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

For the Nine Months Ended September 30, 2016
(As of November 29, 2016)

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Aldridge Minerals Inc. ("Aldridge", "we", "our" or the "Company"), our operations, financial performance and present and future business environment. This MD&A is prepared as of November 29, 2016 and should be read in conjunction with the interim consolidated financial statements and the related notes for the nine months ended September 30, 2016 (the "Q3 2016 Financial Statements"), and the audited consolidated financial statements and the related notes (the "2015 Audited Financials") and MD&A for the year ended December 31, 2015 and dated March 24, 2015 (the "2015 Annual MD&A"), which are prepared in accordance with the International Financial Reporting Standards ("IFRS"). The Company's common shares are listed on the TSX Venture Exchange (TSX-V: AGM). Continuous disclosure materials, including the Company's Annual Information Form, are available on SEDAR at WWW.SEDAR.COM and on the Company's website at WWW.ALDRIDGEMINERALS.CA.

For the purposes of preparing our MD&A, we consider the materiality of information. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity. Information is considered material if: (i) it would significantly alter the total mix of information available to investors; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares.

Under IFRS, an entity's functional currency should reflect the underlying transactions, events, and conditions relevant to the entity. 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 Mineral 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). ***Unless otherwise noted, all dollar amounts in this MD&A are expressed in USD.***

This MD&A contains forward-looking information that is based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only as of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "Cautionary Statement Regarding Forward-Looking Information". Actual outcomes and results may differ materially from those expressed in forward-looking information and readers should not place undue reliance on such statements.

HIGHLIGHTS, OUTLOOK AND SELECTED FINANCIAL INFORMATION

Aldridge Minerals Inc. ("Aldridge" or the "Company") is a development stage mining company focused on its wholly-owned Yenipazar Project, which is a polymetallic volcanogenic massive sulphide ("VMS") body that hosts a gold-silver-copper-lead-zinc mineral deposit in central Turkey. The Company completed the "National Instrument 43-101 Technical Report on the Yenipazar Optimization Study, Yozgat Province, Turkey" (the "Optimization Study" or "OS") in April 2014 and presently holds the key permits required to develop the Yenipazar Project. The Company continues to advance the land acquisition process, engineering, and financing activities.

HIGHLIGHTS

- **Debt Facility Refinancing** – On September 16, 2016, the Company entered into a definitive loan facility agreement (the "BKT Loan") with Banka Kombetare Tregtare sh.a. ("BKT") pursuant to which BKT has agreed to make available to the Company a two year secured credit facility in the amount of up to $40,000,000 comprised of principal of approximately $33,670,000 and interest to be capitalized of approximately $6,330,000. The BKT Loan bears interest at an annual rate equal to 12 month Libor plus 6%, but not less than 9% per annum. BKT is the oldest and largest commercial bank in Albania and is a wholly-owned subsidiary of Çalık Holding A.Ş., a leading conglomerate in Turkey with interests in a variety of industries, including textiles, construction, energy, financial services, mining and telecommunications.

  On September 16, 2016, the Company received $30,000,000 of the BKT Loan, of which $3,486,314 was restricted until security for the BKT Loan was registered, in October, in favour of BKT. Approximately $23,213,000 of the initial advance was used by Aldridge to fully repay amounts owing to Orion Fund JV Limited ("Orion"), 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 was not in a position to 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 BKT Loan. The Company is firmly of the view that it is in compliance with its obligations under the BKT Loan, has satisfied all conditions precedent and is entitled to this final advance. However, there can be no assurance that the Company will obtain all or any portion of the remaining principal available under the BKT Loan in the near term or at all. Advances under the BKT Loan and equity financing are currently the Company's only sources of liquidity. A failure to obtain in the short term an advance of the remaining principal available under the BKT Loan or raise sufficient funds by way of an interim financing will have a material adverse effect on the Company's business, financial condition, results of operations and prospects, including, without limitation, the Company's ability to continue operating in the ordinary course, make further land acquisitions for the Yenipazar Project and otherwise advance the development of the Yenipazar Project.

  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 with Orion (the "Orion Loan") from

August 29, 2016 to September 26, 2016. The extension allowed the Company the additional time required to negotiate and close the BKT Loan. As consideration for granting the Loan extension, the Company agreed to pay interest at the rate of 15% per annum on borrowings which remained outstanding during the Orion 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.

- **Land Acquisition –** In June 2016, the Company increased its initial offer price for land from Turkish Lira ("TRY") 5.1 per square metre (m^2) to TRY 9.1 per m^2 with a payment of TRY 5.1 per m^2 payable on title transfer and a deferred payment of $1.35 per m^2 (or TRY 4.0 at USD/TRY 2.96). 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. The revised offer price resulted in significant acceptance by existing land owners, such that when these agreements are executed, the Company expects to own (including treasury land) approximately 91% of the required land. These land purchases are subject to sufficient funding being available.

  The Company is committed to paying former land owners, who previously sold their land to the Company at the initial offer price of TRY 5.1 per m^2, the same deferred payments and additional fees at the same deferred dates. Consequently, the total cost of the land acquisition process ("LAP") is estimated to increase by approximately $10,000,000 from the Optimization Study estimated cost.

  The Company's land acquisition expenditures including related expenses are summarized as follows:

	Recorded, including $1.35/$m^2$ deferred	**Interest Capitalization**	**Total**
As at December 31, 2015	$ 7,737,163	$ 1,709,598	$ 9,446,761
Land purchase - Jan 1 - Sept. 30, 2016	6,555,236	-	6,555,236
Interest Capitalized - Jan 1 – Sept. 30, 2016	-	1,559,945	1,559,945
Purchase price deferred payment accrual	7,374,132	-	7,374,132
Total Land, as at September 30, 2016	**$ 21,666,531**	**$ 3,269,543**	**$ 24,936,074**

  As of September 30, 2016, treasury land and land purchased to date represented 70.3% of the project area and, with continued purchases, increased to 84% at November 25, 2016. The Company has received additional landowners' commitments to sell their land, which, when executed, would increase the combined land total to approximately 91% of the required land. The land purchases are subject to sufficient funding being available.

Due to BKT's refusal to advance approximately $3,670,000 under the BKT Loan in November 2016, the scheduled execution of the voluntary land purchases was temporarily suspended by the Company. The timing of restarting the execution of these land purchases is not known at present since it is subject to receipt of funding from BKT or other sources and there can be no assurance that any such funding will be available.

The ownership status of the Project land at November 25, 2016 is summarized below:

		At November 25, 2016		
		Land Parcels	**Land Area (m^2)**	**% of Project**
Treasury land – 'Right to use per mining license		84	1,210,907	12.8%
Private land	Wholly owned	356	5,879,115	61.9%
Wholly-owned Private & Treasury		**440**	**7,090,022**	**74.7%**
Private land		87	890,495	9.4%
Land Title Owned & Right to Use		**527**	**7,980,517**	**84.0%**
Remaining to purchase	Partial parcels	Same as above	453,411	4.8%
Remaining to purchase	Whole parcels	74	1,013,383	10.7%
Pasture land-application in progress		2	48,338	0.5%
Outstanding Required Land		**76**	**1,515,132**	**16.0%**
Yenipazar Project Area		**603**	**9,495,649**	**100.0%**

The State-led compulsory LAP court process continues in parallel with the voluntary transactions based on the new commitment agreements. As of October 31, 2016, 61 court cases related to approximately 1,637,000 m^2, or 17% of the project land required remained outstanding. As land titles are acquired on a voluntary basis, the related court cases have been and will continue to be closed. The court process includes appointing land pricing experts to assess the value of the project land. Preliminary pricing reports have been received by the court, and will be finalized after the judge makes a decision after reviewing any objections by the State and landowners. The next hearing dates are scheduled in December 2016, with the process expected to continue in 2017, subject to available funds.

Engineering and Development Schedule - The Company continued to develop alternative basic engineering schedules that would facilitate construction following the closing of project financing. A Technical, Environment, Health, Safety & Sustainability (TEHSS) Committee was established in Q2 to create a small team of management, directors and consultants to provide governance and oversight support for the project development plan and future operations. The TEHSS Committee's mandate is to establish, review and monitor the technical, environmental, health, safety, and sustainability policies, programs and activities of Aldridge on behalf of the Board to ensure that Aldridge is achieving its stated policy objectives and is in compliance with all applicable laws and industry best practices. Activities to date include, among other things, initial assessments of some of the developments to date, review of certain engineering and long-lead items procurement packages and assessment of potential risks.

STRATEGY AND OUTLOOK

The Company's short term focus is on obtaining interim financing to fund the Company's immediate working capital requirements, including land acquisition and normal operating expenses. In particular, the Company requires funding to advance the Yenipazar Project. As a result, the Company plans include the following:

- **Financing –** The Company is actively engaged in discussions with BKT to obtain the approximately $3,670,000 in available principal pursuant to the BKT Loan (see "Highlights, Outlook and Selected Financial Information – Highlights – Debt Facility Refinancing"). In addition, the Company is investigating opportunities to obtain interim financing to replace the cash shortfall created by BKT not advancing all funds and to provide the additional cash required to fund the completion of LAP and the development and administrative activities leading to full project financing. The Company anticipates evaluating various project financing alternatives, which may include senior and subordinated debt, equity, metal streams, off-take agreements and strategic investments. The Company's ability to close interim and project financing will be affected by general market conditions.

- **Land Acquisition** – The LAP is expected to be advanced as follows:

    - Voluntary Land Sale/Purchase: As discussed above, the Company temporarily suspended voluntary purchases due to BKT's refusal to advance approximately $3,670,000 under the BKT Loan. The timing of restarting the execution of these land purchases is not known at present since it is subject to receipt of funding from BKT or other sources. However, if such funding becomes available, the Company plans to continue to process the voluntary land title purchase transactions, based on the TRY 9.10/m^2 price in the commitment letters received but not yet closed, which represent approximately 7% of the required land. Once processed these agreements with landowners would increase land ownership and treasury land (right to use) to approximately 91%. The Company will continue, to negotiate, when appropriate based on the availability of cash, with the remaining land owners to increase voluntary transactions concurrently with the State-led compulsory acquisition process.

    - State-led Compulsory Land Sale/Purchase: The State-led LAP will be continued with approximately 61 court cases to acquire the remaining privately held land required within the project fence line. The court cases will be closed as land is purchased on a voluntary basis. The initial land pricing experts' reports received by the court to date corresponding to approximately 53% of the privately-owned land, indicated an average price of approximately TRY 8.00 per m^2 based on non-irrigated land at TRY 6.55/m^2 and irrigated at TRY 12.25/m^2. A more recent November 2016 pricing report related to four parcels representing approximately 0.3% of the total private land area resulted in an average price of approximately TRY 8.97/m^2 based on non-irrigated land at TRY 7.892/m^2 and irrigated at TRY 15.316/m^2. The court is expected to consider all pricing reports received to date and may consider additional pricing analysis, prior to making decisions on the final prices. Aldridge has the legal right to make an objection for the prices and apply to the court for the appointment of a new expert panel.

Follow up court hearings are scheduled over the next few months, which are anticipated to result in final pricing decisions on the remaining land in 2017. However, there are inherent procedural risks outside of the Company's control, such as the court proceedings and absent land owners (see "Risk Factors") which may result in some land parcel purchases being delayed further.

Once the court determines the price for each parcel of land, the court will then request Aldridge to fund the State's purchase of the land. The Company would require the receipt of the remaining available principal from BKT pursuant to the BKT Loan, and proceeds from an interim financing in order for the Company to remit the funds required by the government to execute the land expropriation orders of the court. The land acquired through the court will be classified as Treasury land to which Aldridge is granted full access rights in accordance with the key permits received to date and Turkish mining law.

- **Engineering and Development -** The Company established the TEHSS Committee to provide governance and oversight support for the project development plan and future operations. The Committee plans to continue its review of risk exposure and risk management and provide guidance and oversight for developing and implementing strategies to enhance performance with respect to technical, environmental, health, safety and sustainability matters. Near term activities may include assistance with the analysis of the EPC development plan and, more specifically, the review and analysis of prospective contracts and negotiations of certain basic engineering packages and letters of intent related to the supply of long lead-time process equipment and other services. Basic engineering is expected to begin in 2017, subject to the Company obtaining sufficient interim financing. Additionally, to ensure construction compliance, long lead equipment has been identified and letter of intent documentation is being negotiated and is anticipated to be initiated as soon as practical. Aldridge will continue to refine its basic engineering schedule and Project Execution Plan to ensure the focus is on critical path items while considering the variability of the timing of land acquisition and project financing.

- **Project Economics -** During the 2.5 years since the Optimization Study was filed on SEDAR (May 2014), the development of the Yenipazar Project has been affected by a number of factors, including:
  - Off-take agreements with Orion for gold production and lead concentrate entered into as part of the 2014 interim financing completed in order to fund land acquisitions (September 2014)
  - Land Acquisition Process – Offer Price Increase (from September 2014 to present)
  - Value Engineering and Construction Planning (November 2014 to April 2015)
  - Turkey Government Royalty Rate Change (February 2015)
  - Public Benefit Letter, supporting land acquisition (June 2015)
  - Investment Incentive Certificate Approval (July 2015)
  - Variables - Commodity Prices, Foreign Exchange Rates, Inflation and Cost Escalation (OS to present).

The potential impact on the Yenipazar Project of the various factors noted above continue to be monitored and evaluated by the Company.

MARKET OVERVIEW

The Company's interim and project financing efforts are affected by the time required to complete the LAP and the capital markets for junior mining companies. Fluctuations in spot and forecast commodity prices and the availability of funding for junior mining companies may result in the Company requiring more time to obtain full project financing.

The market prices of gold, silver, copper, lead and zinc are primary elements for evaluating the potential economic returns of the Company's Yenipazar Project. During the first three quarters of 2016, commodity prices fluctuated as indicated in the chart below:

		January 1 to September 30, 2016				Spot	Optimization Study
		Low	High	Close	Average	15-Nov-16	23-May-14
Gold	$/oz.	1,077	1,366	1,323	1,258	1,227	1,250
Silver	$/oz.	13.58	20.71	19.35	17.07	17.00	20.00
Copper	$/lb.	1.94	2.55	2.42	2.36	2.51	3.00
Lead	$/lb.	0.8	1.05	1.05	0.89	0.99	0.94
Zinc	$/lb.	0.73	1.19	1.19	0.97	1.17	0.90

Source: www.kitco.com; https://www.lme.com/

The Company believes Turkey is a mining-friendly jurisdiction based on the key reforms to its mining regulations in 2010 and its investment incentive programs. The Company has successfully worked within the Turkish regulatory environment for more than ten years. Most recently, those efforts resulted in the Company obtaining the investment incentive certificates (IIC's) for the Yenipazar Project in July 2015 and the "Public Benefit" letter (the approval of the State-led LAP) in June 2015. The Company will continue to work diligently with the various regulators and community stakeholders to facilitate the timely execution of its LAP and other project development activities.

On July 15, 2016, there was an attempted coup in Turkey. The Turkish Government declared a state of emergency to take measures to address the situation. As reported in the general media, various government sectors terminated the employment of or detained numerous people, including in the judiciary sector. Although there have been changes to some of the government staff that routinely interacts with the Company's staff, there appears to be no significant changes in the expected quality or timing of services received, including those pertaining to the LAP.

The current political environment in Turkey, following the failed coup attempt, may have an adverse effect on the assessment of potential country risk related to acquiring land and, generally, as it relates to raising interim and project financing for a development project in Turkey.

Fluctuations in foreign exchange rates may impact the amount of project financing required to achieve the Company's objectives. The Canadian entities' expenses are predominantly paid in CAD, with USD paid for a few consulting agreements. The general operating expenses in Turkey and a portion of the estimated Yenipazar Project capital and operating expenditures are denominated in TRY, while the majority of project capital expenditures and operating costs are denominated in USD. Depending on competitive bids, some costs may be denominated in EUR. The following chart provides representative exchange rates compared to rates used in the Optimization Study:

		January 1 to September 30, 2016 Exchange Rates				Optimization Study
From	**To**	**High**	**Low**	**Average**	**Close**	**23-May-14**
USD	TRY	3.080	2.790	2.930	3.000	2.100
USD	EUR	0.930	0.866	0.896	0.892	0.890
USD	CAD	1.466	1.250	1.330	1.312	1.090

Source – USD/TRY: http://www.tcmb.gov.tr ; USD/CAD: http://www.bankofcanada.ca/rates/exchange/

Continued strength, in comparison to the Optimization Study exchange rates, in the USD relative to the TRY has reduced the USD equivalent costs in Turkey throughout 2016. The annualized inflation rate in Turkey was approximately 7.0% in September 2016, and has ranged from 6.6% to 9.6% over the past 12 months. Currently, the Company has not experienced any material adverse effects resulting from changing domestic input prices that have influenced its operations. However, persistent and prolonged inflation in Turkey may eventually increase the USD equivalent costs, depending on movements in exchange rates.

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

Consumer Price Index (CPI) Inflation rates may affect estimates of future costs. The table following sets forth actual and estimated rates for the periods indicated:

CPI Inflation Rates				**3 Year**
Country	**2014**	**2015**	**2016 (1)**	**Cumulative Total**
USA	1.60%	0.10%	1.50%	3.23%
Canada	1.50%	1.60%	1.30%	4.10%
Turkey	8.17%	8.81%	7.28%	26.95%

Sources: USA http://www.bls.gov/cpi CPI-U average
http://www.usinflationcalculator.com/inflation
Canada www.bankofcanada.ca/rates/price-indexes/cpi/
Turkey http://www.turkstat.gov.tr
(1) 2016 rates equal September 2016 change from September 2015

Selected Financial Information

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

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

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

The following table provides selected consolidated financial information that should be read in conjunction with the Q3 2016 Financial Statements of the Company.

	Nine Months Ended and as at September 30, 2016	**Nine Months Ended and as at September 30, 2015**	**Year Ended and as at December 31, 2015**
Loss before income tax	**$(3,319,045)**	$(4,416,404)	$(5,279,998)
Net loss	**(3,319,045)**	(4,416,404)	(5,279,998)
Net loss per share	**(0.03)**	(0.04)	(0.05)
Cash and cash equivalents	**2,793,638**	5,757,574	8,520,566
Working capital [(i)]	**6,151,126**	(7,142,480)	(10,005,830)
Total assets	**47,170,970**	26,359,752	30,814,033
Total non-current financial liabilities	**7,543,804**	148,540	126,974

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

The Company's expenditures on its mineral properties for the periods indicated in the following table were:

	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 Project, Turkey	**$756,166**	$1,374,280	**$2,333,641**	$4,084,319
Total Exploration & Evaluation	**$756,166**	$1,374,280	**$2,333,641**	$4,084,319

OVERVIEW OF PROJECTS AND INVESTMENTS

The Company’s key property and primary focus is the Yenipazar Property in Turkey. The Company held Class A performance shares in Uranium Resources Inc. (formerly Anatolia Energy Ltd) that expired on February 10, 2016.

YENIPAZAR PROJECT - TURKEY

The Yenipazar Property is approximately 100 square kilometres in area and is located at the geographic centre of Turkey. It is approximately 290 kilometres east-southeast of Ankara, the capital city, and is easily accessible via public roads and has good access to rail transportation and electrical power supply.

The Yenipazar deposit is a polymetallic VMS body that hosts a gold-silver-copper-lead-zinc mineral deposit within the Yenipazar Property. It has a currently determined strike length of at least 1,700 metres averaging 200 metres in width, with zones of approximately 20 metres in thickness at depths between 30 and 190 metres. Much of the ore body is sitting at a depth of approximately 50 to 120 metres. The Yenipazar Project includes approximately 9.4 square kilometres of land within the project fence line, of which 8.2 square kilometres was originally privately owned. The majority of the remaining 1.2 square kilometres (or 13% of the required land) is government-owned treasury or pasture land (to be reclassified as treasury land) which the Company will be authorized to use for mining pursuant to the Yenipazar Operating Licence.

The Company’s expenditures on the Yenipazar Project (excluding land) decreased by $1,755,996 in the third quarter ended September 30, 2016 to $2,328,323 as compared to the third quarter ended September 30, 2015. The decrease was mainly driven by reductions in staff and engineering consulting fees.

PROPERTY OWNERSHIP STRUCTURE

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

Through the Company’s wholly-owned subsidiary, Aldridge Minerals Madencilik Limited Sirketi (“Aldridge Turkey”), the Company has an Operating Licence with respect to the Yenipazar Property, which was renewed in May 2014 for a period of five years. The related mining permits for each payable mineral will also expire at the same time. In accordance with the normal process in Turkey, the Company will request extensions to the Operating Licence and Operating Permits prior to 2019. The Company announced in March 2014 that it had received the EIA Permit for the Yenipazar Project. In addition, Aldridge received the GSM Permit in Q2 2014 (local operating permit issued by the Governor), allowing the Company to conduct commercial activities in the Yenipazar region surrounding the Yenipazar Property; and the “Public Benefit” letter in June 2015 (the approval of the State-led LAP) and IICs, which demonstrates the Government of Turkey’s full support for the project. With these key permits and documentation in place, the Company will proceed in due course with the application for routine construction and other ancillary permits.

While the Company advances the project towards development and production, the Company is operating under a temporary shutdown permit, renewed annually, that expires December 31, 2016. Pursuant to the mining regulations, the Company is required to maintain its operating license by providing an annual operating report regarding the development and operations status. The 2017 operating report is scheduled to be submitted in December 2016, which, as in prior years, is expected to result in the issuance of the annual temporary shutdown permit for 2017. This regulation is intended to promote development of permitted properties, by requesting holders of permits to demonstrate they are developing the properties.

DEVELOPMENT ACTIVITIES

The Optimization Study results announced in April 2014 updated the Feasibility Study. The OS reflected changes to key design and operating parameters, which include the use of contract mining, that enabled Aldridge to establish lower project capital expenditures (“CAPEX’) with only a moderate increase in operating costs. Plant throughput remained unchanged at 2.5 million tonnes of ore per annum over a 12-year mine life. There were no material changes to mineral reserves or mineral resources. The Optimization Study contains a financial model incorporating changes to the capital and operating costs and revised base case metal prices compared to the Feasibility Study.

During the 2.5 years since the National Instrument 43-101 compliant technical report summarizing the Optimization Study was filed on SEDAR (May 2014), the Company has advanced its economic analysis and development of the Yenipazar Project as a result of a number of factors, including:

- Land Acquisition Process (from September 2014 to present)

- Off-take agreements with Orion for gold production and lead concentrate (September 2014)
- Value Engineering and Construction Planning (November, 2014 to April, 2015)
- Turkey Government Royalty Rate Change (February 2015)
- Public Benefit Letter, supporting land acquisition (June 2015)
- Investment Incentive Certificate Approval (July 2015)
- Financial Variables - Commodity Prices, Foreign Exchange Rates, Inflation and Cost Escalation (OS date to present)

Below is a description of the items noted and their potential impact on the Yenipazar Project.

- <u>Land Acquisition Process (from September 2014 to present)</u>
    - Voluntary land acquisitions began in October 2014 with an offer price of TRY 5.1/m^2.
    - Pursuant to the mining regulations in Turkey, the Company's mining license includes the legal right to access the State's treasury land, which represent approximately 13% of the required land.
    - In June 2016, the Company revised its voluntary price offer strategy in order to shorten the land acquisition timeline. As a result, the initial offer of TRY 5.1 per m^2 was increased to TRY 9.1 per m^2 with a payment of TRY 5.1 per m^2 payable on title transfer and a deferred payment of $1.35 per m^2 (or TRY 4 per m^2) as described in the Land Acquisition below.
    - In July, the landowners accepting the revised price offer provided 'Commitment Letters', which confirmed their agreement to sell. As a result, the combination of land committed per the Commitment Letters, land owned and treasury land represented almost 90% of the required land area.
    - The offer price increase is expected to increase the total cost of the LAP by approximately $10,000,000 from the OS estimated cost.

- <u>Off-take agreements with Orion for gold production and lead concentrate (September 2014)</u>
    - In connection with the September 2014 financing with Orion, the Company entered into lead concentrate and gold off-take agreements with an affiliate of Orion.
    - The Company will sell a minimum of 50% of the gold produced over the first ten years of mine life to Orion, subject to certain minimum delivery requirements.
    - Under terms of the lead concentrates off-take agreement, the Company will sell a minimum of 5,000 dry metric tonnes of lead concentrate per annum over the first ten years of mine life to Orion, corresponding to approximately 20% of the total lead concentrate volume, subject to minimum total deliveries of 50,000 dry metric tonnes of lead concentrate.
    - The payment price for both the lead concentrate and the gold will be determined in the context of the market at the time of delivery, subject to certain quotational periods and, as a result, there will be a slight discount to the prices assumed in the OS financial model.

- Value Engineering and Construction Planning (November, 2014 to April, 2015)
  - The Company engaged Tenova Mining and Minerals to apply subject matter expertise in crushing, grinding, floatation, gravity recovery, tailings design and capital and operating costs, with the objective of reducing overall project risks.
  - The Company engaged GAP Insaat, a wholly-owned subsidiary of Calik Holding A.S., to provide a construction planning and strategy review, including considering capital expenditures based on their experience and the conditions in Turkey.
  - Elements of the Optimization Study cost estimates were reviewed resulting in non-material changes to the estimate.
  - In order to reduce operating risk, a ball mill, in addition to the sag mill that was discussed in the Optimization Study, was introduced. This addition provides added processing flexibility without changing planned throughput or recoveries.
  - The jaw crusher was replaced with a sizer in order to achieve more flexibility in comminution without changing costs significantly.
  - Increases to non-land contingency costs were identified primarily based on applying a contingency percentage to the increased costs.

- Turkey Government Royalty Rate Change (February 2015)
  - New mining legislation was approved by the Turkish National Assembly and subsequently received Presidential approval in February 2015. The approved legislation will impact the royalty regime and mining licence regime. The Company's analysis of the impact of this legislation on the Yenipazar Project is subject to confirmation when the detailed regulations accompanying the new legislation are issued.
  - The new legislation results in royalty rates increasing based on a sliding scale of commodity selling prices, whereby the rate increases when the commodity price increases to the next price threshold. Preliminary analysis suggests that updated forecast prices for gold and lead would lead to higher royalty rates and costs.
  - Companies producing dore or concentrates qualify for a 50% reduction in the gross royalty rates.
  - Net royalty rates and the commodity price thresholds applicable to Aldridge are listed in the table below:

Royalty Rate Gross	Royalty Rate Net	Gold $/oz	Silver $/oz	Copper $/lb	Lead $/lb	Zinc $/lb
2%	**1%**	0	0	0	0	0
4%	**2%**	800.01	10.01	2.27	0.45	0.45
6%	**3%**	1250.01	20.01	3.40	0.91	1.13
8%	**4%**	1500.01	25.01	3.63	1.02	1.36
10%	**5%**	1750.01	30.01	3.86	1.13	1.59
14%	**7%**	2000.01	35.01	4.08	1.36	1.81

- Public Benefit Letter, supporting land acquisition (June 2015)
  - The Turkish Ministry of Energy and Natural Resources approved the 'Public Benefit' to be derived from the Yenipazar Project, which provides certainty that

the Company will have access to all required land within the project fence line through the State-led land acquisition process.

- Independent land pricing commissions were appointed by the courts to evaluate the individual land parcels and to recommend fair pricing to the court to finalize the State-led acquisition process.

- Investment Incentive Certificate ("IIC") Approval (July 2015)
  - The Company was approved for and received both a Strategic Investment Incentive Certificate ("Strategic IIC") and a Large-scale Investment Incentive Certificate ("Large-scale IIC") from the Turkish Ministry of Economy for the development of the Company's Yenipazar Project in central Turkey.
  - The Strategic IIC and Regional IIC provide a corporate income tax benefit equal to 50% and 40%, respectively, of the qualifying capital expenditures of the Yenipazar Project. The tax benefit is received by applying a reduced income tax rate on annual earnings until the cumulative tax savings equals the calculated tax benefit.
  - Using the Company's Base Case economic assumptions as described in the Optimization Study, Aldridge estimates that it will benefit from this low 4% corporate income tax rate into Year 7 of the 12-Year mine life, upon which the tax rate is expected to revert to 20% for the remainder of the mine life.
  - The IIC benefit is based on applying the benefit rate (either 50% or 40%) to specific component costs when acquired and as a result the actual tax benefit may be higher than estimated if actual costs exceed the costs estimated in the OS.
  - Obtaining the Strategic IIC approval increased the incentive contribution rate from 40% to 50% on the majority of qualifying capital expenditures. The life-of-mine tax savings benefit estimate was revised to approximately $76,000,000 from the $62,000,000 OS estimate, which represents an increased benefit of $14,000,000.

- Financial Variables - Commodity Prices, Foreign Exchange Rates, Inflation and Cost Escalation (OS to present)
  - The financial performance of the Yenipazar Project will be affected by general market conditions and financial variables, as well as changes to specific components of its capital costs and operating costs and revenues.
  - Capital expenditures associated with the Yenipazar Project may be affected by the following factors:
    - Capital expenditures and operating expenses incurred in Turkey and denominated in TRY are expected to have increased in TRY due to inflation since the May 2014 OS.
    - The OS converted the TRY cost estimates to USD, which may be affected by a weaker TRY/USD exchange rate.
    - Although project specific costs may be directly affected by the movement in general inflation (i.e. CPI), they will likely be influenced more by mining industry and Turkey construction industry supply and demand pricing dynamics. More detailed analysis is required in the future to determine the potential impact on the project.

- Pre-production Capital Expenditures (CAPEX)
    - The CAPEX for the Yenipazar Project is estimated to increase from the OS estimate of $230,000,000 by approximately $10,000,000 related to the current land cost estimate, plus the net impact, if any, of the value engineering analysis; the potential cost escalation and/or savings related to foreign exchange fluctuations, inflation and mining/construction specific market price changes; and planned basic and detailed engineering. Further analysis of capital expenditures and operating costs are anticipated to be completed in 2017.

The Company's Yenipazar Project economic analysis according to its Optimization Study is summarized in the table below. Future project costs may change based on the factors discussed above and more detailed analysis as the project is developed. However, the Company believes the resulting project economics will continue to be robust.

Economic Highlights		**Optimization Study (OS) 23-May-14**
Capital Expenditures (Pre-production)		$230 million
Sustaining Capital		$17 million
Operating Expenditures per tonne of ore		$29.65
Revised Base Case Metal Prices		
	Gold - $/oz.	1,250.00
	Silver - $/oz.	20.00
	Copper - $/lb.	3.00
	Lead - $/lb.	0.94
	Zinc - $/lb.	0.90
IRR (after-tax):		**32.2%**
NPV_7 (after-tax):		$330 million
Payback (after-tax):		2.4 years

The Company's processing plant is expected to produce at 40% of design capacity in the first month of operations, and steadily increase production by 10% each month until 100% of the design capacity is achieved in month seven of operations. Working capital cash requirements during the first year of operations is not included in the pre-production capital expenditures. The estimated working capital funding required is expected to vary based on operating factors such as: mine planning; recoveries; commodity prices; payment terms with customers (off-takers); and other operating cost fluctuations. Consequently, the Company is estimating it will require between $30,000,000 and $40,000,000 of working capital during the first 7-12 months of operations in addition to the pre-production capital expenditures.

In 2016 the Company advanced the Yenipazar Project in the following areas:

- Land acquisition
- Engineering and Development Schedule

Land Acquisition

The Yenipazar Project involves approximately 9.496 square kilometres of required land, including approximately 1.259 square kilometres of treasury and pasture land (approximately 13%) and 8.237 square kilometres of privately owned land (approximately 87%). The private land is divided into 517 land parcels originally owned by many of the people living in the nearby communities of Eğlence and Göğdecili. As all of the required land is farmland, the land acquisition does not involve any relocation or resettlement of people. The successful acquisition of the land will be a key catalyst in de-risking the project and attracting full project financing. Pursuant to the mining regulations, Aldridge has the legal right to access the State's Treasury land within the approved fence line.

The Company recently suspended its LAP due to lack of liquidity (see "Highlights, Outlook and Selected Financial Information – Highlights – Debt Facility Refinancing").

The Company has strived towards a fair, orderly and timely process to comply with the Equator Principles III typically required by international banks and project finance organizations, as well as to maintain the Company's social licence to operate in the region.

Key milestones associated with the LAP in 2016 include the following:

- January 2016 - The Governor's office moved to the legal stage of the State-led LAP and began opening over 120 court cases to have the court independently determine the prices to acquire the private land not yet purchased by Aldridge.

- March to May 2016 - The court-appointed pricing commission (land pricing experts) visited the project site to assess the valuation of land parcels associated with specific court cases, as indicated in the 'Aldridge's Highlights and Achievements' section of this MD&A. Since the State land acquisition is compulsory, the court's price decision results in the land being purchased by the State and classified as Treasury land. Aldridge is required to fund the State's purchase of the land at the court determined price, subject to any appeals. Pursuant to the mining regulations, Aldridge is awarded access to the Treasury land, for a nominal annual fee, for the life of the mine.

- June 2016 - The Company revised its offer price strategy in order to shorten the acquisition timeline, and address the risk of the potential impact of the State-led compulsory LAP court process on the Company's social licence to operate. As a result, the initial offer of TRY 5.1 per m^2 was increased to the following amounts payable as indicated below:

1)	Land title transfer	TRY 5.1/m^2
2)	Deferred Payment, earlier of start of construction and 24 months from title transfer date	$1.35 (or TRY 4/m^2 at USD/TRY 2.96)
3)	Interim fee payable August 31, 2017 if deferred payment delayed due to later start of construction date	TRY 0.2/m^2
4)	Interim fee payable August 31, 2018 if deferred payment delayed due to later start of construction date	TRY 0.2/m^2
5)	5% extension fee will be added to the Deferred Payment, to confirm extension from 24 months to 36 months after the earlier of title transfer date and the start of construction date	$0.675/m^2

- The Company agreed to continue to pay additional fees for trees or vines on the land and land transfer taxes included in the initial offer, plus the sellers' legal fees of approximately TRY 0.9 per m^2. The revised offer price resulted in significant acceptance by existing land owners.

- Q3 ending September 30, 2016 - During the third quarter of 2016 approximately $6,796,718 was spent acquiring land through voluntary sales. As at September 30, 2016 approximately 70.3% of the total project area had been acquired for a cost of $21,958,018, which excludes capitalized interest of $3,269,543.

- Voluntary purchases continued into November 2016, increasing land ownership and treasury land access to 84% at November 25, 2016, and upon execution of the land owners' signed commitments, the total ownership and access is estimated at approximately 91%, subject to sufficient funding being available to complete such purchases.

Acquisition of the remaining uncommitted land representing approximately 9% of the required land is expected to be achieved by the combination of voluntary acquisitions and the State-led compulsory LAP court process. As noted above, the voluntary acquisitions have been temporarily suspended pending an improvement in the Company's liquidity and capital resources.

The State-led compulsory LAP court process will continue in parallel with the voluntary actions. There are presently more than 61 court cases related to approximately 1,637,000 m^2 of the remaining privately held land required within the project fence line. Initial pricing reports submitted to the court cases, resulted in an average price of approximately TRY 8.00/m^2 TRY 12.25/m^2 irrigable land and TRY 6.55/m^2 for other land. A November 2016 pricing report related to two small parcels representing approximately 0.3% of the Project area recommended prices of TRY 15.316/m^2 and TRY 7.892/m^2 for irrigable land and other land, respectively, which averaged TRY 8.97/m^2 due to a higher proportion of irrigable land.

The court requested additional pricing analysis, including further comparisons to pricing factors used in other regions. The initial hearings have been completed for all open court cases, and pricing experts have visited more than 97% of the land area subject to the court cases or approximately 53% of the total project area. Follow up court hearings are scheduled over the next three months. The final decision on the price is made by the judge hearing the court cases.

Once the court determines the price for each parcel of land, the court will then request Aldridge to fund the State's purchase of the land. As noted above, the Company, does not presently have sufficient liquidity to pay for this land. The Company's plans include obtaining additional interim financing to fund its operations. The land acquired through the court will be classified as Treasury land to which Aldridge is granted full access rights in accordance with the key permits received to date and Turkish mining law.

The Company is committed to award former land owners, who previously sold their land to the Company at the initial offer price of TRY 5.1 per m^2, the deferred payment of $1.35 (or approximately TRY 4) per m^2 at the same deferred date. Consequently, the total cost of land is estimated to increase by approximately $10,000,000 compared to the OS.

There is a risk that the price to be determined by the court could exceed the Company's offer price upon title transfer of TRY 5.1 per m^2, or the total offer price of TRY 9.1 per m^2. If the court-determined price exceeds the Company's offer at title transfer of TRY 5.1 per m^2 there may be adverse impact on the Company's short term cash position. A court-determined price greater than TRY 9.1 per m^2 would likely increase total land costs further, depending on the TRY/USD exchange rate at the time.

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

Resource Development

The Company is developing geo-technical and geo-metallurgical programs which include plans for a small infill drilling program that would support the mine plan in the first three years of operations, along with investigating the licence area immediately adjacent to the existing ore body. Confirmatory infill drilling activity is expected to be scheduled after completion of project financing, during the construction period.

EXPLORATION AND OPERATING LICENCES IN TURKEY

As at September 30, 2016, and the date of this report, the Company holds one operational licence for the Yenipazar Property and no other exploration licences. Prior to 2015, the Company held a number of exploration licences in different regions in Turkey, which were evaluated and either abandoned or sold.

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

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

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2016 and September 30, 2015:

	Three Months Ended September 30 2016	Three Months Ended September 30 2015	Nine Months Ended September 30 2016	Nine Months Ended September 30 2015
EXPENSES				
General and administrative	**$ 1,613,399**	$ 943,062	**$ 3,312,169**	$ 3,117,680
	(1,613,399)	(943,062)	**(3,312,169)**	(3,117,680)
OTHER (EXPENSES)/INCOME	**(16,854)**	(750,159)	**(6,876)**	(1,298,724)
Net loss for the period	**$ (1,630,253)**	$ (1,693,221)	**$ (3,319,045)**	$ (4,416,404)

During the nine months ended September 30, 2016 the Company incurred net losses from continuing operations of $3,319,045 as compared to net losses of $4,416,404 during the comparable period in the prior year. The decreased expenses mainly relate to salaries and benefits and foreign exchange losses in the comparable period in the prior year. Other income in the nine months ended September 30, 2015 was due primarily to foreign exchange gains related to differences in the USD reporting currency vs. the CAD functional currency of the Canadian legal entity. On January 1, 2016, the functional currency for the Canadian legal entity changed to USD and thereby eliminated most of the translation variances.

MINERAL PROPERTY UNDER DEVELOPMENT

The Company's primary focus in 2016 and 2015 was to advance the Yenipazar Project in Turkey. Consequently, its capitalized expenditures on mineral property under development were as follows:

	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				
Depreciation	**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 Plan 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
Total exploration and evaluation expenditures	**756,166**	1,374,280	**2,333,641**	4,084,319

During the third quarter ended September 30, 2016 the expenditures on mineral property under development relating to the Yenipazar Project decreased by $1,750,678 to $2,333,641 compared to the same period last year. The decreased expenses mainly relate to the value engineering activities and drilling that occurred in Q2 2015, but were not required this year and the reduction in staff, including the September 2015 resignation of the VP Project Development.

General and Administrative Expenses

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

	Three Months Ended September 30, 2016 ($)	**Three Months Ended September 30, 2015 ($)**	**Year over Year Change ($)**	**Nine Months Ended September 30, 2016 ($)**	**Nine Months Ended September 30, 2015 ($)**	**Year over Year Change ($)**
Amortization	**30,409**	23,801	6,608	**90,763**	54,191	36,572
Directors' fees and expenses	**40,391**	56,874	(16,483)	**125,676**	151,620	(25,944)
Office and sundry	**116,564**	122,192	(5,628)	**339,757**	406,469	(66,712)
Professional fees	**937,835**	126,917	810,918	**1,250,460**	560,290	690,170
Salaries and benefits	**411,061**	491,288	(80,227)	**1,228,639**	1,438,652	(210,013)
Shareholder information	**20,724**	24,846	(4,122)	**80,916**	165,548	(84,632)
Stock-based compensation	**34,804**	37,099	(2,295)	**86,698**	159,937	(73,239)
Transfer and filing	**4,725**	146	4,579	**22,299**	23,481	(1,182)
Travel and promotion	**16,886**	59,899	(43,013)	**86,961**	157,492	(70,531)
General and administrative	**1,613,399**	943,062	670,337	**3,312,169**	3,117,680	194,489

Additional comments on individual expense item changes follow:

- Office and sundry expenses decreased by $5,628 and $66,712 during the three and nine months ended September 30, 2016 as compared to the same periods prior year, mainly due to having fewer staff and the strengthening of USD against CAD and TRY.
- Professional fees increased by $810,918 and $690,170 during the three and nine months ended September 30, 2016 as compared to the corresponding periods in the prior year due to additional legal fees incurred during complete and full repayment of Orion and project financing activities.
- Salaries and benefits decreased by $80,227 and $210,013 during the three and nine months ended September 30, 2016 as compared to the same periods in the prior year, mainly due to staff terminations later in 2015.
- Shareholder information costs decreased by $4,122 and $84,632 during the three and nine months ended September 30, 2016 when compared to the three and nine months ended September 30, 2015 primarily due to a reduction in investor relations consulting activities.
- Stock-based compensation decreased by $73,239 for the third quarter ended September 30, 2016 as compared to the prior year mainly because of the timing of stock option awards.

The Company recognizes that the uncertain capital markets may require the Company to manage its spending to facilitate a potentially longer project financing process. As a result, the Company may take further actions to manage expenses in Turkey and Canada, including reducing and re-assigning staff and reducing professional fees and other expenses as necessary.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters. Net losses are mainly driven by the Company's expenditures on exploration and evaluation activities at Yenipazar.

Quarterly period ended	Total revenues $	Loss before taxes $	Loss before taxes per share $	Net income (loss) $	Net income (loss) per share $	Total Assets $
September 30, 2016	Nil	(1,630,253)	(0.02)	(1,630,253)	(0.02)	47,170,970
June 30, 2016	Nil	(952,087)	(0.01)	(952,087)	(0.01)	30,711,251
March 31, 2016	Nil	(736,705)	(0.01)	(736,705)	(0.01)	30,711,621
December 31, 2015	Nil	(863,594)	(0.01)	(863,594)	(0.01)	30,814,033
September 30, 2015	Nil	(1,693,221)	(0.02)	(1,693,221)	(0.02)	26,359,752
June 30, 2015	Nil	(1,218,202)	(0.01)	(1,218,202)	(0.01)	24,280,358
March 31, 2015	Nil	(1,504,981)	(0.01)	(1,504,981)	(0.01)	24,827,014
December 31, 2014	Nil	(702,760)	(0.01)	(702,760)	(0.01)	25,829,329

Note: The Company has no history of declaring dividends.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at September 30, 2016 totaled $2,793,638 (December 31, 2015 - $8,520,566). At September 30, 2016, the Company had a working capital (current assets less current liabilities) of $6,151,126 as compared to negative working capital of $10,005,830 as at December 31, 2015, an increase of $16,156,956. This significant swing to positive working capital results from the repayment of the Orion Loan in September 2016 with proceeds from the BKT Loan, which matures in September 2018.

As of November 25, 2016, the Company had total available cash of approximately $1,750,000.

The following is a detailed discussion on the 2016 re-financing with BKT, operating and investing activities of the Company up to the date of this report.

Financing Activities: For the nine months ended September 30, 2016 net cash inflows arising from financing activities totaled $8,957,012 as compared to cash inflows of $2,500,000 for the nine months ended September 30, 2015. For the nine months ended September 30, 2016, cash inflow mainly consisted of $2,000,000 drawn down under the Orion Loan and its re-financing with BKT.

On September 16, 2016, the Company entered into the BKT Loan pursuant to which BKT 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 accessible of approximately $33,670,000. BKT made an initial advance, on September 16, 2016, of $30,000,000 less financing costs (net proceeds of $29,538,500), of which $3,486,314 was restricted until security was registered, in October, in favour of BKT. Approximately $23,213,000 of the initial advance was used to fully repay amounts owing by Aldridge under the Orion Loan, with the balance to be used to fund its ongoing land acquisition process for its Yenipazar Project and working capital requirements.

As at September 30, 2016, all security previously registered to Orion pursuant to the terms of the Orion Loan had been formally released. As a result, the security pledges required by the terms of the BKT Loan were registered by October 14, 2016.

In November 2016, BKT notified the Company that BKT was not in a position to advance the remaining available principal of $3,670,000. As discussed above, the Company is actively engaged in discussions with representatives of BKT with a view to obtaining the final advance under the BKT Loan. However, there can be no assurance that the Company will obtain all or any portion of the remaining principal available under the BKT Loan in the near term or at all (see "Highlights, Outlook and Selected Financial Information – Highlights – Debt Facility Refinancing"). In the circumstances, the Company has elected to temporarily suspend the voluntary LAP, which may affect the timing and cost of obtaining other sources of funding in the near term.

Should BKT continue to refuse to make further advances under the BKT Loan, the amount of new funding required to support the Company's planned activities will increase. These activities include the completion of land acquisition, project development and general working capital needs. The Company is actively looking for alternative sources for financing to ensure sufficient cash is available until the larger project financing can be completed.

Critical to the timing of the interim and project financing is the success of the LAP, which is likely to affect the timing of closing such financings. As discussed above, the Company was forced to suspend the LAP due to a lack of liquidity and capital resources. The Company's inability to acquire the land required to develop the Yenipazar Project may have a material adverse effect on its ability to raise interim and project financing. The interim and project financing timing may also be affected by other factors, including the capital markets conditions for junior mining companies, fluctuations in commodity prices, and potential changes to the political environment in Turkey. In addition, although the Company expects to refinance the BKT Loan before it matures, there can be no assurance that it will be successfully refinanced and that sufficient interim and project financing will be obtained in the future to realize the economic value of the Yenipazar Project.

In the meantime, considering the present mining sector and capital markets environment, prospective spending plans will balance short and long term project development plans with a conservative cash management strategy.

Operating Activities: During the third quarter of 2016, cash used in operating activities mainly comprised of general and administrative expenses. Cash used in operating activities for the nine months ended September 30, 2016 totaled $2,426,404 compared to $2,569,357 for the nine months ended September 30, 2015. The Company has various commitments relating to rental office space and to IT support services as indicated in 'Note 14 Commitments' of the 2015 Audited Financials.

Investing Activities: For the nine months ended September 30, 2016 cash outflows arising from investing activities totaled $12,281,919 as compared to cash outflows of $7,845,407 for the third quarter ended September 30, 2015. The cash outflows consisted mainly of net expenditures on the Yenipazar Project that were capitalized to mineral property under development of $1,439,707 and net purchases of property and equipment, consisting primarily of land within the Yenipazar Project, of $6,569,244. A net increase in restricted cash of $4,265,637 consisted of $3,486,314 of the BKT Loan proceeds pending registration of the security required by terms of the loan; $179,323 held as a letter of guarantee for the pasture land conversion fee; and $600,000 held as collateral for the foreign currency hedging facility. Upon the October 14, 2016 completion of the registration of the security for the BKT Loan, the restriction on the use of funds was lifted.

RELATED PARTY TRANSACTIONS

Related party transactions include legal and consulting fees, management fees and compensation paid to key management personnel, and are recorded as either G&A expenses or exploration and evaluation expenditures, depending on their nature. Key management personnel are defined as officers and directors of the Company. Transactions between the Company and its subsidiaries have been eliminated on consolidation and not disclosed.

Amounts owing to key management personnel were $15,111 as at September 30, 2016 (at December 31, 2015, amount owing to key management personnel was - $16,337). Transactions with key management personnel were as follows:

	Three months ended September 30 2016	**Three months ended September 30 2015**	**Nine months ended September 30 2016**	**Nine months ended September 30 2015**
Salaries and benefits [1]	**$ 178,126**	$ 174,712	**$ 533,980**	$ 542,549
Share based payments[1]	**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 various current and former officers and directors of the Company or to companies controlled by such individuals.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company does not have any off-balance sheet arrangements that are likely to have or are reasonably likely to have a material current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that have not been disclosed in the Company's Q3 2016 Financial Statements.

Additional disclosure concerning the Company's contractual obligations is provided in Note 14 "Commitments" contained in the 2015 Audited Financials.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of September 30, 2016 consist of cash and cash equivalents, receivables, trade and other payables, financial derivatives and borrowings. The Company's financial instruments are denominated primarily in USD, CAD, EUR and TRY.

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

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

Interest rate risk is generally associated with the Company's cash balances that are invested in fixed interest investment-grade short-term deposit certificates and overnight deposits. During the third quarter September 30, 2016, the Company recorded interest income of $57,397 and interest expense of $2,347,107 before interest capitalization to mineral property and land. Future net cash flows from interest income on cash and cash equivalents and interest expense on variable rate borrowings will be affected by interest rate fluctuations. The Company closely monitors prevailing interest rates and will take appropriate mitigating actions should interest rate risk become material.

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

Net foreign exchange loss of $113,188 and a loss of $61,144 for the three and nine months ended September 30, 2016, compared to the loss of $719,088 and $1,228,178 for the same prior year periods. The 2016 was related primarily to the impact of a weakening of USD against CAD and TRY. The Company will take the necessary steps, including cash flow hedging, to manage any foreign exchange risks with respect to its US-denominated borrowings in accordance with its foreign exchange risk management policy.

SHARE CAPITAL AS AT NOVEMBER 29, 2016

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

The Company has a Stock Option Plan (the "Plan") to promote the interests of the Company to assist the Company in attracting, retaining and motivating its directors, officers, employees and consultants by providing greater incentive to further develop and promote the business and financial success of the Company. The maximum number of shares that may be issuable pursuant to the options granted under the Plan is 10% of the Company's issued share capital, or as at November 29, 2016, 10,695,588 common shares.

As at November 29, 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	0.25
March 24, 2017	0.42	370,000	351,250	0.32
March 28, 2017	0.64	203,000	203,000	0.33
November 26, 2018	0.20	1,255,000	1,255,000	1.99
April 7, 2019	0.24	1,000,000	750,000	2.35
December 18, 2019	0.20	2,858,438	1,770,938	3.05
March 26, 2020	0.20	750,000	375,000	3.32
June 1, 2020	0.20	200,000	100,000	3.51
December 15, 2020	0.17	500,000	125,000	4.05
September 20, 2021	0.29	807,000	201,750	4.81
	0.24	**8,018,438**	**5,206,938**	**2.85**

As at November 29, 2016 there were no unexercised warrants outstanding, due to the expirations noted in the table below:

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

RISK FACTORS

The Company's principal activity of mineral exploration and development is considered to be very high risk and the mining industry in general is intensely competitive in all its phases. Companies involved in this industry are subject to many and varied types of risks, including but not limited to, environmental, commodity prices, political and economic. The section entitled "Risk Factors" in the 2015 Annual MD&A identifies numerous risk factors including the following, which have been updated to the date of this report:

Financing and Dilution: The Company's historical capital needs have been met primarily by the issuance of common shares and, beginning in September 2014, by the issuance of debt. Although the Company expects to refinance the BKT Loan before it matures in September 2018, there can be no assurance that it will be successfully refinanced. The Company is actively engaged in discussions with BKT to obtain the approximately $3,670,000 in available principal pursuant to the BKT Loan (see "Highlights, Outlook and Selected Financial Information – Highlights – Debt Facility Refinancing"). Should BKT continue to refuse to make further advances under the BKT Loan, the amount of new funding required to support the Company's planned activities will increase. These activities include the completion of land acquisition, project development and general working capital needs. The Company will require substantial additional funds to further explore and develop its properties. The Company has limited financial resources and no current source of recurring revenue. The junior resource market where the Company raises funds is extremely volatile, companies are subject to high level of competition for the same pool of investment dollars, and there is no guarantee that the Company will be able to raise adequate funds in a timely manner to conduct its business. The Company will require external financing or may need to enter into a strategic alliance or joint venture to develop its mineral properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

Land Acquisition: Although the Company owns the mineral rights to the Yenipazar Project, it must acquire surface rights to the land within the fence-line in order to proceed with mine development and construction. The successful completion of the LAP is likely a condition precedent to drawdown on debt financing and may affect the timing of the closing of interim and project financing. Factors such as pricing, unmotivated landowners, prolonged negotiations and procedural and administrative delays in government-assisted land acquisition, including the judicial process, may result in higher costs and an extended LAP. The Company recently suspended its LAP due to lack of liquidity (see "Highlights, Outlook and Selected Financial Information – Highlights – Debt Facility Refinancing"). The Company's inability to acquire the land required to develop the Yenipazar Project may have a material adverse effect on its ability to raise interim and project financing.

QUALIFIED PERSONS

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

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company's accounting policies and significant estimates and judgments are described in Note 2 to the 2015 Audited Financials.

ACCOUNTING STANDARDS AND AMENDMENTS ISSUED

Amendments to accounting standards adopted and not yet adopted are described in Note 2 of the 2015 Audited Financials and Q3 2016 Financial Statements.

INTERNAL CONTROL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

Management of the Company is responsible for the design, implementation and monitoring of effective internal controls over financial reporting (as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of audited consolidated financial statements in accordance with IFRS. Management has established processes which are in place to provide the Company's certifying officers with sufficient knowledge to support management representations to confirm that reasonable diligence has been exercised that (i) the Consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited consolidated financial statements; and (ii) the Consolidated financial statements fairly present in all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the Consolidated financial statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, the estimation of mineral reserves and mineral resources, realization of mineral reserves and resource estimates, costs and timing of development of the Company's projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with investments in publicly listed companies, such as the Company; risks associated with general economic conditions; the risk that funding will not be available in the near term on terms acceptable to the Company or at all, for the ongoing development of the Company's Yenipazar Project and working capital; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in currency exchange rate; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; conflicts of interest of certain directors of the Company; inability to effect service of process or to enforce judgments within Canada upon and against the directors and officers of the Company and certain experts; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cash flow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; risks that the current inferred resource at the Yenipazar Project will not be converted to a sufficient amount of indicated or measured resources to warrant development; risks that the hydrogeological characteristics at the Yenipazar Project will not permit an adequate extraction rate; general risks associated with the feasibility and development of each of the Company's projects; risks of being unable to sell production in the event of the development of a project; foreign investment risks in Turkey; changes in Turkish laws or regulations; future actions by the Turkish government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel; retention of key employees; absence of dividends; competition; and the other risks and uncertainties set forth in this report.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities; the timely receipt of required approvals; the prices of lithium and potash; the ability of the Company to operate in a safe; efficient and effective manner; and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.