



Condensed Consolidated Interim Financial Statements

**For the Three and Six Months Ended June 30, 2016
(Expressed in United States Dollars)**

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

| | As at June 30 2016 | As at December 31 2015 |
|--|--------------------------|------------------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ 3,607,954 | \$ 8,520,566 |
| Other receivables (Note 5) | 438,974 | 292,239 |
| Prepaid expenses | 127,749 | 184,037 |
| Restricted cash (Note 8(a)) | 600,000 | - |
| Due from related parties (Note 13) | 43,187 | - |
| | 4,817,864 | 8,996,842 |
| Non-Current | | |
| License deposits (Note 6(b)) | 42,368 | 34,697 |
| Mineral property under development (Note 6(a)) | 13,010,999 | 11,433,524 |
| Property and equipment (Note 7) | 12,816,599 | 10,327,156 |
| Other assets (Note 8(b)) | 23,421 | 21,814 |
| | \$ 30,711,251 | \$30,814,033 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 615,593 | \$ 639,454 |
| Due to related parties (Note 13) | - | 16,337 |
| Borrowings (Note 4(c)) | 19,872,606 | 18,346,881 |
| | 20,488,199 | 19,002,672 |
| Non-Current | | |
| Deferred revenue (Note 4(d)) | 2,114,617 | 2,114,617 |
| Environmental rehabilitation provision (Note 14) | 37,903 | 35,549 |
| Other liabilities (Note 10) | 174,892 | 126,974 |
| | 22,815,611 | 21,279,812 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 11) | 67,502,385 | 67,502,385 |
| Contributed surplus | 13,773,630 | 13,714,090 |
| Deficit | (71,496,342) | (69,807,550) |
| Accumulated other comprehensive loss | (1,884,033) | (1,874,704) |
| | 7,895,640 | 9,534,221 |
| | \$ 30,711,251 | \$ 30,814,033 |

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 17)

Approved by the Board of Directors:

“Barry Hildred”
Barry Hildred, Director

“Ed Guimaraes”
Ed Guimaraes, Director

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

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

| | Three months ended June 30 | | Six months ended June 30 | |
|--|-------------------------------|--------------------|-----------------------------|--------------------|
| | 2016 | 2015 | 2016 | 2015 |
| EXPENSES | | | | |
| General and administrative (Note 12) | \$ 879,138 | \$ 1,168,068 | \$ 1,698,770 | \$ 2,174,618 |
| | (879,138) | (1,168,068) | (1,698,770) | (2,174,618) |
| OTHER INCOME (EXPENSE) | | | | |
| Interest income | 10,598 | 15,657 | 34,688 | 80,304 |
| Interest expense (Note 9) | (36,075) | (1,074) | (113,721) | (169,778) |
| Other income | 25,571 | 18,998 | 37,291 | 50,923 |
| Other expense | 58 | (924) | (324) | (924) |
| Foreign exchange gain/(loss) | (73,101) | (82,791) | 52,044 | (509,090) |
| | (72,949) | (50,134) | 9,978 | (548,565) |
| Net loss for the period before income tax | \$ (952,087) | \$ (1,218,202) | \$ (1,688,792) | \$ (2,723,183) |
| Net loss for the period | (952,087) | (1,218,202) | (1,688,792) | (2,723,183) |
| Items that may be reclassified to net loss: | | | | |
| Change in unrealized foreign currency translation gains/(losses) on foreign operations | 4,027 | 28,449 | (1,276) | (183,011) |
| Items that will not be subsequently reclassified to net loss: | | | | |
| Changes in gains/(losses) on employment termination benefits | (8,053) | (5,432) | (8,053) | 4,174 |
| Comprehensive loss for the period | \$ (956,113) | \$ (1,195,185) | \$ (1,698,121) | \$ (2,902,020) |
| Basic and diluted net loss per share | \$ (0.01) | \$ (0.01) | \$ (0.02) | \$ (0.03) |
| Weighted average number of shares outstanding – basic and diluted | 106,955,881 | 106,995,881 | 106,955,881 | 106,955,881 |

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

| | Share Capital | Contributed Surplus | Accumulated Other Comprehensive Income/(loss) | Deficit | Total |
|---|----------------------|------------------------|--|------------------------|----------------------|
| Balance, December 31, 2014 | \$ 67,502,385 | \$13,473,024 | \$ (2,057,423) | \$ (64,527,552) | \$ 14,390,434 |
| Net loss for the period | - | - | - | (2,723,183) | (2,723,183) |
| Change in unrealized foreign currency translation gain/(loss) on foreign operations | - | - | (183,011) | - | (183,011) |
| Change in gain/ (loss) on employment termination benefits | - | - | 4,174 | - | 4,174 |
| Stock based compensation | - | 150,035 | - | - | 150,035 |
| Balance, June 30, 2015 | \$ 67,502,385 | \$13,623,059 | \$ (2,236,260) | \$ (67,250,735) | \$ 11,638,449 |
| Net loss for the period | - | - | - | (2,556,815) | (2,556,815) |
| Change in unrealized foreign currency translation gain/(loss) on foreign operations | - | - | 344,159 | - | 344,159 |
| Change in gain/ (loss) on employment termination benefits | - | - | 17,397 | - | 17,397 |
| Comprehensive gain/ (loss) for the period | - | - | 361,556 | (2,556,815) | (2,195,259) |
| Stock based compensation | - | 91,031 | - | - | 91,031 |
| Balance, December 31, 2015 | \$ 67,502,385 | \$13,714,090 | \$ (1,874,704) | \$ (69,807,550) | \$ 9,534,221 |
| Net loss for the period | - | - | - | (1,688,792) | (1,688,792) |
| Change in unrealized foreign currency translation gain/ (loss) on foreign operations | - | - | (1,276) | - | (1,276) |
| Change in gain/ (loss) on employment termination benefits | - | - | (8,053) | - | (8,053) |
| Comprehensive gain/ (loss) for the period | - | - | (9,329) | (1,688,792) | (1,698,121) |
| Stock based compensation | - | 59,540 | - | - | 59,540 |
| Balance, June 30, 2016 | \$ 67,502,385 | \$13,773,630 | \$ (1,884,033) | \$ (71,496,342) | \$ 7,895,640 |

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

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

| | Six months ended | |
|--|---------------------|---------------------|
| | June 30 2016 | June 30 2015 |
| Cash Flows from (used in) Operating Activities | | |
| Net loss from operations | \$ (1,688,792) | \$ (2,723,183) |
| Add (deduct) items not affecting cash: | | |
| Amortization | 60,354 | 30,390 |
| Stock-based compensation | 51,894 | 122,838 |
| Foreign exchange loss/(gain) | (73,186) | 505,334 |
| Interest accrual and accretion on borrowings | 113,721 | 169,779 |
| Gain on warrant revaluation | - | (35,000) |
| | (1,536,009) | (1,929,842) |
| Changes in non-cash operating assets and liabilities (Note 16) | (125,849) | 173,109 |
| | (1,661,858) | (1,756,733) |
| Cash Flows from (used in) Investing Activities | | |
| Investment in mineral property under development | (1,021,551) | (2,263,653) |
| License deposits | (7,671) | (1,962) |
| Purchase of property and equipment | (1,686,071) | (2,719,948) |
| Restricted cash (Note 8 (a)) | (600,000) | (600,000) |
| | (3,315,293) | (5,585,563) |
| Impact of foreign exchange on cash balances | 64,539 | (594,707) |
| Net change in cash and cash equivalents | (4,912,612) | (7,937,003) |
| Cash and cash equivalents, beginning of year | 8,520,566 | 14,331,409 |
| Cash and cash equivalents, end of year | \$ 3,607,954 | \$ 6,394,406 |
| Total interest paid | \$ - | \$ - |
| Total income taxes paid | \$ 4,062 | \$ 22,096 |

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

Aldridge Minerals Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended June 30, 2016 and June 30, 2015
(Expressed in United States Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Aldridge Minerals Inc. (the “Company”) is listed on the TSX Venture Exchange (TSX-V: AGM). The Company’s principal business activities are the exploration and development of mineral properties in Turkey. The Company is incorporated under the Canadian Business Corporations Act, and its head office is located at 10 King Street East, Suite 300, Toronto, Ontario, M5C 1C3.

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

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has incurred a net loss in the current six months period of \$1,688,792 (six months ended June 30, 2015 - \$2,723,183) and has an accumulated deficit of \$71,496,342 (December 31, 2015 - \$69,807,550). As the Company progresses through the development stage of its Yenipazar Project, it will need to secure additional funding to advance the mine towards production, meet its obligations and keep its mineral claims in good standing. Although the Company has been successful in these activities in the past, there can be no assurance on the success and sufficiency of these initiatives in order to realize the economic value of the Yenipazar Project. The Company is pursuing financing alternatives to refinance the current Borrowings which are coming due on August 29, 2016 (Note 4) and (Note 17 (1)). These circumstances may cast significant doubt as to the Company’s ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The unaudited condensed consolidated interim financial statements do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual consolidated financial statements and accordingly, should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS. The Board of Directors approved the unaudited condensed consolidated interim financial statements for issuance on August 11, 2016.

A summary of significant accounting policies is included in Note 2 of the Company’s annual financial statements for the year ended December 31, 2015. The accounting policies adopted are consistent with those of the previous financial year, with the exception of the changes to functional and reporting currencies noted below and new standards and amendments effective for the financial year beginning on January 1, 2016.

Aldridge Minerals Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended June 30, 2016 and June 30, 2015
(Expressed in United States Dollars)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) *Basis of preparation (continued)*

(i) *Foreign currencies*

Under IAS 21, an entity's functional currency should reflect the underlying transactions, events, and conditions relevant to the entity. On January 1, 2016 the functional currency of the Company, Aldridge Minerals Inc., changed from the Canadian Dollar ("CAD") to the United States Dollar ("USD"). 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 Company were translated from CAD to USD at the exchange rate in effect on the date of change in functional currency. The functional currencies remained the same for the Company's entities domiciled in Turkey (USD) and in the Netherlands (EUR). The functional currency for the Company's Cayman Island entity, which was incorporated in February 2016, is the USD.

b) *Accounting standards and amendments issued and adopted*

(i) IAS 1, as amended is to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. IAS 1 as amended is effective for years beginning on or after January 1, 2016. The implementation of amendments to IAS 1 had no impact to the Company's June 30, 2016 interim consolidated financial statements.

(ii) 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 appropriate, 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 implementation of amendments to IAS 16 and IAS 38 had no impact to the Company's June 30, 2016 interim consolidated financial statements.

c) *Accounting standards and amendments issued but not yet adopted*

(i) IFRS 9 - The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit 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.

(ii) 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 Programs, 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. On September 2015, an amendment to IFRS 15 was 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting standards and amendments issued but not yet adopted (continued)

(ii) IFRS 15 (continued)

In April 2016, the IASB issued amendments to IFRS 15, clarifying the application of certain of its underlying principles, including the identification of a performance obligation, and the determination of whether a company is a principal or is acting as an agent in the provision of a good or service. The amendments will become effective concurrent with the effective date of IFRS 15 on January 1, 2018. The Company is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements

(iii) 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. IFRS 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.

(iv) In January 2016, the IASB issued amendments to IAS 7 pursuant to which entities will be required to provide enhanced information about changes in their financial liabilities, including changes from cash flows and non-cash changes. The IAS 7 amendments are effective for annual periods beginning on or after January 1, 2017. The Company is currently evaluating the impact of this standard.

(v) In January 2016, the IASB issued amendments to IAS 12, which clarifies guidance on the recognition of deferred tax assets related to unrealized losses resulting from debt instruments that are measured at fair value. The IAS 12 amendments are effecting for annual periods beginning on or after January 1, 2017. The Company does not currently measure any of its debt instruments at fair value. Therefore the implementation of this standard is not expected to have any material impact to the Company’s financial statements.

(vi) In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled. The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements.

3. CAPITAL MANAGEMENT

The Company’s capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2016. As at June 30, 2016, the Company is subject to certain debt covenants. (Note 4).

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Notes to the Condensed Consolidated Interim Financial Statements
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4. 2014 FINANCING

On September 25, 2014 the Company closed a financing (the “2014 Financing”) comprised of a \$10 million equity private placement (the “Private Placement”), a \$35,000,000 borrowings facility (the “Borrowings”), and offtake agreements for future lead concentrate and gold production (the “Offtakes”).

Details of the 2014 Financing are as follows:

a) Share Purchases

Under the Private Placement agreements, an affiliate of Orion Mine Finance (“Orion”) purchased 11,660,611 common shares, ANT Holding Anonim Sti. (“ANT”) 6,696,732 common shares and APMS Investment Fund Ltd. (formerly Mavi Investment Fund Ltd.) (“APMS”) 3,864,879 common shares at \$0.45, for gross proceeds of \$9,332,772 and transaction costs of \$603,293 (net proceeds of \$8,729,479).

As a result of an equity position greater than 10%, Orion was granted one nominee to the Company’s board of directors, for a period of 24 months until September 25, 2016 and to continue as long as ownership meets or exceeds the 10% requirement.

b) Warrants

ANT and APMS have received one common share purchase warrant (“Warrant”) for each common share purchased through the Private Placement agreements for a total of 10,561,611 Warrants. The Warrant exercise price is \$1.00 and the Warrants expire on September 25, 2016.

On September 25, 2014, the Warrants were valued at \$316,849 using the Black-Scholes Options Pricing Model. Although the Warrants were issued as part of the Private Placement, the Warrants were classified as liabilities at initial recognition due to the exercise price being denominated in a currency that was not the functional currency of the Company. The change of the functional currency in the current period did not have an impact on the accounting treatment of the Warrants as there have been no change to the instruments and therefore no change in the classification since initial recognition. The fair value of the warrants was estimated to be \$nil as at June 30, 2016.

c) Borrowings

| | As at June 30 2016 | As at December 31 2015 |
|------------------------------|-----------------------------------|---------------------------------------|
| Carrying value of borrowings | \$19,872,606 | 18,346,881 |

The \$35,000,000 Borrowings carries an interest rate of 9% per annum, plus the greater of the 3 month USD LIBOR rate and 1%, and a maturity date of August 29, 2016. Interest accrues over the term of the Borrowings and is capitalized monthly. Early repayment of the Borrowings may occur at any time without charges (other than customary breakage costs). On closing \$10,000,000 was drawn down less financing costs of \$1,211,056 (net proceeds of \$7,007,717). The financing costs will be amortized over the term of the Borrowings using the effective interest rate method. As at June 30, 2016, the Company has undrawn borrowing facilities of \$17,500,000 (December 31, 2015 - \$17,500,000).

Orion has first priority interest in all of the material assets of the Company. Such security will be released following full repayment of the Borrowings plus all accrued interest. A debt covenant is in place for the Company, restricting the ratio of liabilities to equity to a maximum of 5:1 for 2015 and thereafter until the Borrowings and all accrued interest are repaid fully. The Company has been in compliance with the debt covenant from the inception of the borrowings.

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4. 2014 FINANCING (continued)

d) Offtake Agreements

An Orion affiliate entered into a purchase agreement with the Company, on a take-or-pay basis, to buy certain lead concentrate and gold offtakes produced at the Yenipazar Project. Under the agreement, the Company will sell and Orion will purchase, 50% of the gold produced (subject to a minimum of 237,089 ounces) and 5,000 dry metric tonnes of lead concentrate per annum (subject to a minimum total delivery of 50,000 dry metric tonnes), over the first ten years of the mine plan at Yenipazar. Payment price for both the gold and lead concentrate will be determined at the time of delivery by market values, subject to specific quotational periods. Deferred revenues relating to the offtakes totaling \$2,114,617 have been recorded and will be taken into profit and loss as deliveries are made. Deferred revenues have been calculated as the net residual value after deducting the fair market values of all other individual financing components, excluding the offtakes, from the gross proceeds of the Borrowings. On closing, transaction costs totaling \$118,369, which relate to the Offtakes, were recognized as other expenses in the statement of profit and loss.

5. OTHER RECEIVABLES

| | As at June 30 2016 | As at December 31 2015 |
|------------------------|-----------------------------------|---------------------------------------|
| Interest receivable | \$ 24 | \$ 100 |
| Sales taxes receivable | 438,950 | 292,139 |
| | \$ 438,974 | \$ 292,239 |

Aldridge Minerals Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended June 30, 2016 and June 30, 2015
(Expressed in United States Dollars)
(Unaudited)

6. MINERAL PROPERTY UNDER DEVELOPMENT

a) Yenipazar Project, Turkey

| Mineral Property Under Development | Yenipazar Project |
|---|--------------------------|
| Balance, December 31, 2014 | \$ 6,721,165 |
| Additions | 2,710,039 |
| Impact of foreign exchange | (88,176) |
| Balance, June 30, 2015 | \$ 9,343,028 |
| Additions | 2,355,975 |
| Impact of foreign exchange | (265,479) |
| Balance, December 31, 2015 | \$ 11,433,524 |
| Additions | 1,577,475 |
| Balance, June 30, 2016 | \$ 13,010,999 |

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

While the Company advances the Yenipazar Project towards development and production, the Company is operating under a temporary shutdown permit. The temporary shutdown permit is renewed annually and the Company's renewal application was approved in January 2016 and expires in December 2016.

During the six months ended June 30, 2016, additions to the mineral property under development mainly related to the completion of the Value Engineering Study and operational costs for the Yenipazar Project.

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(Expressed in United States Dollars)
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6. MINERAL PROPERTY UNDER DEVELOPMENT (continued)

a) Yenipazar Project, Turkey (continued)

The additional expenditures on the mineral property during the three and six months ended June 30, 2016 and June 30, 2015 in Yenipazar were as follows:

| | Three months ended | | Six months ended | |
|---|--------------------|---------------------|---------------------|---------------------|
| | June 30 2016 | June 30 2015 | June 30 2016 | June 30 2015 |
| Yenipazar Property | | | | |
| Amortization | \$ 19,969 | \$ 24,653 | \$ 40,052 | \$ 48,118 |
| Drilling | - | 91,453 | - | 262,786 |
| Drilling site access fees | - | - | - | 4,026 |
| Engineering consulting | 81,956 | 278,775 | 336,351 | 615,687 |
| Environmental consulting | - | 4,000 | - | 8000 |
| Land acquisition planning and development | 106,809 | 54,517 | 106,809 | 73,556 |
| License | - | - | - | 4,454 |
| Permitting | (1,469) | 8,453 | 31,156 | 18,952 |
| Professional expenses | - | 23,087 | - | 154,190 |
| Employee costs | 195,235 | 336,175 | 399,528 | 737,370 |
| Community relations | 23,393 | 46,708 | 25,704 | 191,796 |
| Travel | 25,193 | 23,924 | 28,651 | 57,704 |
| Vehicles and equipment maintenance | 11,364 | 17,664 | 20,731 | 40,867 |
| Interest capitalization | 253,088 | 203,629 | 508,227 | 372,725 |
| Camp costs | 36,214 | 24,466 | 78,482 | 86,828 |
| Other | 782 | 31,104 | 1,784 | 32,980 |
| | \$ 752,534 | \$ 1,168,608 | \$ 1,577,475 | \$ 2,710,039 |

As at June 30, 2016, the Company capitalized cumulative borrowing costs amounting to \$1,560,581 on qualifying assets (\$1,052,354 during the year ended December 31, 2015). Year to date capitalization rate of 8.0% representing the weighted average cost of general borrowing, was applied.

Aldridge Minerals Inc.
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(Expressed in United States Dollars)
(Unaudited)

6. MINERAL PROPERTY UNDER DEVELOPMENT (continued)

b) License Deposits, Turkey

License deposits

| | | |
|-----------------------------------|-----------|---------------|
| Balance, December 31, 2014 | \$ | 35,587 |
| Addition | | 1,963 |
| Impact of foreign exchange | | (2,702) |
| Balance, June 30, 2015 | \$ | 34,848 |
| Impact of foreign exchange | | (151) |
| Balance, December 31, 2015 | \$ | 34,697 |
| Addition | | 7,331 |
| Impact of foreign exchange | | 340 |
| Balance, June 30, 2016 | \$ | 42,368 |

Exploration and evaluation expenditures for the six months ended June 30, 2016 include amounts related to other licenses fees of \$nil (December 31, 2015 - \$4,454).

Aldridge Minerals Inc.
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7. PROPERTY AND EQUIPMENT

| Cost | Furniture and Equipment | Computer & software equipment | Land | Leasehold Improvements | Building | Total |
|-----------------------------------|-------------------------|-------------------------------|---------------|------------------------|------------|---------------|
| Balance, December 31, 2014 | \$ 657,526 | \$ 338,568 | \$ 3,170,005 | \$ 52,743 | \$ 376,009 | \$ 4,594,851 |
| Additions | 24,133 | 122,134 | 3,177,773 | - | - | 3,324,040 |
| Disposal | - | - | - | - | - | - |
| Impact of foreign exchange | (1,642) | (5,734) | - | (580) | - | (7,956) |
| Balance, June 30, 2015 | \$ 680,017 | \$ 454,968 | \$ 6,347,778 | \$ 52,163 | \$ 376,009 | \$ 7,910,935 |
| Additions | 9,576 | - | 3,098,983 | - | - | 3,108,559 |
| Disposal | - | (2,721) | - | - | - | (2,721) |
| Impact of foreign exchange | (2,925) | (39,340) | - | (1,033) | - | (43,298) |
| Balance, December 31, 2015 | \$ 686,668 | \$ 412,907 | \$ 9,446,761 | \$ 51,130 | \$ 376,009 | \$ 10,973,475 |
| Additions | 2,176 | 10,524 | 2,577,149 | - | - | 2,589,849 |
| Disposal | (57,090) | - | - | - | - | (57,090) |
| Balance, June 30, 2016 | \$ 631,754 | \$ 423,431 | \$ 12,023,910 | \$ 51,130 | \$ 376,009 | \$ 13,506,234 |

| Accumulated amortization | Furniture and Equipment | Computer & software equipment | Land | Leasehold Improvements | Building | Total |
|-----------------------------------|-------------------------|-------------------------------|------|------------------------|-----------|------------|
| Balance, December 31, 2014 | \$ 370,687 | \$ 69,249 | \$ - | \$ 8,940 | \$ 39,148 | \$ 488,024 |
| Additions | 34,413 | 23,028 | - | 4,748 | 16,690 | 78,879 |
| Disposal | - | - | - | - | - | - |
| Impact of foreign exchange | (2,019) | (1,657) | - | (353) | - | (4,029) |
| Balance, June 30, 2015 | \$ 403,081 | \$ 90,620 | \$ - | \$ 13,335 | \$ 55,838 | \$ 562,874 |
| Additions | 33,258 | 38,297 | - | 4,750 | 18,904 | 95,209 |
| Disposal | - | (816) | - | - | - | (816) |
| Impact of foreign exchange | (1,756) | (8,480) | - | (712) | - | (10,948) |
| Balance, December 31, 2015 | \$ 434,583 | \$ 119,621 | \$ - | \$ 17,373 | \$ 74,742 | \$ 646,319 |
| Additions | 25,069 | 53,543 | - | 3,996 | 17,798 | 100,406 |
| Disposal | (57,090) | - | - | - | - | (57,090) |
| Balance, June 30, 2016 | \$ 402,562 | \$ 173,164 | \$ - | \$ 21,369 | \$ 92,540 | \$ 689,635 |

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7. PROPERTY AND EQUIPMENT (continued)

| Net | Furniture and Equipment | Computer & software equipment | Land | Leasehold Improvements | Building | Total |
|-------------------------------|-------------------------------|-------------------------------------|-----------------------------------|---------------------------|-------------------|---------------------|
| Balance, December 31, 2014 | \$ 286,839 | \$ 269,319 | \$ 3,170,005 | \$43,803 | \$ 336,861 | \$ 4,106,827 |
| Balance, June 30, 2015 | \$ 276,936 | \$ 364,348 | \$ 6,347,778 | \$38,828 | \$ 320,171 | \$ 7,348,061 |
| Balance, December 31, 2015 | \$ 252,085 | \$ 293,286 | \$ 9,446,761 | \$33,757 | \$ 301,267 | \$10,327,156 |
| Balance, June 30, 2016 | \$ 229,192 | \$ 250,267 | \$12,023,910⁽¹⁾ | \$29,761 | \$ 283,469 | \$12,816,599 |

⁽¹⁾As at June 30 2016, the Company capitalized borrowing costs amounting to \$2,613,375 (December 31, 2015 - \$1,709,598)

8. RESTRICTED CASH AND OTHER ASSETS

(a) Restricted Cash

| | As at June 30 2016 | As at December 31 2015 |
|-----------------|--------------------------|------------------------------|
| Restricted cash | \$ 600,000 | \$ - |
| | \$ 600,000 | \$ - |

As at June 30, 2016 the short-term restricted cash includes \$600,000 held as collateral for the foreign currency hedging transactions (Note 9 (b (iii))) (December 31, 2015- \$nil). The restricted cash agreement is scheduled to become unrestricted as at August 24, 2016.

(b) Other assets

| | As at June 30 2016 | As at December 31 2015 |
|-----------------|--------------------------|------------------------------|
| Restricted cash | \$ 23,421 | \$ 21,814 |
| | \$ 23,421 | \$ 21,814 |

As at June 30, 2016, the restricted cash includes \$23,421 (December 31 2015 - \$21,814) held as collateral for the corporate credit card. The agreement has no scheduled expiry date.

9. FINANCIAL INSTRUMENTS

(a) Financial assets

The Company held Class A Performance shares in Uranium Resources Inc. (formerly Anatolia). The Class A shares expired on February 10, 2016 (as at December 31, 2015, the estimated fair value of the Class A shares was \$nil).

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9. FINANCIAL INSTRUMENTS (continued)

(b) Financial liabilities

(i) Borrowings

On September 25, 2014 the Company entered into the Borrowings (Note 4). The Borrowings are classified as a financial liability measured at amortized cost. As at June 30, 2016 their carrying value is \$19,872,606 (December 31, 2015 - \$18,346,881) and the undrawn amount of borrowing is \$17,500,000 (December, 2015 - \$17,500,000).

The initial fair value of the Borrowings was determined by discounting the proceeds of the Borrowings and expected interest costs at an appropriate discount rate. An appropriate discount rate was determined with reference to the interest rates and arrangement costs of comparable transactions. If the discount rate had been 100 basis points higher with all other variables held constant, the initial fair value of the Borrowings would have been approximately \$445,070 lower. If the discount rate had been 100 basis points lower with all other variables held constant, the initial fair value of the Borrowings would have been \$455,890 higher. The initial recognition of the Borrowings is classified as a Level 3 fair value measurement.

Drawdowns are at the discretion of the Company and the expected drawdown schedule was revised as at June 30, 2016. The change in expected cash flows resulted in the recognition of negative accelerated effective interest totaling \$136,236 for the three months ended June 30, 2016 and \$195,820 for the six months ended June 30, 2016 (for the year ended December 31, 2015 - \$692,199). Total effective interest recognized during the six months ended June 30, 2016 totaled \$1,525,725 (\$2,594,633 for the year ended December 31, 2015). Of this, \$508,227 was capitalized to mineral property under development, \$903,777 was capitalized to land purchased with respect to the Yenipazar Project and the balance of \$113,721 was recognized in the statement of loss.

As at June 30, 2016, all the Company's shares in wholly-owned Aldridge Turkey and land with a net book value of \$5,232,543 were pledged as collateral for the Company's borrowings.

(ii) Warrants

Concurrently with the Borrowings, the Company closed the 2014 Financing (Note 4). ANT and APMS received one common share purchase Warrant for each common share purchased through the Private Placement agreements for a total of 10,561,611 Warrants. The Warrant exercise price is \$1.00 and the Warrants expire on September 25, 2016. The fair value of the Warrants of \$nil as at June 30, 2016 (December 31, 2015 - \$nil) was determined using the Black-Scholes Options Pricing Model.

The Warrants were issued as part of the Private Placement. The Warrants are classified as Level 2 fair value measurements.

Fair values were determined using the Black-Scholes Options Pricing Model with the following assumptions:

| | As at June 30, 2016 | As at December 31, 2015 |
|---------------------------|------------------------------------|--|
| Exercise price | CAD \$1.30 | CAD \$1.16 |
| Share price at grant date | CAD \$0.24 | CAD \$0.19 |
| Risk-free interest rate | 0.52% | 0.48% |
| Expected life of options | 0.24 years | 0.73 years |
| Expected volatility | 56% | 46% |
| Dividend yield | Nil | Nil |

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9. FINANCIAL INSTRUMENTS (continued)

(b) Financial liabilities (continued)

(iii) Financial Derivatives

On May 04, 2016 the Company entered into foreign exchange contracts in order to reduce its exposure to foreign currency risk with respect to Turkish Lira. These contracts consist of a series of costless collars, each comprised of a long call option and a short put option. These derivative instruments have not been designated as hedges for accounting purposes and are recorded at fair value. As at June 30, 2016, \$nil exchange gain/(loss) recognized (\$nil during the six months ended June 30, 2015) in the consolidated statement of loss related to these foreign exchange contracts. The settlement dates and notional amounts for each Hedge are as follows:

| Settlement Date | Notional Amount | Strike Price (TRY/USD) | |
|-----------------|-----------------|------------------------|-------|
| | | Call | Put |
| May 27, 2016 | \$ 250,000 | 2.80 | 3.001 |
| June 24, 2016 | \$ 250,000 | 2.80 | 3.001 |
| July 26, 2016 | \$ 250,000 | 2.80 | 3.001 |
| August 24, 2016 | \$ 250,000 | 2.80 | 3.001 |

The May 27 and June 24 contracts expired unused.

10. OTHER LIABILITIES

| | As at June 30 2016 | As at December 31 2015 |
|---|--------------------------|------------------------------|
| Deferred rent and sales tax | \$ 6,794 | \$ 8,283 |
| Statutory employee termination benefits | 168,098 | 118,691 |
| | \$ 174,892 | \$ 126,974 |

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11. SHARE CAPITAL

(a) Authorized

Authorized share capital is unlimited, 106,955,881 issued and outstanding with no par value.

(b) Issued

| | Number of Shares | Amount |
|-----------------------------------|---------------------|----------------------|
| Balance, December 31, 2014 | 106,955,882 | \$ 67,502,385 |
| Cancellation | (1) | - |
| Balance, June 30, 2015 | 106,955,881 | \$ 67,502,385 |
| Balance, December 31, 2015 | 106,955,881 | \$ 67,502,385 |
| Balance, June 30, 2016 | 106,955,881 | \$ 67,502,385 |

(c) Warrants

The following table shows the continuity of warrants.

| | Number of Warrants | Weighted Average Exercise Price |
|-----------------------------------|-----------------------|------------------------------------|
| Balance, December 31, 2014 | 11,299,824 | \$ 0.92 |
| Expired | (738,213) | CAD\$ (0.475) |
| Balance, June 30, 2015 | 10,561,611 | \$ 1.00 |
| Balance, December 31, 2015 | 10,561,611 | \$ 1.00 |
| Balance, June 30, 2016 | 10,561,611 | \$ 1.00 |

As at June 30, 2016, the following warrants were outstanding:

| Description | Expiry date | Weighted Average Exercise Price | Warrants Outstanding | Value Assigned on Issue Date |
|-------------------|--------------------|------------------------------------|-------------------------|---------------------------------|
| Warrants (Note 4) | September 25, 2016 | \$ 1.00 | 10,561,611 | \$316,849 |

The outstanding warrants as at June 30, 2016 relate to the Warrants issued as part of the 2014 Financing (Note 4).

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11. SHARE CAPITAL (continued)

(d) Stock options

The Company has a Stock Option Plan (the “Plan”) to promote the interests of the Company to assist the Company in attracting, retaining and motivating its directors, officers, employees and consultants by providing greater incentive to further develop and promote the business and financial success of the Company. Pursuant to the Plan, the Company may grant options to purchase common shares of the Company to directors, officers, employees and consultants. As at June 30, 2016, 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 10,695,588 shares (December 31, 2015 – 10,695,588).

The following table shows the continuity of stock options for the six months ended June 30, 2016:

| | Number of Stock Options | Weighted Average Exercise Price |
|-----------------------------------|----------------------------|------------------------------------|
| Balance, December 31, 2014 | 7,573,938 | CAD \$ 0.44 |
| Issued | 1,450,000 | CAD \$ 0.19 |
| Expired | (955,500) | CAD \$ 0.80 |
| Balance, December 31, 2015 | 8,068,438 | CAD \$ 0.33 |
| Expired | (747,000) | CAD \$ 1.20 |
| Balance, June 30, 2016 | 7,321,438 | CAD \$ 0.24 |

The Company granted nil stock options during the six months ended June 30, 2016.

12. GENERAL AND ADMINISTRATIVE

| | Three months ended | | Six months ended | |
|--|--------------------|---------------------|---------------------|---------------------|
| | June 30 2016 | June 30 2015 | June 30 2016 | June 30 2015 |
| Amortization | \$ 30,177 | \$ 19,174 | \$ 60,354 | \$ 30,390 |
| Directors' fees and expenses | 44,304 | 52,820 | 85,285 | 94,746 |
| Office and sundry | 114,446 | 135,132 | 223,193 | 284,277 |
| Professional fees | 154,508 | 243,175 | 312,625 | 433,373 |
| Salaries and benefits | 442,416 | 522,398 | 817,578 | 947,364 |
| Shareholder information | 31,017 | 72,258 | 60,192 | 140,702 |
| Stock-based compensation | 22,083 | 46,944 | 51,894 | 122,838 |
| Transfer and filing | 8,172 | 11,928 | 17,574 | 23,335 |
| Travel and promotion | 32,015 | 64,239 | 70,075 | 97,593 |
| General and administrative expenses | \$ 879,138 | \$ 1,168,068 | \$ 1,698,770 | \$ 2,174,618 |

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13. RELATED PARTY TRANSACTIONS

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

| | Three months ended | | Six Months ended | |
|---|---------------------------|----------------|-------------------------|----------------|
| | June 30 | June 30 | June 30 | June 30 |
| | 2016 | 2015 | 2016 | 2015 |
| Salaries and benefits ⁽¹⁾ | \$ 174,257 | \$ 185,885 | \$ 355,854 | \$ 367,837 |
| Share based payments | 25,248 | 44,853 | 50,354 | 115,450 |
| Total compensation | \$ 199,505 | \$230,738 | \$ 406,208 | \$ 483,287 |
| Consulting and management fees ⁽²⁾ | 210,562 | 254,522 | 388,754 | 414,292 |
| Total transactions with key management personnel | \$ 410,067 | \$485,260 | \$ 794,962 | \$ 897,579 |

⁽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 company owned by a director of the Company.

As at June 30, 2016, the net amount receivable from key management personnel was \$43,187 (As at December 31, 2015, the amount owing to key management personnel was \$16,337).

14. ENVIRONMENTAL REHABILITATION

The Company's asset retirement obligations ("ARO") are based on management's estimates of costs to abandon and reclaim mineral properties and facilities, as well as an estimate of the future timing of costs to be incurred. As at June 30, 2016, the aggregate carrying amount of the ARO associated with the retirement of the Company's Yenipazar property is \$37,903 (December 31, 2015 - \$35,549). This obligation pertains to the exploration shaft on the Yenipazar Property in Turkey.

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15. SEGMENTED INFORMATION

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

| Three months ended June 30, 2016 | Corporate | Turkey | Total |
|--|---------------------|---------------------|---------------------|
| General and administrative | 447,242 | 431,896 | 879,138 |
| | \$ (447,242) | \$ (431,896) | \$ (879,138) |
| Interest expense | (36,075) | - | (36,075) |
| Interest income | 3,832 | 6,766 | 10,598 |
| Other income | - | 25,571 | 25,571 |
| Other expenses | - | 58 | 58 |
| Foreign exchange gain/(loss) | 45,044 | (118,145) | (73,101) |
| Net loss – Three months ended June 30, 2016 | \$ (434,441) | \$ (517,646) | \$ (952,087) |

| Three months ended June 30, 2015 | Corporate | Turkey | Total |
|--|---------------------|---------------------|-----------------------|
| General and administrative | \$ 705,169 | \$ 462,899 | \$ 1,168,068 |
| | \$ (705,169) | \$ (462,899) | \$ (1,168,068) |
| Interest expense | (1,074) | - | (1,074) |
| Interest income | 48 | 15,609 | 15,657 |
| Other income | 18,974 | 24 | 18,998 |
| Other expenses | - | (924) | (924) |
| Foreign exchange gain/(loss) | 16,177 | (98,968) | (82,791) |
| Net loss – Three months ended June 30, 2015 | \$ (671,044) | \$ (547,158) | \$ (1,218,202) |

| Six months ended June 30, 2016 | Corporate | Turkey | Total |
|--|-----------------------|---------------------|-----------------------|
| General and administrative | 1,055,966 | 642,804 | 1,698,770 |
| | \$ (1,055,966) | \$ (642,804) | \$ (1,698,770) |
| Interest expense | (113,721) | - | (113,721) |
| Interest income | 8,885 | 25,803 | 34,688 |
| Other income | - | 37,291 | 37,291 |
| Other expenses | - | (324) | (324) |
| Foreign exchange gain/(loss) | 140,212 | (88,168) | 52,044 |
| Net loss – Six months ended June 30, 2016 | \$ (1,020,590) | \$ (668,202) | \$ (1,688,792) |

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15. SEGMENTED INFORMATION (continued)

| Six months ended June 30, 2015 | Corporate | Turkey | Total |
|---|----------------|----------------|----------------|
| General and administrative | 1,352,724 | 821,894 | 2,174,618 |
| Interest expense | \$ (1,352,724) | \$ (821,894) | \$ (2,174,618) |
| Interest income | (169,778) | - | (169,778) |
| Other income | 94 | 80,210 | 80,304 |
| Other expenses | 41,292 | 9,631 | 50,923 |
| Foreign exchange gain/(loss) | - | (924) | (924) |
| | 39,592 | (548,682) | (509,090) |
| Net loss – Six months ended June 30, 2015 | \$ (1,441,524) | \$ (1,281,659) | \$ (2,723,183) |

| | Corporate | Turkey | Total |
|---|---------------------|----------------------|----------------------|
| Mineral property under development | \$ - | \$ 13,010,999 | \$ 13,010,999 |
| Corporate and other assets | 4,109,387 | 13,590,865 | 17,700,252 |
| Total assets – As at June 30, 2016 | \$ 4,109,387 | \$ 26,601,864 | \$ 30,711,251 |

| | Corporate | Turkey | Total |
|--|--------------|---------------|---------------|
| Mineral property under development | \$ - | \$ 11,433,524 | \$ 11,433,524 |
| Corporate and other assets | 7,696,484 | 11,684,025 | 19,380,509 |
| Total assets – As at December 31, 2015 | \$ 7,696,484 | \$ 23,117,549 | \$ 30,814,033 |

| | Corporate | Turkey | Total |
|--|----------------------|---------------------|----------------------|
| Borrowings | \$ 19,872,606 | \$ - | \$ 19,872,606 |
| Other liabilities | 433,955 | 2,509,050 | 2,943,005 |
| Total liabilities – As at June 30, 2016 | \$ 20,306,561 | \$ 2,509,050 | \$ 22,815,611 |

| | Corporate | Turkey | Total |
|---|---------------|--------------|---------------|
| Borrowings | \$ 18,346,881 | \$ - | \$ 18,346,881 |
| Other liabilities | 1,909,147 | 1,023,784 | 2,932,931 |
| Total liabilities – As at December 31, 2015 | \$ 20,256,028 | \$ 1,023,784 | \$ 21,279,812 |

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15. SEGMENTED INFORMATION (continued)

Geographic Information

| | | Canada | | Turkey | | Total |
|---|-----------|------------------|-----------|-------------------|----|---------------------|
| Exploration license deposits | \$ | - | \$ | 42,368 | \$ | 42,368 |
| Mineral property under development | | - | | 13,010,999 | | 13,010,999 |
| Property and equipment | | 2,859,324 | | 9,957,275 | | 12,816,599 |
| Other assets | | 23,421 | | - | | 23,421 |
| Total non-current assets – As at June 30, 2016 | \$ | 2,882,745 | \$ | 23,010,642 | | \$25,893,387 |

| | | Canada | | Turkey | | Total |
|---|-----------|------------------|-----------|-------------------|----|----------------------|
| Exploration license deposits | \$ | - | \$ | 34,697 | \$ | 34,697 |
| Mineral property under development | | - | | 11,433,524 | | 11,433,524 |
| Property and equipment | | 1,993,494 | | 8,333,662 | | 10,327,156 |
| Other assets | | 21,814 | | - | | 21,814 |
| Total non-current assets – As at December 31, 2015 | \$ | 2,015,308 | \$ | 19,801,883 | | \$ 21,817,191 |

16. CHANGES IN NON-CASH OPERATING ASSETS AND LIABILITIES

| | | Three months ended | |
|--|--|---------------------------|-------------------|
| | | June 30, | June 30, |
| | | 2016 | 2015 |
| Changes in non-cash operating assets and liabilities: | | | |
| Other receivables | | \$ (148,344) | \$ 46,951 |
| Prepaid expenses | | (18,712) | 14,126 |
| Accounts payable, accrued liabilities, and other liabilities | | (18,317) | 195,750 |
| Due to related parties | | 59,524 | (83,718) |
| | | \$ (125,849) | \$ 173,109 |

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17. SUBSEQUENT EVENTS

The Company is in advanced stage discussions with Orion Fund JV Limited, an affiliate of Orion Mine Finance, with respect to a potential silver stream transaction (“Potential transactions”) the proceeds of which would be used to repay outstanding indebtedness owing by the Company under its existing US\$35,000,000 borrowings facility with Orion and to fund the Company’s on-going land acquisition process and working capital requirements.

Subject to the satisfaction of certain conditions precedent, including the finalization of definitive documentation, the Potential Transaction would, if completed, result in, among other things, the extension of the maturity date of the borrowings from August 29, 2016 to up to December 31, 2017. The implementation of the silver stream transaction and repayment of the borrowings prior to the revised Loan maturity date would be subject to the Company achieving certain milestones related to the development of the Yenipazar mine in Turkey. Aldridge expects the silver stream deposit to equal US\$40,000,000.

While the Company currently expects definitive documentation to be executed and closing of the Potential Transaction to occur in August 2016, there can be no assurance that the Potential Transaction will be completed prior to the maturity date of the borrowings.