000	1.16
March 24, 2017	0.42	370,000	351,250	1.23
March 28, 2017	0.64	203,000	203,000	1.24
November 26, 2018	0.20	1,255,000	1,255,000	2.91
April 7, 2019	0.24	1,000,000	500,000	3.27
December 18, 2019	0.20	2,858,438	1,770,938	3.97
March 26, 2020	0.20	750,000	187,500	4.24
June 1, 2020	0.20	200,000	50,000	4.42
December 15, 2020	0.17	500,000	125,000	4.96
	0.32	**7,968,438**	**5,274,688**	**3.03**

The Company granted 750,000 stock options on March 26, 2015, 200,000 on June 1, 2015 and 500,000 on December 15, 2015. The options granted on March 26, 2015 and June 1, 2015 are exercisable at a price of CAD$0.20 per common share and options granted on December 15, 2015 are exercisable at a price of CAD$0.17 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. As at March 24, 2016 the maximum additional number of stock options that can be issued pursuant to the Plan is 2,627,150.

As at March 24, 2016 the following warrants were outstanding:

Description	Expiry Date	Exercise Price	Warrants Outstanding	Value Assigned on Issue Date
Warrants	September 25, 2016	$1.00	10,561,611	316,849

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 December 31, 2015 totaled $9,534,221 (December 31, 2013 - $14,390,434).

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 twelve months, the Company completed its Optimization Study that reduced pre-production capital expenditures, and adjusted its financing targets in recognition of a need and opportunity for a staged financing approach.

On September 25, 2014 the Company closed the 2014 Financing. At December 31, 2015 the Company had drawn $17,500,000 of the $35,000,000 Loan facility, which matures on August 29, 2016. The Company is analyzing all of the alternatives for a refinancing of the Loan prior to its maturity date of August 29, 2016.

The Company is subject to certain covenants and capital requirements imposed by its Loan Agreement with Orion. The Company shall maintain a Liability/Equity ratio of less than or equal to 5:1 in 2015 and thereafter as measured at the end of each fiscal quarter. Orion has also first priority security interest in all of the assets of the Company.

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.

As at December 31, 2015, all the Company's shares in its wholly-owned Aldridge Turkey, the subsidiaries' land with a net book value of $4,443,549, and its mining licences were pledged as collateral for the Company's borrowings.

RISK FACTORS

The Company's principal activity of mineral exploration and development is considered to be 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. The section entitled "Risk Factors" in the 2014 Annual Information Form contains further details.

- *Nature of Activities:* The exploration for and development of mineral projects involves significant risks which even a combination of careful evaluation, experience and knowledge may not mitigate. Few properties that are explored are ultimately developed into producing mines. The Company's Yenipazar Project is at the development stage, but it is impossible to provide any assurance that the project and any exploration further planned by the Company will result in a profitable commercial mining operation.

- *Exploration and Development Costs:* Actual exploration, development or other costs and economic returns may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations. The Company has limited operating history and there can be no assurance of its ability to operate its projects profitably.

- *Development, Capital Projects and Operation of Mines:* Mine development and operations involve considerable risks including technical, financial, legal and permitting. Substantial expenditures are usually required to establish mineral reserves and resources estimates, to evaluate metallurgical processes and to construct and commission mining and processing facilities at a particular site. Currently, the Company's future revenue stream depends on production from the Yenipazar Project which does not have any operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase and the ramp-up period following commencement of commercial production, resulting in delays and requiring more capital than anticipated. Actual costs and economic returns may differ materially from the Company's estimates. Risks associated with the operation of mines include: unusual or unexpected geological formations; unstable ground conditions that could results in pit wall failures; floods; power outages; shortages, restrictions or interruptions in supply of water or fuel; labour disruptions; social unrest in adjacent areas; equipment failure; fires; explosions; failure of tailings impoundment facilities; and the inability to obtain suitable or adequate machinery, equipment or labour. Any of these risks could have a material adverse effect on the Company's results of operations or financial condition.

- *Commodity Prices:* Changes in the market price for mineral production, which have fluctuated widely in the past, will affect the future profitability of the Company's operations and financial condition.

- *Financing and Dilution:* The Company's historical capital needs have been met primarily by the issuance of common shares, with the exception of the Loan. At December 31, 2015 $17,500,000 was drawn of the $35,000,000 Loan facility, which matures on August 29, 2016. It is critical for the Company to refinance the debt facility prior to its maturity date since it is not possible to obtain, by August 29, 2016, the project financing originally expected to be used to retire the debt facility. The Company will require substantial additional funds to further explore and develop its properties. The Company has limited financial resources and no current source of recurring revenue. The junior resource market where the Company raises funds is extremely volatile, companies are subject to high level of competition for the same pool of investment dollars, and there is no guarantee that the Company will be able to raise adequate funds in a timely manner to conduct its business. The Company will require external financing or may need to enter into a strategic alliance or joint venture to develop its mineral properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

- *Trading Price*: Market prices of shares of development stage companies are often volatile. Factors such as announcement of mineral discoveries and financial results have a significant effect on the price of the Company's shares. The limited trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares. The Company has no dividend payment policy and does not intend to pay any dividends in the foreseeable future.

- *Title:* Although the Company has taken steps to verify title to its mineral property interests there is no guarantee that the mineral properties will not be subject to title disputes or undetected defects.
- *Land Acquisition*: Although the Company owns the mineral rights to the Yenipazar Project, it must acquire surface rights to the land within the fence-line in order to proceed with mine development and construction. The successful completion of the LAP is likely a condition precedent to drawdown on debt financing and may affect the timing of the closing of project financing. Given the importance of land acquisition, the Company has mitigated risk by completing and following a detailed Land Acquisition Plan that is prepared in accordance with Equator Principles III. However, factors such as pricing, unmotivated landowners, prolonged negotiations and procedural and administrative delays in government-assisted land acquisition, including the judicial process, may result in higher costs and an extended LAP.
- *Regulatory:* Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. Such approvals, licences and permits are, as a practical matter, subject to the discretion of applicable governments or governmental officials. The Yenipazar Project operating permit expires in March 2019 and an application to extend it will be made at the appropriate time. The Company also requires a temporary shutdown permit to be renewed each year. The 2016 permit application was submitted as required in January 2016 and was approved. The Company received the IICs, which result in a Turkey corporate income tax rate reduction from 20% to a range of 2% to 4% for approximately seven years of operations, pursuant to Turkey's Investment Incentive Program. On March 6, 2014 the Company announced the receipt of the EIA Permit for the Yenipazar Project. Although the receipt of the EIA Permit is a significant milestone and suggests a positive regulatory environment, no assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licences and permits required to operate its businesses in full force and effect or without modification or revocation. Delays or a failure to obtain such permits or failure to comply with the terms of any such permits that have been obtained could have a material adverse impact on the Company. In Turkey, political protests, alleged corruption and bureaucratic inefficiencies may affect the timeliness of the review and approval processes related to various licences and permits. Consequently, there is a risk that additional time for approvals may result in additional overhead and other costs that may be incurred during the additional time that may be required for approvals.
- *Environmental:* The Company is subject to laws and regulations related to environmental matters, including provisions for reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental legislation and is not aware of any existing environmental problems related to its mineral property interests that may be the cause of material liability to the Company. The Company received its EIA Permit in March 2014 after submitting its EIA Permit application in August 2013. In addition, the Company has periodically engaged experts to assist the Company in modifying its processes and documentation to facilitate compliance with international standards.
- *Insurance:* Mining is inherently dangerous and subject to conditions or elements beyond the Company's control, which could have a material adverse effect on the Company's business. The Company's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.
- *Personnel:* The Company may experience difficulty in attracting and retaining qualified management to meet the needs of its anticipated growth, and the failure to manage the Company's growth effectively could have a material adverse effect on its business and financial condition. Insofar as

certain directors and officers of the Company hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these directors and officers to the Company and to such other mineral resource companies.

- *Country Risk:* The Company's business is subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries that are less developed or have emerging economies. The Company's continuing exploration properties are in Turkey while its head office is in Toronto, Canada. In Turkey, the Company's assets and operations are subject to various political, economic and other uncertainties and changes arising therefrom, including, among other things: the risks of war and civil unrest or other risks that may limit or disrupt a project, restrict the movement of funds or product, or result in the deprivation of contract rights or the taking of property by nationalization or appropriation without fair compensation; expropriation; nationalization; renegotiation, nullification, termination or rescission of existing concessions or of licences, permits, approvals and contracts; taxation policies; foreign exchange and repatriation restrictions; changing political conditions; changing fiscal regimes and uncertain regulatory environments; international monetary and market securities fluctuations; and currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.
- *Tax:* Changes in taxation legislation or regulations in the countries in which the Company operates could have a material adverse effect on the Company's business and financial condition.
- *Foreign Exchange:* Fluctuations in foreign exchange rates may impact the estimated Yenipazar Project capital and operating expenditures, as well as corporate expenses. The Company's expenditures are primarily denominated in CAD, USD and TRY. The recent strengthening of the USD may reduce certain operating costs for the Company, but there is no certainty that the Company will be able to realize such cost savings. Currency fluctuations may impact the cost of present and future activities in Turkey, including the estimated pre-production capital expenditures required to build the Yenipazar Project.
- *Aldridge Depends on a Single Mineral Project:* The Yenipazar Project accounts for all of Aldridge's mineral resources and reserves and the current potential for the future generation of revenue. Any adverse development affecting the Yenipazar Project will have a material adverse effect on Aldridge's business, prospects, profitability, financial performance and results of the operations. These developments include, but are not limited to, the inability to obtain financing to develop the Yenipazar Project, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, property, and which could hinder the development and operation of the Yenipazar Project.
- *Significant Shareholders:* As at the date of this MD&A, the Company's three largest shareholders owned a combined 58.43% of the Company's outstanding Common Shares. Their approximate percentage held by shareholder was: ANT - 30.14%; APMS – 17.39%; and Orion Fund JV Limited – 10.9%. In addition, directors and officers hold approximately 3% of the outstanding Common Shares. Consequently, the liquidity of the Common Shares may be affected as only 38.57% of the Common Shares are being freely traded.

- *Global Economic Issues:* Global financial and economic conditions have been characterized by extreme volatility in recent years, including commodity-price fluctuations and the cost of debt and equity securities. Access to public and private debt and equity financing has been negatively impacted during this time. If such conditions persist or worsen, they could negatively impact the ability of the Company to obtain debt or equity financing in the future and, if obtained, on terms favourable to the Company. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Changes in global economic conditions may also lead to significant changes in commodity prices. If these conditions and volatility persist or worsen, the Company's business, results of operations and financial condition could be adversely impacted and the value and price of the Company's common shares could be adversely affected.

- *Conflicts of Interest:* Directors of the Company are or may become directors or officers of other mineral resource companies or have significant shareholdings in such other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, its directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

- *Aldridge Has No History of Mineral Production:* Aldridge currently has no advanced exploration or development projects other than the Yenipazar Project. The Yenipazar Project is a development stage project that has no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations. Aldridge has limited experience with projects in a stage and operation status similar to the Yenipazar Project and uncertainties remain with development stage mining operations and Aldridge can provide no assurance that the necessary expertise will be available if and when it seeks to place any of its mineral properties into production, including the Yenipazar Project. Aldridge has limited experience in placing mineral properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with major mining companies that can provide such expertise. There can be no assurance that Aldridge will have available to it the necessary expertise when and if it places any of its mineral properties into production, including the Yenipazar Project.

- *Aldridge Has a Limited Operating History and No History of Earnings, Positive Cash Flow or Dividend Payments:* An investment in Aldridge common shares should be considered highly speculative due to the nature of the Company's business. Aldridge has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. The Company has not commenced commercial production and it has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Aldridge will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

- *Aldridge Faces Significant Competition for Attractive Mineral Properties:* Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Aldridge's ability to acquire properties in the future will depend not only on its ability to develop its present property, but also on its ability to select and acquire properties or prospects for mineral exploration. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Aldridge, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

- *Community Relations:* The Company's relationship with the communities in which it operates is critical to the successful development, construction and operation of its properties. The Company is committed to operating in a socially responsible manner. The Company's strategy includes developing its Land Acquisition Plan and the Environmental and Social Impact Assessment in accordance with Equator Principles III, and employing a Community Relations Manager. However, there is no guarantee that its projects will be accepted by the communities in which they are located.

QUALIFIED PERSONS

Mr. Dennis Ferrigno, a consultant to the Company, is a Qualified Person as defined in NI 43-101, and has reviewed and verified the technical content in this MD&A.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The interim consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company's accounting policies and significant estimates and judgments are described in Note 2 to the Financial Statements.

Critical accounting estimates

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

- All inputs used in the option pricing models for determining the fair value of share based payment transactions and warrants issued.
- The estimated useful lives and residual value of Plant and Equipment used for calculating the amortization.
- Discount rate and other inputs used to assign a fair value to borrowings, which in turn affect the value of deferred revenues recognized with respect to the offtake agreements associated with such borrowings.

Critical accounting judgments

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

ACCOUNTING STANDARDS AND AMENDMENTS ISSUED

Amendments to accounting standards adopted and not yet adopted are described in Note 2 of the Financial Statements.

Accounting standards and amendments issued and adopted

The Company identified no significant Accounting standards and amendments to be adopted for the year ended December 31, 2015.

Accounting standards and amendments issued but not yet adopted

(i) IAS 1, amended to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. IAS 1 is effective years on or after January 1, 2016. The Company is currently assessing the impact of this standard.

(ii) 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 risk 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.

(iii) IFRS 15, issued in May 2014, establishes the principles that an entity shall apply to report the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 replaces IAS 11, Construction contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers and Standard Interpretations Committee interpretation 31, Revenue – Barter Transactions Involving Advertising Services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. In September 2015, amendment to IFRS 15 is issued to defer the effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this standard.

(iv) In January 2016, the IASB issued IFRS 16, replacing IAS17, “Leases”. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its balance sheet providing the reader with greater transparency of an entity’s lease obligations. IFRA 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption provided. The Company is currently evaluating the impact of this standard.

(v) IAS 16 & IAS 38, amends IAS16 Property Plant and Equipment and IAS 38 Intangible Assets to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets. IAS 16 & IAS 38, are effective for years beginning on or after January 1, 2016. The Company is currently evaluating the impact of this 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 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.