ALDRIDGE MINERALS INC.

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 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 September 30 2016	As at December 31 2015
ASSETS		
Current		
Cash and cash equivalents	**$ 2,793,638**	$ 8,520,566
Other receivables (Note 5)	**544,610**	292,239
Prepaid expenses	**54,743**	184,037
Restricted cash (Note 8(a))	**4,265,637**	**-**
	7,658,628	8,996,842
Non-Current		
License deposits (Note 6(b))	**42,044**	34,697
Mineral property under development (Note 6(a))	**13,767,165**	11,433,524
Property and equipment (Note 7)	**25,679,728**	10,327,156
Other assets (Note 8(b))	**23,405**	21,814
	$ 47,170,970	$30,814,033
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 1,492,391**	$ 639,454
Due to related parties (Note 13)	**15,111**	16,337
Borrowings (Note 4)	-	18,346,881
	1,507,502	19,002,672
Non-Current		
Borrowings (Note 9(b *(i)*))	**29,650,500**	-
Deferred revenue	**2,114,617**	2,114,617
Environmental rehabilitation provision (Note 14)	**37,631**	35,549
Other liabilities (Note 10)	**7,543,804**	126,974
	40,854,054	21,279,812
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	**67,502,385**	67,502,385
Contributed surplus	**13,827,579**	13,714,090
Deficit	**(73,126,595)**	(69,807,550)
Accumulated other comprehensive loss	**(1,886,453)**	(1,874,704)
	6,316,916	9,534,221
	$ 47,170,970	$ 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 September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
EXPENSES				
General and administrative (Note 12)	**$ 1,613,399**	$ 943,062	**$ 3,312,169**	$ 3,117,680
	(1,613,399)	(943,062)	**(3,312,169)**	(3,117,680)
OTHER INCOME (EXPENSE)				
Interest income	**22,709**	2,428	**57,397**	82,732
Interest expense (net of capitalized interest)	**113,721**	(33,561)	**-**	(203,339)
Other income	**19,020**	15,349	**56,311**	66,272
Other expense	**(59,116)**	(15,287)	**(59,440)**	(16,211)
Foreign exchange gain/(loss)	**(113,188)**	(719,088)	**(61,144)**	(1,228,178)
	(16,854)	(750,159)	**(6,876)**	(1,298,724)
Net loss for the period before income tax	**$(1,630,253)**	$ (1,693,221)	**$ (3,319,045)**	$(4,416,404)
Net loss for the period	**(1,630,253)**	(1,693,221)	**(3,319,045)**	(4,416,404)
Items that may be reclassified to net loss:				
Change in unrealized foreign currency translation gains/(losses) on foreign operations	**(2,420)**	106,010	**(3,696)**	(77,001)
Items that will not be subsequently reclassified to net loss:				
Changes in gains/(losses) on employment termination benefits	**-**	514	**(8,053)**	4,688
Comprehensive loss for the period	**$(1,632,673)**	$ (1,586,697)	**$ (3,330,794)**	$(4,488,717)
Basic and diluted net loss per share	**$ (0.02)**	$ (0.02)	**$ (0.03)**	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	**106,955,881**	106,955,881	**106,955,881**	106,955,881

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

Aldridge Minerals Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in 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	-	-	-	(4,416,404)	(4,416,404)
Change in unrealized foreign currency translation gain/(loss) on foreign operations	-	-	(77,001)	-	(77,001)
Change in gain/ (loss) on employment termination benefits	-	-	4,688	-	4,688
Stock based compensation	-	194,741	-	-	194,741
Balance, September 30, 2015	**$ 67,502,385**	**$13,667,765**	**$ (2,129,736)**	**$ (68,943,956)**	**$ 10,096,458**
Net loss for the period	-	-	-	(863,594)	(863,594)
Change in unrealized foreign currency translation gain/(loss) on foreign operations	-	-	238,149	-	238,149
Change in gain/ (loss) on employment termination benefits			16,883	-	16,883
Comprehensive gain/ (loss) for the period	-	-	255,032	(863,594)	(608,562)
Stock based compensation	-	46,325	-	-	46,325
Balance, December 31, 2015	**$ 67,502,385**	**$13,714,090**	**$ (1,874,704)**	**$ (69,807,550)**	**$ 9,534,221**
Net loss for the period	-	-	-	(3,319,045)	(3,319,045)
Change in unrealized foreign currency translation gain/ (loss) on foreign operations	-	-	(3,696)	-	(3,696)
Change in gain/ (loss) on employment termination benefits			(8,053)	-	(8,053)
Comprehensive gain/ (loss) for the period	-	-	(11,749)	(3,319,045)	(3,330,794)
Stock based compensation	-	113,489	-	-	113,489
Balance, September 30, 2016	**$ 67,502,385**	**$13,827,579**	**$ (1,886,453)**	**$ (73,126,595)**	**$ 6,316,916**

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)

	Nine months ended September 30 2016	September 30 2015
Cash Flows from (used in) Operating Activities		
Net loss from operations	**$ (3,319,045)**	$ (4,416,404)
Add (deduct) items not affecting cash:		
Amortization	**90,763**	54,191
Stock-based compensation	**86,698**	159,937
Foreign exchange loss/(gain)	**(56,221)**	1,210,890
Interest accrual and accretion on borrowings	**-**	203,339
Gain on warrant revaluation	**-**	(42,919)
	(3,197,805)	(2,830,966)
Changes in non-cash operating assets and liabilities (Note 16)	**771,401**	261,609
	(2,426,404)	(2,569,357)
Cash Flows from (used in) Financing Activities		
Repayment of borrowings (Note 4 (a))	**(22,581,488)**	-
Proceeds from borrowings received (Note 4 (a) and (b))	**31,538,500**	2,500,000
	8,957,012	2,500,000
Cash Flows from (used in) Investing Activities		
Investment in mineral property under development	**(1,439,707)**	(3,340,284)
License deposits	**(7,331)**	1,963
Purchase of property and equipment	**(6,569,244)**	(3,907,086)
Restricted cash (Note 8 (a))	**(4,265,637)**	(600,000)
	(12,281,919)	(7,845,407)
Impact of foreign exchange on cash balances	**24,383**	(659,071)
Net change in cash and cash equivalents	**(5,726,928)**	(8,573,835)
Cash and cash equivalents, beginning of year	**8,520,566**	14,331,409
Cash and cash equivalents, end of year	**$ 2,793,638**	$ 5,757,574
Total interest paid	**$ 3,081,488**	$ -
Total income taxes paid	**$ 7,051**	$ 19,715

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aldridge Minerals Inc. (the "Company") is listed on the TSX Venture Exchange (TSX-V: AGM). 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 nine months period of $3,319,045 (nine months ended September 30, 2015 - $4,416,404) and has an accumulated deficit of $73,126,595 (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. On September 16, 2016, the Company entered into a definitive loan facility agreement (the "Loan Agreement") with Banka Kombetare Tregtare sh.a. ("BKT") pursuant to which BKT had agreed to make available to the Company a secured credit facility in the amount of up to $40,000,000 including interest to be capitalized of approximately $6,330,000 and principal of approximately $33,670,000, for a two year term with interest at 9% per annum, subject to the terms and conditions of the Loan Agreement (Note 4 (b)). Approximately $23,213,000 of the initial advance of $30,000,000 was used by Aldridge to fully repay the principal, interest and legal fees owing to Orion Fund JV Limited ("Orion") (Note 4 (a)), with the balance to be used by Aldridge to fund its ongoing land acquisition process for its Yenipazar Project and working capital requirements. In November 2016, BKT notified the Company that BKT would not advance the remaining available principal of $3,670,000 (Note 17 (b). 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 November 29, 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.

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 September 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 September 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 date to annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this standard.

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 effective 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 nine months ended September 30, 2016.

(Expressed in United States Dollars)

4. BORROWINGS

Carrying value of borrowings:

	As at September 30 2016	As at December 31 2015
2014 Financing (Note 4 (a))	**$ -**	18,346,881
2016 Financing (Note 4 (b))	**$ 29,650,500**	-

a) 2014 Financing

On August 29, 2016, the Company announced that Orion agreed to extend the maturity date of the Company's $35,000,000 secured loan facility from August 29, 2016 to September 26, 2016. As consideration for granting the extension to September 26, 2016, the Company agreed to pay interest at the rate of 15% per annum on borrowings which remain outstanding under the loan during the loan extension period. In addition, Aldridge granted to Orion a right of first refusal (the "ROFR") in respect of future silver stream transactions undertaken by Aldridge in relation to silver produced from the Yenipazar mine. Under the terms of the ROFR, Orion will have a period of 15 days in which to accept the terms of any proposed silver stream transaction by the Company. On August 29, 2016, an additional $2,000,000 was drawn down.

On September 16, 2016, the Company fully repaid the amounts owing to Orion with the initial advance received from the Loan Agreement with BKT entered as at September 16, 2016 (Note 4 (b)). The amount of repayment to Orion of principal and interest was $22,581,488.

On September 30, 2016, all land pledged by the Company's wholly-owned Aldridge Mineral Madencilik Ltd. Şti. ("Aldridge Turkey") as collateral for the Orion financing agreement was released upon full and complete settlement of the Orion loan.

The unexercised Warrants issued as a part of the 2014 Financing expired as at September 25, 2016.

b) 2016 Financing

On September 16, 2016, the Company entered into a Loan Agreement with BKT pursuant to which BKT has agreed to make available to the Company a secured credit facility (the "Credit Facility") in the amount of up to $40,000,000 including interest to be capitalized. The Company may draw down principal of approximately $33,670,000 based on interest of approximately $6,330,000 estimated to accrue during the term of the Credit Facility.

BKT is the oldest and largest commercial bank in Albania and is headquartered in Tirana, the country's capital. BKT is a wholly-owned subsidiary of Calik Holding A.S., a leading conglomerate in Turkey with interest in a variety of industries, including textiles, construction, energy, financial services, mining and telecommunications.

On September 16, 2016, the Company received an initial advance of $30,000,000 less financing costs of $462,000 (net proceeds of $29,538,500). $22,581,488 of the initial advance has been used by the Company to fully repay amounts owing by the Company under the 2014 Orion Financing and an amount of $3,486,314 (Note 8(a) and Note 17) was restricted by BKT until the completion of all necessary security registration required under the terms of the Loan agreement.

In November 2016, BKT notified the Company that BKT would not advance the remaining available principal of approximately $3,670,000 as requested by the Company pursuant to the Loan Agreement (Refer to Note 17 (b) Subsequent Events).

(Expressed in United States Dollars)

4. BORROWINGS (continued)

b) 2016 Financing (continued)

Details of the 2016 Financing are as follows:

- The Credit Facility provides for total borrowings of up to $40,000,000 (including principal amount of approximately $33,670,000 and capitalized interest of approximately $6,330,000).
- The Credit Facility has a two year term and bears interest at an annual rate equal to twelve months USD LIBOR plus a 6% margin, subject to a minimum aggregate interest rate of 9%. Interest will accrue and be capitalized on an annual basis for the term of the Credit Facility. The Company will pay a loan administration fee of 1% on all advances made under the Credit Facility.
- The Company is entitled to prepay outstanding advances under the Credit Facility, in whole or in part, prior to the maturity date without penalty or premium.
- The Company's obligation in relation to the Credit Facility is guaranteed by Aldridge Turkey.
- BKT will have a first priority security interest in certain material assets of the Company and its Turkish subsidiary, Aldridge Turkey. Such security will be released following full repayment of the Credit Facility plus all accrued interest.

5. OTHER RECEIVABLES

	As at September 30 2016	As at December 31 2015
Interest receivable	**$ 65**	$ 100
Sales taxes receivable	**544,545**	292,139
	$ 544,610	$ 292,239

(Expressed in United States Dollars)

6. MINERAL PROPERTY UNDER DEVELOPMENT

a) Yenipazar Project, Turkey

Mineral Property Under Development	**Yenipazar Project**
Balance, December 31, 2014	**$ 6,721,165**
Additions	4,084,319
Impact of foreign exchange	(267,320)
Balance, September 30, 2015	**$ 10,538,164**
Additions	981,695
Impact of foreign exchange	(86,335)
Balance, December 31, 2015	**$ 11,433,524**
Additions	2,333,641
Balance, September 30, 2016	**$ 13,767,165**

Aldridge 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. The Company will file its renewal application in December 2016.

During the nine months ended September 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.

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

(Expressed in United States Dollars)

6. MINERAL PROPERTY UNDER DEVELOPMENT (continued)

a) Yenipazar Project, Turkey (continued)

	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Yenipazar Property				
Amortization	**$ 19,935**	$ 23,898	**$ 59,987**	$ 72,016
Drilling	-	1,082	-	263,867
Drilling site access fees	-	-	-	4,026
Engineering consulting	**126,251**	175,097	**462,602**	790,784
Environmental consulting	-	4,000	-	12,000
Land acquisition planning and development	**40,613**	56,688	**147,422**	130,244
License	**-**	-	-	4,454
Permitting	**12,222**	9,613	**43,378**	28,565
Professional expenses	-	12,817	-	167,007
Employee costs	**198,458**	661,898	**597,986**	1,399,268
Community relations	**8,803**	75,539	**34,507**	267,334
Travel	**12,965**	3,309	**41,616**	61,013
Vehicles and equipment maintenance	**5,024**	17,265	**25,755**	58,132
Interest capitalization	**278,935**	306,277	**787,162**	679,002
Camp costs	**52,117**	25,867	**130,599**	112,696
Other	**843**	930	**2,627**	33,911
	$ 756,166	$ 1,374,280	**$ 2,333,641**	$ 4,084,319

As at September 30, 2016, the Company capitalized cumulative borrowing costs amounting to $1,839,516 on qualifying assets ($1,052,354 cumulative as at December 31, 2015). Year-to-date capitalization rate of 11.5%, representing the weighted average cost of general borrowing, was applied.

b) License Deposits, Turkey

License deposits

Balance, December 31, 2014	**$ 35,587**
Addition	1,963
Impact of foreign exchange	(2,935)
Balance, September 30, 2015	$ 34,615
Impact of foreign exchange	82
Balance, December 31, 2015	**$ 34,697**
Addition	7,331
Impact of foreign exchange	16
Balance, September 30, 2016	**$ 42,044**

License deposits addition for the nine months ended September 30, 2016 include amounts related to other licenses fees of $nil (December 31, 2015 - $4,454).

(Expressed in United States Dollars)

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	30,958	120,669	4,840,450	-	-	4,992,077
Disposal	-	-	-	-	-	-
Impact of foreign exchange	(3,768)	(34,537)	-	(1,331)	-	(39,636)
Balance, September 30, 2015	**$ 684,716**	**$ 424,700**	**$8,010,455**	**$ 51,412**	**$ 376,009**	**$ 9,547,292**
Additions	2,751	1,465	1,436,306	-	-	1,440,522
Disposal	-	(2,721)	-	-	-	(2,721)
Impact of foreign exchange	(799)	(10,537)	-	(282)	-	(11,618)
Balance, December 31, 2015	**$ 686,668**	**$ 412,907**	**$ 9,446,761**	**$ 51,130**	**$ 376,009**	**$10,973,475**
Additions	3,485	10,524	15,489,313	-	-	15,503,322
Disposal	(57,090)	-	-	-	-	(57,090)
Balance, September 30, 2016	**$ 633,063**	**$ 423,431**	**$24,936,074**	**$ 51,130**	**$ 376,009**	**$24,419,707**

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	51,332	39,113	-	5,444	30,318	126,207
Disposal	-	-	-	-	-	-
Impact of foreign exchange	(3,107)	(6,538)	-	(808)	-	(10,453)
Balance, September 30, 2015	**$ 418,912**	**$ 101,824**	**$ -**	**$ 13,576**	**$ 69,466**	**$ 603,778**
Additions	16,339	22,212	-	4,054	5,276	47,881
Disposal	-	(816)	-	-	-	(816)
Impact of foreign exchange	(668)	(3,599)	-	(257)	-	(4,524)
Balance, December 31, 2015	**$ 434,583**	**$ 119,621**	**$ -**	**$ 17,373**	**$ 74,742**	**$ 646,319**
Additions	37,425	80,634	-	5,995	26,696	150,750
Disposal	(57,090)	-	-	-	-	(57,090)
Balance, September 30, 2016	**$ 414,918**	**$ 200,255**	**$ -**	**$ 23,368**	**$ 101,438**	**$ 739,979**

(Expressed in United States Dollars)

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, September 30, 2015	$ 265,804	$ 322,876	$ 8,010,455	$37,836	$ 306,543	$ 8,943,514
Balance, December 31, 2015	$ 252,085	$ 293,286	$ 9,446,761	$33,757	$ 301,267	$10,327,156
Balance, September 30, 2016	**$ 218,145**	**$ 223,176**	**$24,936,074[(1)]**	**$27,762**	**$ 274,571**	**$25,679,728**

[(1)]*As at September 30 2016, the Company capitalized borrowing costs amounting to $3,269,543 (December 31, 2015 - $1,709,598)*

8. RESTRICTED CASH AND OTHER ASSETS

(a) Restricted Cash

	As at September 30 2016	As at December 31 2015
Currency hedging	**$ 600,000**	$ -
Bank letter of guarantee	**$ 179,323**	$ -
BKT loan – Restricted balance	**$ 3,486,314**	$ -
	$ 4,265,637	$ -

As at September 30, 2016, the short-term restricted cash includes $600,000 held as collateral for the foreign currency hedging transactions (December 31, 2015- $nil) with no fixed scheduled expiry date, $3,486,314 of the BKT Loan restricted for security registrations per the Loan Agreement (Note 4 (b) and 17 (a)), and $179,323 held as a letter of guarantee issued in July 2016 for the pasture land conversion fee.

(b) Other assets

	As at September 30 2016	As at December 31 2015
Restricted cash	**$ 23,405**	$ 21,814
	$ 23,405	$ 21,814

As at September 30, 2016, the restricted cash includes $23,405 (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).

(b) Financial liabilities

(i) Borrowings

The Company had borrowings of $29,650,500 as at September 30, 2016 (December 31, 2015 - $18,341,881).

10. OTHER LIABILITIES

	As at September 30 2016	As at December 31 2015
Deferred rent and sales tax	**$ 5,734**	$ 8,283
Statutory employee termination benefits	**163,938**	118,691
Deferred land price commitment[(1)]	**7,374,132**	-
	$ 7,543,804	$ 126,974

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[(1)] Additional cost represents the deferred land purchase price ($1.35/m^2) payable under the revised land purchase price offer for all land purchased to date. The deferred payment is due 24 months after the title transfer date, or with a 5% extension charge, 36 months after the title transfer date, and in either case prior to beginning construction on site. The total land cost and costs associated with the purchase thereof are included in 'Property and equipment' on the Balance Sheet.

(Expressed in United States Dollars)

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, September 30, 2015	**106,955,881**	**$ 67,502,385**
Balance, December 31, 2015	**106,955,881**	**$ 67,502,385**
Balance, September 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**$** (0.475)
Balance, September 30, 2015	**10,561,611**	**$ 1.00**
Balance, December 31, 2015	**10,561,611**	**$ 1.00**
Expired	(10,561,611)	**$ (1.00)**
Balance, September 30, 2016	**-**	**-**

The unexercised Warrants expired as at September 25, 2016.

(c) 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 September 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).

(Expressed in United States Dollars)

11. SHARE CAPITAL (continued)

(c) Stock options

The following table shows the continuity of stock options for the nine months ended September 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**
Issued	807,000	CAD $ 0.19
Expired	(857,000)	CAD $ 0.29
Balance, September 30, 2016	**8,018,438**	**CAD $ 0.24**

The Company granted 807,000 stock options on September 20, 2016, to directors, officers, employees and consultants. The options are exercisable at a price of CAD$0.285 per common share. One quarter of the options vest immediately, one quarter on the first anniversary, one quarter on the second anniversary and the balance on the third anniversary. They expire in 5 years. The fair value of the 807,000 stock options granted on September 20, 2016 was $128,717 on the date of issuance.

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

	Nine months ended September 30, 2016	Year ended December 31, 2015
Share price at grant date	**CAD $0.285**	CAD $0.170
Risk-free interest rate	**0.71%**	0.76%
Expected life of options	**5 years**	5 years
Expected volatility	**66%**	73%
Dividend yield	**Nil**	Nil
Estimated forfeiture rate	**Nil**	Nil

(Expressed in United States Dollars)

12. GENERAL AND ADMINISTRATIVE

	Three months ended		Nine months ended	
	September 30 2016	**September 30 2015**	**September 30 2016**	**September 30 2015**
Amortization	**$ 30,409**	$ 23,801	**$ 90,763**	$ 54,191
Directors' fees and expenses	**40,391**	56,874	**125,676**	151,620
Office and sundry	**116,564**	122,192	**339,757**	406,469
Professional fees	**937,835**	126,917	**1,250,460**	560,290
Salaries and benefits	**411,061**	491,288	**1,228,639**	1,438,652
Shareholder information	**20,724**	24,846	**80,916**	165,548
Stock-based compensation	**34,804**	37,099	**86,698**	159,937
Transfer and filing	**4,725**	146	**22,299**	23,481
Travel and promotion	**16,886**	59,899	**86,961**	157,492
General and administrative expenses	**$ 1,613,399**	$ 943,062	**$ 3,312,169**	$ 3,117,680

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		Nine Months ended	
	September 30 2016	**September 30 2015**	**September 30 2016**	**September 30 2015**
Salaries and benefits [(1)]	**$ 178,126**	$ 174,712	**$ 533,980**	$ 542,549
Share based payments	**23,646**	28,112	**74,000**	143,562
Total compensation	**$ 201,772**	$202,824	**$ 607,980**	$ 686,111
Consulting and management fees[(2)]	**60,222**	104,043	**448,976**	518,335
Total transactions with key management personnel	**$ 261,994**	$306,867	**$ 1,056,956**	$ 1,204,446

[(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 a company owned by a director of the Company.

As at September 30, 2016, the net amount owing to key management personnel was $15,111 (As at December 31, 2015, the amount owing to key management personnel was $16,337).

(Expressed in United States Dollars)

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 September 30, 2016, the aggregate carrying amount of the ARO associated with the retirement of the Company's Yenipazar property is $37,631 (December 31, 2015 - $35,549). This obligation pertains to the exploration shaft on the Yenipazar Property in Turkey.

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 September 30, 2016	**Corporate**	**Turkey**	**Total**
General and administrative	**$ 1,294,622**	**$ 318,777**	**$ 1,613,399**
	$ (1,294,622)	**$ (318,777)**	**$ (1,613,399)**
Interest expense	**113,721**	**-**	**113,721**
Interest income	**922**	**21,787**	**22,709**
Other income	**7,975**	**11,045**	**19,020**
Other expenses	**-**	**(59,116)**	**(59,116)**
Foreign exchange gain/(loss)	**(5,061)**	**(108,127)**	**(113,188)**
Net loss – Three months ended September 30, 2016	**$ (1,177,065)**	**$ (453,188)**	**$ (1,630,253)**

Three months ended September 30, 2015	**Corporate**	**Turkey**	**Total**
General and administrative	$ 607,573	$ 335,489	$ 943,062
	$ (607,573)	$ (335,489)	$ (943,062)
Interest expense	(33,561)	-	(33,561)
Interest income	979	1,449	2,428
Other income	1,627	13,722	15,349
Other expenses	-	(15,287)	(15,287)
Foreign exchange gain/(loss)	(681,443)	(37,645)	(719,088)
Net loss – Three months ended September 30, 2015	$ (1,319,971)	$ (373,250)	$ (1,693,221)

(Expressed in United States Dollars)

15. SEGMENTED INFORMATION (continued)

Nine months ended September 30, 2016		**Corporate**		**Turkey**		**Total**
General and administrative	**$**	**2,350,588**	**$**	**961,581**	**$**	**3,312,169**
	$	**(2,350,588)**	**$**	**(961,581)**	**$**	**(3,312,169)**
Interest expense		**-**		**-**		**-**
Interest income		**9,807**		**47,590**		**57,397**
Other income		**7,975**		**48,336**		**56,311**
Other expenses		**-**		**(59,440)**		**(59,440)**
Foreign exchange gain/(loss)		**135,151**		**(196,295)**		**(61,144)**
Net loss – Nine months ended September 30, 2016	**$**	**(2,197,655)**	**$**	**(1,121,390)**	**$**	**(3,319,045)**

Nine months ended September 30, 2015		**Corporate**		**Turkey**		**Total**
General and administrative	$	1,960,297	$	1,157,383	$	3,117,680
	$	(1,960,297)	$	(1,157,383)	$	(3,117,680)
Interest expense		(203,339)		-		(203,339)
Interest income		1,073		81,659		82,732
Other income		42,919		23,353		66,272
Other expenses		-		(16,211)		(16,211)
Foreign exchange gain/(loss)		(641,851)		(586,327)		(1,228,178)
Net loss – Nine months ended September 30, 2015	$	(2,761,495)	$	(1,654,909)	$	(4,416,404)

		Corporate		**Turkey**		**Total**
Mineral property under development	**$**	**-**	**$**	**13,767,165**	**$**	**13,767,165**
Corporate and other assets		**8,401,557**		**25,002,248**		**33,403,805**
Total assets –As at September 30, 2016	**$**	**8,401,557**	**$**	**38,769,413**	**$**	**47,170,970**

		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

(Expressed in United States Dollars)

15. SEGMENTED INFORMATION (continued)

	Corporate	Turkey	Total
Borrowings	**$ 29,650,500**	**$ -**	**$ 29,650,500**
Other liabilities	**688,137**	**10,515,417**	**11,203,554**
Total liabilities – As at September 30, 2016	**$ 30,338,637**	**$ 10,515,417**	**$ 40,854,054**

	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

Geographic Information

	Canada	Turkey	Total
Exploration license deposits	**$ -**	**$ 42,044**	**$ 42,044**
Mineral property under development	**-**	**13,767,165**	**13,767,165**
Property and equipment	**3,490,932**	**22,188,796**	**25,679,728**
Other assets	**23,405**	**-**	**23,405**
Total non-current assets – As at September 30, 2016	**$ 3,514,337**	**$ 35,998,005**	**$39,512,342**

	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

	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Changes in non-cash operating assets and liabilities:		
Other receivables	**$ (253,982)**	$ 15,396
Prepaid expenses	**129,294**	80,377
Accounts payable, accrued liabilities, and other liabilities	**894,863**	250,696
Due to related parties	**1,226**	(84,860)
	$ 771,401	$ 261,609

17. SUBSEQUENT EVENTS

a) On October 14, 2016, the Company completed the security registration for BKT, in respect of the 2016 Financing which included stamp tax and notary charges of $849,000, and BKT subsequently released funds in the amount of $3,486,314 held as restricted cash on October 17, 2016 (Note 4 (b) and Note 8 (a)).

b) In November 2016, BKT notified the Company that BKT would not advance the remaining available principal of $3,670,000. The Company is actively engaged in discussions with representatives of BKT with a view to obtaining the final advance under the Loan Agreement. The Company is firmly of the view that it is in compliance with its obligations under the Loan Agreement, has satisfied the conditions precedent to BKT's obligation to make the remaining advances of principal under the Loan Agreement and is entitled to those advances. However, there can be no assurance that the Company will obtain all or any portion of the remaining principal available under the Loan Agreement in the near term or at all.