ALDRIDGE MINERALS INC.

Consolidated Financial Statements

For the Year Ended December 31, 2016
(Expressed in United States Dollars)

March 23, 2017

Independent Auditor's Report

To the Shareholders of
Aldridge Minerals Inc.

We have audited the accompanying consolidated financial statements of Aldridge Minerals Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2016 and December 31, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aldridge Minerals Inc. and its subsidiaries as at December 31, 2016 and December 31, 2015, and their financial performance and their cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with IFRS.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

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

	Year ended December 31, 2016	Year ended December 31, 2015
ASSETS		
Current		
Cash and cash equivalents	**$ 4,289,055**	$ 8,520,566
Other receivables (Note 6)	**488,235**	292,239
Prepaid Expenses	**167,656**	184,037
Restricted Cash (Note 9(a))	**352,658**	-
	5,297,604	8,996,842
Non-Current		
License deposits (Note 7(b))	**31,233**	34,697
Mineral property under development (Note 7(a))	**14,587,294**	11,433,524
Property and equipment (Note 8)	**31,199,914**	10,327,156
Other assets (Note 9(b))	**22,585**	21,814
	$ 51,138,630	$ 30,814,033
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 1,151,288**	$ 639,454
Due to related parties (Note 16)	**13,846**	16,337
Borrowings (Note 4(a))	**-**	18,346,881
	1,165,134	19,002,672
Non-Current		
Borrowings (Note 4(b))	**33,209,792**	-
Deferred revenue (Note 4 9(a))	**2,114,617**	2,114,617
Environmental rehabilitation provision (Note 17)	**36,550**	35,549
Other liabilities (Note 11)	**9,367,807**	126,974
	45,893,900	21,279,812
SHAREHOLDER'S EQUITY		
Share capital (Note 12)	**67,502,385**	67,502,385
Contributed surplus	**13,845,972**	13,714,090
Deficit	**(74,225,652)**	(69,807,550)
Accumulated other comprehensive loss	**(1,877,975)**	(1,874,704)
	5,244,730	9,534,221
	$ 51,138,630	$ 30,814,033

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 21)
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 consolidated financial statements

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

	Year ended December 31, 2016	Year ended December 31, 2015
EXPENSES		
General and administrative (Note 13)	**$ 4,266,657**	$ 3,802,894
	(4,266,657)	(3,802,894)
OTHER INCOME (EXPENSE)		
Interest income	**65,300**	93,383
Interest expense (net of capitalized interest)	**-**	(326,225)
Other Income	**29,323**	79,845
Other Expense	**(83,878)**	(2,734)
Foreign exchange gain/(loss)	**(162,190)**	(1,321,373)
	(151,445)	(1,477,104)
Net loss for the year before income tax	**$ (4,418,102)**	$ (5,279,998)
Net loss for the year	**(4,418,102)**	(5,279,998)
Items that may be reclassified to net loss:		
Change in unrealized foreign currency translation gains/(losses) on foreign operations	**8,642**	161,148
Items that will not be subsequently reclassified to net loss:		
Changes in gains/(losses) on employment termination benefits	**(11,913)**	21,571
Comprehensive loss for the year	**$ (4,421,373)**	$ (5,097,279)
Basic and diluted net loss per share	**$ (0.04)**	$ (0.05)
Weighted average number of shares outstanding – basic and diluted	**106,955,881**	106,955,881

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

	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 year	-	-	-	(5,279,998)	(5,279,998)
Change in unrealized foreign currency translation gain/(loss) on foreign operations	-	-	161,148	-	161,148
Change in gain/(loss) on Employment termination benefits	-	-	21,571	-	21,571
Comprehensive gain/(loss) for the year			182,719	(5,279,998)	(5,097,279)
Stock based compensation	-	241,066	-	-	241,066
Balance, December 31, 2015	**$ 67,502,385**	**$ 13,714,090**	**$ (1,874,704)**	**$(69,807,550)**	**$ 9,534,221**
Net loss for the year	-	-	-	(4,418,102)	(4,418,102)
Change in unrealized foreign currency translation gain/(loss) on foreign operations	-	-	8,642	-	8,642
Change in gain/(loss) on Employment termination benefits	-	-	(11,913)	-	(11,913)
Comprehensive gain/(loss) for the year	-	-	(3,271)	(4,418,102)	(4,421,373)
Stock based compensation	-	131,882	-	-	131,882
Balance, December 31, 2016	**$ 67,502,385**	**$ 13,845,972**	**$ (1,877,975)**	**$(74,225,652)**	**$ 5,244,730**

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

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

	Year ended December 31, 2016	Year ended December 31, 2015
Cash Flows from (used in) Operating Activities		
Net loss from operations	**$ (4,418,102)**	$ (5,279,998)
Add (deduct) items not affecting cash:		
Amortization	**121,145**	78,154
Stock-based compensation	**100,844**	199,651
Foreign exchange loss/(gain)	**102,839**	1,807,162
Interest accrual and accretion on borrowings	**-**	326,225
Gain on warrant revaluation	**-**	(43,597)
	(4,093,274)	(2,912,403)
Changes in non-cash operating assets and liabilities (Note 16)	**360,929**	(26,242)
	(3,732,345)	(2,938,645)
Cash Flows from (used in) Financing Activities		
Repayment of borrowings (Note 4 (a))	**(22,543,050)**	-
Proceeds from borrowings received (Note 4 (a))	**2,000,000**	-
Proceeds from borrowings received (Note 4 (b))	**32,242,176**	7,500,000
	11,699,126	**7,500,000**
Cash Flows from (used in) Investing Activities		
Investment in mineral property under development	**(2,050,246)**	(4,053,655)
License deposits	**(7,331)**	1,963
Purchase of property and equipment	**(9,694,586)**	(5,136,726)
Restricted cash (Note 8 (a))	**(352,658)**	-
	(12,104,821)	(9,188,418)
Impact of foreign exchange on cash balances	**(93,471)**	(1,183,780)
Net change in cash and cash equivalents	**(4,231,511)**	(5,810,843)
Cash and cash equivalents, beginning of year	**8,520,566**	14,331,409
Cash and cash equivalents, end of year	**$ 4,289,055**	$ 8,520,566
Total interest paid	**$ 3,079,489**	$ -
Total income taxes paid	**$ 7,046**	$ 7,080

The accompanying notes are an integral part of these consolidated 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 consolidated 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 $4,418,102 in the current year (December 31, 2015 - $5,279,998) and has an accumulated deficit of $74,225,652 (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. 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 consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated 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

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part I of the Chartered Professional Accountants of Canada Handbook - Accounting. The Board of Directors approved the consolidated financial statements for issuance on March 23, 2017.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and liabilities to fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

The following entities have been consolidated within the consolidated financial statements:

	Country of incorporation	**Principal activity**	**Ownership %**
Aldridge Mineral Madencilik Sanayi Ticaret Ltd. Sti.	Turkey	Development company	100%
Aldridge Minerals Canada Inc.	Canada	Holding company	100%
Aldridge Netherlands B.V.	The Netherlands	Holding company	100%
Aldridge Minerals Netherlands Cooperatie U.A	The Netherlands	Holding company	100%
Aldridge Minerals Cayman Inc.	Cayman	Holding Company	100%

(d) 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.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
iii. All resulting exchange differences are recognized in other comprehensive loss.

(e) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash, and have an initial maturity of less than 90 days, and are subject to an insignificant risk of change in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial instruments

As at December 31, 2016, the Company's financial instruments consisted of the following:

Financial assets:	Classification:
Cash and cash equivalents	Borrowings and receivables
Long-term investments:	
Anatolia Energy Ltd. – Class A performance shares	Fair value through profit and loss
Other receivables	Borrowings and receivables

Financial liabilities:	Classification:
Amounts payable and other liabilities	Other financial liabilities
Due to related parties	Other financial liabilities
Borrowings	Other financial liabilities
Warrants	Fair value through profit and loss

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities are measured at fair value on initial recognition. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the Company's obligations are discharged, cancelled or expire.

Measurement in subsequent periods depends on the classification of the financial instrument.

(i) Financial assets and liabilities at fair value through profit or loss ("FVTPL")

Financial assets and liabilities are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets and liabilities that are not part of an effective and designated hedging relationship. Financial assets and liabilities classified as FVTPL are measured at fair value, with changes in fair value recognized in the consolidated statements of loss. Financial assets and liabilities at FVTPL are classified as current except for the portion expected to be realized beyond twelve months of the balance sheet date which is classified as non-current.

The investment in Uranium Resources Inc. (formerly Anatolia Energy Limited ("Anatolia")) Class A performance shares and the Warrants (Note 10) issued in contingent with the Borrowings (Note 4) are accounted for as financial derivatives with changes in fair value being recorded in the statement of loss. The Class A shares expired on February 10, 2016.

(ii) Borrowings and receivables

Borrowings and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, borrowings and receivables are carried at amortized cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Borrowings and receivables (continued)

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including transaction costs and other premiums or discounts) through the expected life of the instrument to the net carrying amount on initial recognition. Cash and cash equivalents and other receivables are classified as borrowings and receivables.

(iii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. Amounts payable, other liability, due to related party and the Company's borrowings are classified as "other financial liability".

(iv) Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of loss.

(g) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Interest is compounded annually and is recognized in the income statement over the period of the borrowings.

Fees paid on the establishment of debt facilities are recognized as transaction costs of the borrowing and amortized over the period of the loan agreement.

(h) Borrowing costs

General borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Deferred revenue

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

(j) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Depreciation on capitalized expenditures begins when commercial levels of production are capable of being achieved, as determined by management judgement.

From July 1, 2013, the Company began capitalizing expenditures with respect to the Yenipazar Project.

(k) Property and equipment

Property and equipment ("PE") are carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of PE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss in the period in which they are incurred.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Furniture and equipment	30% per annum, declining balance
Computer & software equipment	30% per annum, declining balance
Building	10% per annum, Straight line over the useful life 10 years
Leasehold improvements	Straight line over the term of the lease

Land is not amortized. An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

Gains and losses on disposals of PE are determined by comparing the proceeds with the carrying amount of the asset and are included as part of gain or loss on sale of equipment in the statement of loss.

(l) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its PE to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases

Operating leases are not recognized on the Company's balance sheet. Payments made under operating leases are expensed in profit or loss in general and administrative expenses on a straight-line basis over the term of the lease.

(n) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case it is recognized in equity or other comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current.

(o) Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using an appropriate option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.

Cancelled options are accounted for as an acceleration of vesting and the amount that otherwise would have been recognized for services received over the vesting period is recognized immediately.

(p) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value using a risk-free rate and are provided for as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on basic loss per share is recognized on the use of the proceeds that could be obtained upon exercise of these instruments. It assumes that the proceeds would be used to purchase common shares at the weighted average market price during the period. Diluted earnings loss per share is not adjusted when the impact of the share issuances would be anti-dilutive.

(r) Significant accounting judgments and estimates

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

Critical accounting estimates

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

- All inputs used in the option pricing models for determining the fair value of share based payment transactions and warrants issued. (Note 12).
- The estimated useful lives and residual value of PE used for calculating the amortization. (Note 8).
- Discount rate and other inputs used to assign a fair value to borrowings, which in turn affect the value of deferred revenues recognized with respect to the offtake agreements associated with such borrowings (Note 4).

Critical accounting judgments

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

(s) 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 December 31, 2016 consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Accounting standards and amendments issued and adopted (continued)

(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 that amortization of intangible asset based revenue generated by using the asset is inappropriate . 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 December 31, 2016 consolidated financial statements.

(t) 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, but 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. In 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. 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 has not yet assessed the impact of revised IFRS 15 and has not yet determined when it will adopt the new standard.

(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 has not evaluated 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 in the process of assessing the impact and the timing of adoption of IAS 7.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(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 has not evaluated the impact of adopting these amendments to its consolidated financial statements.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the board of directors on an ongoing basis. Additional information regarding capital management is disclosed in Note 1.

The Company considers its capital to be (1) equity, comprising share capital, contributed surplus, accumulated other comprehensive loss and deficit which at December 31, 2016 totaled $5,244,730 (December 31, 2015 - $9,534,221), (2) borrowings, which at December 31, 2016 was $33,209,792 (December 31, 2015- $18,346,881), and (3) Warrants prior to expiring as at September 25, 2016.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration and development activities. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2016.

(Expressed in United States Dollars)

4. BORROWINGS

a) 2014 Financing

Carrying value of borrowings 2014 Financing:	**Year ended December 31, 2016**	**Year ended December 31, 2015**
2014 Financing	$ -	18,346,881

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 into as at September 16, 2016 (Note 4 (b)). The amount of repayment to Orion of principal and interest was $22,543,050.

As a part of September 25, 2014 borrowings, 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 December 31, 2016, all land pledged by the Company's wholly-owned subsidiary 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.

b) 2016 Financing

Carrying value of borrowings 2016 Financing:	**Year ended December 31, 2016**	**Year ended December 31, 2015**
2016 Financing	**$ 33,209,792**	$ -

On September 16, 2016, the Company entered into a Loan Agreement with BKT pursuant to which BKT 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.

BKT is a bank based in Albania and is headquartered in Tirana, the country's capital. BKT is a wholly-owned subsidiary of Calik Holding A.S., a conglomerate in Turkey.

4. BORROWINGS (continued)

b) 2016 Financing

The $40,000,000 Borrowings including interest carries an interest rate of 6% per annum plus twelve months USD LIBOR, subject to a minimum aggregate interest rate of 9%. On closing the Company received an initial advance of $30,000,000 less financing costs. $22,543,050 of the initial advance has been used by the Company to fully repay the principal and interest owing by the Company under the 2014 Orion Financing (Note 4 (a)). On December 6, 2016, the Company drew down an additional $3,600,000 less financing costs as per the terms of the BKT loan agreement. During the year, the total amount of BKT loan received by the Company was $33,600,000 less financing costs of $1,357,824 (net proceeds of $32,242,176). The financing costs will be amortized over the term of the borrowings using the effective interest rate method. During the year the Company recognized interest of $825,900 relating to BKT loan.

Additional details of the 2016 Financing are as follows:

- The Credit Facility provides for total borrowings of up to $40,000,000 (including Interest to be capitalized).
- 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. FINANCIAL RISK FACTORS

(a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

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

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

5. FINANCIAL RISK FACTORS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company's cash and cash equivalents was $4,289,055 (December 31, 2015 - $8,520,566) to settle current liabilities of $1,165,134 (December 31, 2015 - $19,002,672).

All of the Company's current financial liabilities excluding borrowings have contractual maturities of less than 30 days and are subject to normal trade terms. Although the Company has successfully raised additional funding in the past, there can be no assurance that sufficient new funding will be obtained.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

i) Interest rate risk

The Company has cash balances and interest bearing debt. The Company's policy is to invest excess cash in fixed interest investment-grade short-term deposit certificates and overnight deposits. The Company regularly monitors its cash management policy. The Company has risk on its interest bearing debt which carries an interest rate of twelve months USD LIBOR plus a 6% margin, subject to a minimum aggregate interest rate of 9%. The Company closely monitors the LIBOR rate and will take appropriate mitigating actions should rate risk become material, such as if LIBOR exceeds 3%.

ii) Foreign currency risk

On January 1, 2016 the functional currency of Aldridge Canada changed from the CAD to USD. The functional currency remained the same for the Company's entities domiciled in Turkey (USD), Netherlands (EUR) and Cayman (USD). Major purchases are transacted in CAD, Turkish Lira ("TRY"), British Pound Sterling ("GBP"), Euros, and USD. The Company also has borrowings in USD. The Company funds exploration expenditures in Turkey. In Turkey, the Company maintains separate bank accounts for TRY, Euro, GBP, USD and CAD with sufficient funds to support monthly forecasted cash outflows over the following month. Management monitors the foreign currency risk closely and takes necessary mitigating activities.

iii) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value of its mineral property due to commodity price movements and volatilities. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices, particularly as they relate to project minerals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

(Expressed in United States Dollars)

5. FINANCIAL RISK FACTORS (continued)

(b) Sensitivity analysis

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

(i) Short-term investments are subject to fixed interest rates. The Company receives low interest rates on its cash balances. The Company has a risk on its borrowing which carries an interest rate of 6% per annum plus the one year and that the aggregate interest rate at any time shall not be less than 9%. If the LIBOR rate had been 150 basis points higher than the December 31, 2016 rate of 1.69%, the accrued interest would have been $12,825 higher for the year ended December 31, 2016.

(ii) The Company maintains bank accounts, and has other current assets and current liabilities denominated in TRY, EUR, GBP, and USD and is subject to foreign currency risk. As at December 31, 2016, had these foreign currencies weakened/strengthened by 10% against the USD with all other variables held constant, the Company's loss would have been approximately $93,019 higher and reported shareholders' equity would have been approximately $93,019 lower. During the year ended December 31, 2016, the TRY depreciated from 2.91 TRY/USD to 3.52 TRY/USD and CAD appreciated from $1.39 to $1.35. Management is sensitive to the potential impact of exchange fluctuations to the currencies needed in its 2016 development plans. As a result at December 31, 2016 approximately 90% of its cash is in USD and 10% in TRY, CAD and EUR.

(c) Fair value hierarchy

The different levels of fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

The Company held 3,051,196 Class A Performance Shares in Uranium Resources Limited (formerly Anatolia) which expired on February 10, 2016 (December 31, 2015 – 3,051,196 valued at $nil). Such shares were classified as Level 3 fair value measurements.

The Warrants issued to ANT and APMS as part of the 2014 Financing (Note 4), are classified as financial liabilities at fair value through profit or loss due to their exercise price being denominated in a currency that is not the functional currency of the Company. The warrants are classified as level 2 fair value measurements. The unexercised Warrants expired as at September 25, 2016 (December 31, 2015 - $Nil).

The fair value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, borrowings and due to related parties approximates their carrying value and are classified as level 2 fair value measurements.

6. OTHER RECEIVABLES

	Year ended December 31, 2016	Year ended December 31, 2015
Interest receivable	**$ 38,534**	$ 100
Sales taxes receivable	**449,701**	292,139
	$ 488,235	$ 292,239

(Expressed in United States Dollars)

7. MINERAL PROPERTY UNDER DEVELOPMENT

a) Yenipazar Project, Turkey

Mineral Property Under Development	Yenipazar Project
Balance, December 31, 2014	**$ 6,721,165**
Additions	5,066,014
Impact of foreign exchange	(353,655)
Balance, December 31, 2015	**$ 11,433,524**
Additions	3,153,770
Balance, December 31, 2016	**$ 14,587,294**

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 expired in December 2016. The Company's revised renewal application was submitted on February 22, 2017.

During the year ended December 31, 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 year ended December 31, 2016 and December 31, 2015 in Yenipazar were as follows:

(Expressed in United States Dollars)

7. MINERAL PROPERTY UNDER DEVELOPMENT (continued)

a) Yenipazar Project, Turkey (continued)

	Year ended December 31, 2016	Year ended December 31, 2015[1]
Yenipazar Property		
Amortization	**$ 79,519**	$ 95,934
Drilling	**-**	280,751
Drilling site access fees	**-**	4,026
Engineering consulting	**330,687**	1,045,339
Environmental consulting	**16,000**	16,000
Land acquisition planning and development	**302,479**	529,509
License	**17,106**	4,454
Permitting	**223,596**	42,287
Employee costs	**997,421**	1,728,559
Community relations	**49,742**	109,254
Travel	**75,292**	71,928
Vehicles and equipment maintenance	**36,743**	77,746
Interest capitalization	**972,972**	879,535
Camp costs	**48,817**	142,444
Other	**3,396**	38,248
	$ 3,153,770	$ 5,066,014

[1] *2015 mineral property expenses categories are reclassified for comparative purpose.*

As at December 31, 2016, the Company capitalized cumulative borrowing costs amounting to $2,025,326 on qualifying assets ($1,052,354 cumulative as at December 31, 2015). A year-to-date capitalization rate of 13.8%, 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	(2,853)
Balance, December 31, 2015	**$ 34,697**
Addition	**7,331**
Impact of foreign exchange	**(10,795)**
Balance, December 31, 2016	**$ 31,233**

The Company's other license fees as at December 31, 2016 was $nil (December 31, 2015 - $4,454).

(Expressed in United States Dollars)

8. 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	33,709	120,669	6,276,756	-	-	6,431,134
Disposal	-	(1,256)	-	-	-	(1,256)
Impact of foreign exchange	(4,567)	(45,074)	-	(1,613)	-	(51,254)
Balance, December 31, 2015	**$ 686,668**	**$ 412,907**	**$ 9,446,761**	**$ 51,130**	**$ 376,009**	**$ 10,973,475**
Additions	4,867	13,942	21,076,190	-	-	21,094,999
Disposal	(57,090)	-	-	(34,165)	-	(91,255)
Balance, December 31, 2016	**$ 634,445**	**$ 426,849**	**$ 30,522,951**	**$ 16,965**	**$ 376,009**	**$ 31,977,219**

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	67,671	61,325	-	9,498	35,594	174,088
Disposal	-	(816)	-	-	-	(816)
Impact of foreign exchange	(3,775)	(10,137)	-	(1,065)	-	(14,977)
Balance, December 31, 2015	**$ 434,583**	**$ 119,621**	**$ -**	**$ 17,373**	**$ 74,742**	**$ 646,319**
Additions	49,651	107,864	-	7,555	35,594	200,664
Disposal	(57,090)	-	-	(12,588)	-	(69,678)
Balance, December 31, 2016	**$ 427,144**	**$ 227,485**	**$ -**	**$ 12,340**	**$ 110,336**	**$ 777,305**

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, December 31, 2015	$ 252,085	$ 293,286	$ 9,446,761	$ 33,757	$ 301,267	$ 10,327,156
Balance, December 31, 2016	**$ 207,301**	**$ 199,364**	**$ 30,522,951(1)**	**$ 4,625**	**$ 265,673**	**$ 31,199,914**

(1)As at December 31 2016, the Company capitalized borrowing costs amounting to $3,900,410 (December 31, 2015 - $1,709,598)

(Expressed in United States Dollars)

9. RESTRICTED CASH AND OTHER ASSETS

(a) Restricted Cash

	Year ended December 31, 2016	Year ended December 31, 2015
Currency hedging	**$ 200,000**	$ -
Bank letter of guarantee	**$ 152,658**	$ -
	$ 352,658	$ -

As at December 31, 2016, the short-term restricted cash includes $200,000 held as collateral for the foreign currency hedging transactions (December 31, 2015- $nil) with no fixed scheduled expiry date and restricted cash of $152,658 (December 31, 2015 - $nil) held as a letter of guarantee issued in July 2016 and renewed monthly to support commitments related to pasture land converted to treasury land.

(b) Other assets

	Year ended December 31, 2016	Year ended December 31, 2015
Restricted cash	**$ 22,585**	$ 21,814
	$ 22,585	$ 21,814

As at December 31, 2016, the other assets relate to restricted cash of $22,585 (December 31 2015 - $21,814) held as collateral for the corporate credit card. The agreement has no scheduled expiry date.

10. 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 $33,171,354 as at December 31, 2016 (December 31, 2015 - $18,346,881). The initial recognition of the Borrowing is classified as a Level 2 fair value measurement. Total interest recognized during the year ended December 31, 2016 was $3,163,784 (December 31, 2015 - $2,594,633). Of this, $972,972 was capitalized to mineral property under development and $2,190,812 was capitalized to land purchase with respect to the Yenipazar Project.

10. FINANCIAL INSTRUMENTS (continued)

b) Financial liabilities (continued)

(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 expired on September 25, 2016. The Warrants were classified as Level 2 fair value measurements.

As at December 31, 2016, all the Company's shares in wholly-owned subsidiary, Aldridge Turkey and land with a net book value of $5,247,196 were pledged as collateral for the Company's borrowings.

11. OTHER LIABILITIES

	Year ended December 31, 2016	Year ended December 31, 2015
Deferred rent and sales tax	**$ 4,586**	$ 8,283
Statutory employee termination benefits	**153,618**	118,691
Deferred land price commitment[(1)]	**9,209,603**	-
	$ 9,367,807	$ 126,974

[(1)] Additional costs represent 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 prior to beginning construction on site with additional fees of TRY 0.2/m^2 on August 31, 2017 if the deferred payment has not been made by that date; TRY 0.2/m^2 on August 31, 2018 if the deferred payment has not been made by that date; and 24 months after the title transfer date a 5% extension charge will be added to the balance owing which becomes payable 36 months after the title transfer date.

12. 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, December 31, 2015	**106,955,881**	$ 67,502,385
Balance, December 31, 2016	**106,955,881**	$ 67,502,385

(Expressed in United States Dollars)

12. SHARE CAPITAL (continued)

(c) Warrants

The following table shows the continuity of warrants.

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

The unexercised Warrants related to the September 25, 2014 Private Placement agreements 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 December 31, 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 year ended December 31, 2016:

	Number of Shares	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 $ 0.285
Expired	(857,000)	CAD $ 1.15
Balance, December 31, 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:

(Expressed in United States Dollars)

12. SHARE CAPITAL (continued)

(c) Stock options (continued)

	Year ended December 31, 2016	Year ended December 31, 2015
Share price at grant date	**CAD $0.285**	CAD $0.17
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

The weighted average per share fair value of options granted was CAD$0.16 (2014 - CAD$0.17). During the year ended December 31, 2016, stock-based compensation of $100,844 (December 31, 2015 - $199,651) was expensed in the consolidated statement of loss and $31,038 (December 31, 2015 - $41,415) was capitalized under mineral property under development.

As at December 31, 2016, the following stock options were outstanding:

Expiry Date	Exercise Price (CAD)	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
February 28, 2017	$ 0.54	75,000	75,000	0.16
March 24, 2017	0.42	370,000	370,000	0.23
March 28, 2017	0.64	203,000	203,000	0.24
November 26, 2018	0.20	1,255,000	1,255,000	1.90
April 7, 2019	0.24	1,000,000	750,000	2.27
December 18, 2019	0.20	2,858,438	2,320,938	2.96
March 26, 2020	0.20	750,000	375,000	3.24
June 1, 2020	0.20	200,000	100,000	3.42
December 15, 2020	0.17	500,000	250,000	3.96
September 20, 2021	0.29	807,000	201,750	4.72
	$ 0.24	**8,018,438**	**5,900,688**	**2.77**

13. GENERAL AND ADMINISTRATIVE

	Year ended December 31, 2016	Year ended December 31, 2015
Amortization	**$ 121,145**	$ 78,154
Directors' fees and expenses	**176,998**	195,301
Office and sundry	**497,072**	524,074
Professional fees	**1,424,301**	796,779
Salaries and benefits	**1,682,682**	1,581,204
Shareholder information	**93,683**	190,339
Stock-based compensation	**100,844**	199,651
Transfer and filing	**26,992**	29,852
Travel and promotion	**142,940**	207,540
General and administrative expenses	**$ 4,266,657**	$ 3,802,894

14. COMMITMENTS

On July 31, 2016 the Company extended its office lease in Ankara for a period of one year. The commitment for the gross rent, operating costs and realty taxes is estimated to be approximately $3,676 per month, or $44,112 per annum.

On July 26, 2012, the Company entered into a lease agreement for smaller office premises in Toronto, Ontario, in conjunction with a sublet agreement for its existing office premises in order to realize cost savings on rental payments. The new lease agreement is effective from September 1, 2012 to March 31, 2018. The commitment for the gross rent, including operating costs and realty taxes is estimated at $8,846 per month or $106,152 per annum for the for the balance of the term.

On April 15, 2016, the Company entered into a sub-lease agreement to share its existing head office premises in order to realize cost savings on rental payments. The new sub-lease agreement is effective from May 1, 2016 to February 27, 2018. The sub-lease agreement for the gross rent, including operating costs and realty taxes is estimated at $3,338 per month plus applicable sales tax.

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

In December 31, 2016, the Company committed to $4,834 per month for the next one year for IT support services.

The deferred payment is due prior to beginning construction on site with additional fees of TRY 0.2/m^2 on August 31, 2017 if the deferred payment has not been made by that date; TRY 0.2/m^2 on August 31, 2018 if the deferred payment has not been made by that date; and 24 months after the title transfer date a 5% extension charge will be added to the balance owing which becomes payable 36 months after the title transfer date.

As at December 31, 2016 the future minimum payments with respect to office leases, vehicle leases, borrowings and ERP purchase commitments are to be paid as follows:

Fiscal year ending December 31, 2017	$	131,679
Fiscal year ending December 31, 2018		43,654,812

15. MINERAL PROPERTY LICENCES IN TURKEY

As at December 31, 2016, the Company held one operational licence for Yenipazar project. The operation licence holders are required to submit annual reports on operation projects to the relevant departments. To obtain the appropriate licences, deposits must be made based on a per hectare fee. The applicable deposits are proportional to the size of the mining area and are determined each year or re-valued according to prevailing economic conditions. In the event the required reports and projects are not submitted on time, deposits for that period are forfeited. If a site is abandoned, the remaining part of the deposit is returned.

As at December 31, 2016, the Company is in compliance with reporting and licence fees requirements. Licence fees paid during the fiscal year ended December 31, 2016 totaled $nil ($4,454 during the year ended December 31, 2015). Licence deposits recorded on the balance sheet as at December 31, 2016 totaled $31,233 ($34,697 as at December 31, 2015).

While the Company advances the Yenipazar Project towards development and production, the Company is operating under a temporary shutdown permit that expired in December 2016. The temporary shutdown permit is renewed annually and the Company’s revised renewal application was submitted on February 22, 2017.

(Expressed in United States Dollars)

16. 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.

	Year ended December 31, 2016	Year ended December 31, 2015
Salaries and benefits [1]	**$ 700,209**	$ 717,971
Share based payments	**103,780**	181,168
Total compensation	**$ 803,989**	$ 899,139
Consulting and management fees[2]	**584,912**	628,635
Total transactions with key management personnel	**$ 1,388,901**	$ 1,527,774

[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 legal fees paid or payable to a company owned by a director of the Company.

As at December 31, 2016, the net amount owing to key management personnel was $13,846 (As at December 31, 2015, the amount owing to key management personnel was $16,337).

17. 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 December 31, 2016, the aggregate carrying amount of the ARO associated with the retirement of the Company's Yenipazar property is $36,550 (December 31, 2015 - $35,549). This obligation pertains to the exploration shaft on the Yenipazar Property in Turkey.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the ARO associated with the retirement of the Company's Yenipazar property:

	Year ended December 31, 2016	Year ended December 31, 2015
Balance, beginning of year	**$ 35,549**	$ 42,400
Impact of foreign exchange	**1,001**	(6,851)
Balance, end of year	**$ 36,550**	$ 35,549

(Expressed in United States Dollars)

18. 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:

Year ended December 31, 2016	**Corporate**	**Turkey**	**Total**
General and administrative	**$ 2,991,062**	**$ 1,275,595**	**$ 4,266,657**
	$ (2,991,062)	**$ (1,275,595)**	**$ (4,266,657)**
Interest expense	**-**	**-**	**-**
Interest income	**10,300**	**55,000**	**65,300**
Other income	**7,974**	**21,349**	**29,323**
Other expenses	**-**	**(83,878)**	**(83,878)**
Foreign exchange gain/(loss)	**101,776**	**(263,966)**	**(162,190)**
Net loss – Year ended December 31, 2016	**$ (2,871,012)**	**$ (1,547,090)**	**$ (4,418,102)**

Year ended December 31, 2015	**Corporate**	**Turkey**	**Total**
General and administrative	$ 2,291,402	$ 1,511,492	$ 3,802,894
	$ (2,291,402)	$ (1,511,492)	$ (3,802,894)
Interest expense	(326,225)	-	(326,225)
Interest income	3,112	90,271	93,383
Other income	45,523	36,322	81,845
Other expenses	(365)	(2,369)	(2,734)
Foreign exchange gain/(loss)	(712,171)	(609,202)	(1,321,373)
Net loss – Year ended December 31, 2015	$ (3,283,528)	$ (1,996,470)	$ (5,279,998)

	Corporate	**Turkey**	**Total**
Mineral property under development	**$ -**	**$ 14,587,294**	**$ 14,587,294**
Corporate and other assets	**6,951,264**	**29,600,072**	**36,551,336**
Total Assets– Year ended December 31, 2016	**$ 6,951,264**	**$ 44,187,366**	**$ 51,138,630**

	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– Year ended December 31, 2015	$ 7,696,484	$ 23,117,549	$ 30,814,033

(Expressed in United States Dollars)

18. SEGMENTED INFORMATION (continued)

	Corporate	Turkey	Total
Borrowings	**$ 33,209,792**	**$ -**	**$ 33,209,792**
Other liabilities	**643,499**	**12,040,609**	**12,684,108**
Total liabilities – As at December 31, 2016	**$ 33,853,291**	**$ 12,040,609**	**$ 45,893,900**

	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	Corporate	Turkey	Total
Exploration license deposits	**$ -**	**$ 31,233**	**$ 31,233**
Mineral property under development	**-**	**14,587,294**	**14,587,294**
Property and equipment	**4,100,010**	**27,099,904**	**31,199,914**
Other assets	**22,585**	**-**	**22,585**
Total non-current assets – As at December 31, 2016	**$ 4,122,595**	**$ 41,718,431**	**$ 45,841,026**

Geographic Information	Corporate	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

(Expressed in United States Dollars)

19. INCOME TAXES

For the fiscal year	2016	2015
Net loss before income taxes	$ (4,418,102)	$ (5,279,988)
Expected income tax recovery	(1,170,797)	(1,399,199)
Expense/gain not deductible/taxable	454,291	86,833
Effect of foreign tax rate difference	51,315	85,488
Unrecognized benefit of deferred tax assets	593,289	1,226,878
Other	71,902	-
Income tax recovery reflected in the statements of loss and comprehensive loss	$ -	$ -

The applicable tax rate was 26.5% (2015 - 26.5%).

	As at December 31, 2016	As at December 31, 2015
Current tax expense	$ -	$ -
Deferred tax recovery:		
Origination and reversal of temporary differences	-	-
Income tax recovery	$ -	$ -

The gross movement on the deferred income tax asset account, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Balance at the beginning of the period	$ 312,519	$ 389,539
Non-capital gains/(losses) and other deductible temporary difference used to shelter the gross deferred tax liability	791964	(77,020)
Income tax recovery	$ 1,104,483	$ 312,519

The gross movement on the deferred income tax liability account, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Balance at the beginning of the period	$ 312,519	$ 389,539
Financing expenses to be amortized for accounting	-	(343,008)
Accelerated tax depreciation charged to the Statement of loss	791,964	265,988
Balance at the end of the period	$ 1,104,483	$ 312,519

(Expressed in United States Dollars)

19. INCOME TAXES (continued)

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company did not recognize deferred income tax assets with respect to the following deductible temporary differences:

	Year ended December 31, 2016	Year ended December 31, 2015
Non-capital losses	**$ 28,525,229**	$ 19,503,322
Mineral properties	**4,595,297**	9,792,495
Un-deducted share issue costs	**2,412,200**	1,409,145
Other	**56,157**	1,719,344
Total	**$ 35,588,883**	$ 32,424,306

The Company's non-capital income tax losses total $28,525,229 and expire as follows:

Year of expiry	Amount
2017	307,547
2018	1,032,923
2019	470,937
2020	936,925
2021	3,666,070
2023	126,320
2024	62,595
2025	504,162
2026	545,652
2027	405,061
2028	1,064,720
2029	1,013,253
2030	1,556,426
2031	2,481,196
2032	321,336
2033	1,991,091
2034	2,704,474
2035	3,617,396
2036	5,717,145
Total	**$28,525,229**

(Expressed in United States Dollars)

20. CHANGES IN NON-CASH OPERATING ASSETS AND LIABILITIES

	Year ended December 31, 2016	Year ended December 31, 2015
Changes in non-cash operating assets and liabilities:		
Other receivables	**$ (169,777)**	$ 134,012
Prepaid expenses	**16,381**	(21,844)
Accounts payable, accrued liabilities, and other liabilities	**511,834**	(51,810)
Due to related parties	**2,491**	(86,600)
	$ 360,929	$ (26,242)

21. SUBSEQUENT EVENTS

In March 2017, a key milestone in the ongoing State-led compulsory land acquisition court process was achieved. At hearings held on March 2 and March 15, the Court reached final land pricing decisions on 15 land parcels representing 188,915 square meters. The Court determined prices were lower than the Company’s voluntary offer.