



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

**For the Three and Six Months Ended June 30, 2017  
(As of August 9, 2017)**

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*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 August 9, 2017 and should be read in conjunction with the condensed consolidated interim financial statements and the related notes for the three and six months ended June 30, 2017 (the “Q2 2017 Financial Statements”), and the audited consolidated financial statements and the related notes (the “2016 Audited Financials”) and MD&A for the year ended December 31, 2016 and dated March 23, 2017 (the “2016 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](http://WWW.SEDAR.COM) and on the Company’s website at [WWW.ALDRIDGEMINERALS.CA](http://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). The functional currency of the new subsidiary in Cayman Islands, which was incorporated in February 2016, is USD. **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. The Company’s wholly-owned subsidiary, Aldridge Minerals Madencilik Ltd. Sti. (“Aldridge Turkey”) 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**

**Financing** – On June 20, 2017, the Company announced it had closed its non-brokered \$5,000,000 private placement (the “Private Placement”), which was previously announced on May 29, 2017. Pursuant to the Private Placement, the Company issued an aggregate 33,333,333 common shares (“Common Shares”) of the Company at \$0.15 (or approximately CAD\$0.20) per Common Share for aggregate gross proceeds of \$5,000,000 to Mr. Ahmet Taçyildiz, the Chairman and controlling shareholder of ANT Holding Anonim Sti. (“ANT”) and a director of the Company.

Following the closing of the Private Placement, ANT and its wholly-owned subsidiaries, together with Mr. Taçyildiz, owns, or exercises control or direction over, a total of 66,617,442 Common Shares or approximately 47.4% of the outstanding Common Shares. As Orion now owns less than 10% of the Company’s outstanding shares, Orion no longer maintains anti-dilution rights or a right to nominate an individual to the Aldridge board of directors. As a result, Robert Bell, who was Orion’s nominee, has resigned as a director of the Company.

Aldridge intends to use the net proceeds of the Private Placement to fund the completion of the Yenipazar Project land acquisition process, progress project development and for general corporate purposes.

**Land Acquisition** – 93.1% of the Yenipazar Project area of 9,495,649 m<sup>2</sup> at August 8 2017 is either owned by the Company or is treasury land. The court has issued its Final Price Decision, on another 4.6%, which after completion of the land office’s routine administrative process to formally transfer the land titles to treasury, increases the land accessible to the Company to approximately 97.7% of the Yenipazar Project area.

As noted in the following table, at June 30, 2017 and at August 8, 2017, the total of treasury land plus land owned by the Company was 8,723,341 m<sup>2</sup> or 91.9%, and 8,836,380 m<sup>2</sup> or 93.1%, respectively, of the Yenipazar Project area of 9,495,649 m<sup>2</sup>.

	At June 30, 2017			At August 8, 2017		
	Land Parcels	Land Area (m <sup>2</sup> )	% of Project	Land Parcels	Land Area (m <sup>2</sup> )	% of Project
Land Parcel Ownership						
Treasury – wholly-owned	85	1,226,186	12.9%	90	1,291,506	13.6%
Treasury – partially-owned	0	24,891	0.3%		72,312	0.8%
Aldridge – wholly-owned	433	6,785,443	71.5%	433	6,785,443	71.5%
Aldridge – partially-owned, with balance in Treasury–partially-owned	11	133,172	1.4%	18	276,639	2.9%
<b>Wholly-owned Private &amp; Treasury</b>	<b>529</b>	<b>8,169,692</b>	<b>86.1%</b>	<b>541</b>	<b>8,425,900</b>	<b>88.8%</b>
Aldridge – partially-owned	46	553,649	5.8%	39	410,182	4.3%
<b>Land Title Owned &amp; Right to Use</b>	<b>575</b>	<b>8,723,341</b>	<b>91.9%</b>	<b>580</b>	<b>8,836,082</b>	<b>93.1%</b>
Remaining to purchase – partially- owned (same number of parcels as above)		300,509	3.2%		253,088	2.7%
Remaining to purchase – wholly- owned	26	423,461	4.4%	21	358,141	3.7%
Pasture land-application in progress	2	48,338	0.5%	2	48,338	0.5%
<b>Outstanding Required Land</b>	<b>28</b>	<b>772,308</b>	<b>8.1%</b>	<b>23</b>	<b>659,567</b>	<b>6.9%</b>
<b>Yenipazar Project Area</b>	<b>603</b>	<b>9,495,649</b>	<b>100.0%</b>	<b>603</b>	<b>9,495,649</b>	<b>100.0%</b>

The State-led compulsory sale process and court hearings related to 764,140 m<sup>2</sup> of land have progressed well in the last few months. Court decisions resulted in land title transfers to treasury land of 40,170 m<sup>2</sup> in June and 112,742 m<sup>2</sup> in July, which are included in the amounts in the table above. In addition, Final Price Decisions were rendered on 445,010 m<sup>2</sup>, which, upon completion of the administrative task of transferring the land titles to treasury land, increases the total of land owned and treasury land to 97.7% of the Yenipazar Project area. In accordance with the mining regulations, the Company's mining licenses provide the legal right to use land designated as treasury land for the Company's mining operations.

The court decision status of the remaining land to be transferred to treasury land is summarized as follows:

<b>Land Titles owned &amp; Treasury Land – as at August 8, 2017</b>	<b>8,836,082</b>	<b>93.1%</b>
<b>Remaining Court Case Progress at August 8, 2017:</b>		
- Final Price Decision issued (awaiting title transfer to treasury)	445,010	4.6%
	<b>9,281,092</b>	<b>97.7%</b>
- Initial Price Payment Decision issued (awaiting Final Price Decision)	166,219	1.8%
	<b>9,447,311</b>	<b>99.5%</b>
<b>Pasture Land</b> awaiting approval for conversion to Treasury land	48,338	0.5%
<b>Yenipazar Project Area</b>	<b>9,495,649</b>	<b>100.0%</b>

The Company is pleased with the progress in 2017 of the State-led compulsory sale process and court hearings, since the court hearings process moved through the following stages:

- 1) Obtaining expert price reports for each land parcel, which resulted in prices of approximately TRY 6.19 per square meter for irrigated land and TRY 3.05 per square meter for non-irrigated land, with adjustments for the value of trees or other items on the parcels.
- 2) The Court issues its initial Price Payment Decisions, based on the latest expert pricing reports.
- 3) The Company pays to the Court the value of the land based on the court issued Price Payment Decisions.
- 4) The land owner may file objections to the pricing used in the Price Payment Decisions.
- 5) The Court reviews any objections filed and may hold one or more additional hearings to address the objections.
- 6) The Court issues a Final Price Decision, which authorizes the land office to transfer the land title to treasury land. This court decision announcement is followed by the issuance of the related Court Report.
- 7) Upon receipt of the Final Price Decision Court Report, the land office's administrative practice is to transfer the land title to treasury land and confirm the payment to the original landowner.

The original landowner may appeal the Final Price Decision to a higher court, but cannot appeal the land title transfer to treasury.

The Turkish Civil Code protects each land owner's right to use partially-owned private land, such that a change in use from the present agricultural use to mine construction would require consent from all owners of a specific land parcel. Consequently, land parcels partially-owned by Aldridge would not be available to begin construction of the Yenipazar Project until either consent from other owners was received or the balance of the land parcel ownership was acquired by Aldridge, or by the State and classified as 'treasury' via the State-led compulsory sale process, which is in progress.

The Company expects that the land acquisition will be completed in 2017 within the Company's current capital expenditure budget for land.

## **STRATEGY AND OUTLOOK**

The Company's short-term focus is on supporting the State-led compulsory sale process in order to complete the land acquisition process, and on the evaluation of project financing and strategic transaction alternatives required to maximize value for Aldridge shareholders. The Company's plans include the following:

**Land Acquisition** – The Company expects the land acquisition to be completed in 2017 primarily through the State-led compulsory sale process whereby, as of August 8, 2017, the Company is awaiting the Final Price Decisions by court on approximately 166,219 m<sup>2</sup> of land and expects approximately 445,010 m<sup>2</sup>, for which the court has already issued Final Price Decisions, to be reclassified as treasury land by the land office in the near future. In addition, the government office is expected to approve the conversion of two pasture land parcels of 48,338 m<sup>2</sup> (0.5%) to treasury

land. Upon the classification as treasury land, the Company will have full access rights in accordance with the key permits received to date and Turkish mining law.

There are inherent procedural risks outside of the Company's control, such as government approval of the pasture land conversion to treasury land; the court proceedings required to issue a final land price; and court hearings to address land owner objections and appeals regarding the land price (see "Risk Factors"), which may result in the remaining land acquisitions being delayed.

**Financing** – The Company has engaged a financial advisor to assist it in evaluating project financing alternatives and strategic transaction options, which may include senior and subordinated debt, equity, metal streams, off-take agreements and joint venture or other strategic transactions.

**Engineering and Project Development** - The Company plans to advance the Project in the second half of 2017 by continuing to evaluate its engineering design and its construction readiness strategies. The extent of the project development, including risk assessment and management, will be affected by the present and potential corporate and financing strategies.

## MARKET OVERVIEW

The Company's financing efforts are affected by the time required to complete the LAP and the capital markets for junior mining companies.

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 2017 commodity prices fluctuated as indicated in the chart below:

January 1 to June 30, 2017						Spot 31-Jul-17	Optimization Study 23-May-14
Price Range							
		Low	High	Close	Average		
Gold	\$/oz.	1,151	1,293	1,242	1,239	1,268	1,250
Silver	\$/oz.	15.95	18.56	16.47	17.34	16.76	20.00
Copper	\$/lb.	2.75	3.07	2.95	2.87	2.87	3.00
Lead	\$/lb.	1.00	1.22	1.14	1.12	1.05	0.94
Zinc	\$/lb.	1.27	1.49	1.38	1.34	1.27	0.90

Source: [www.kitco.com](http://www.kitco.com); <https://www.lme.com/>

The Company's assessment is that Turkey is a mining-friendly jurisdiction based on the key reforms to its mining regulations in 2010 and its investment incentive programs. This is most recently supported by neighbouring mines achieving major milestone advancement, such as Alamos Gold's success in receiving its forestry permits for the Kirazli Project. Aldridge has successfully worked within the Turkish regulatory environment for more than ten years. 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.

Over one year ago, 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. On April 16, 2017, Turkey held a referendum and 51% of voters approved the proposal to modify Turkey’s constitution. To date, the changes in Turkey’s political environment has not had a significant impact on the Company’s current or future operations.

Fluctuations in foreign exchange rates may impact the cost of the Company’s operations and estimated capital and operating expenditures for the Yenipazar Project. Operating expenses in each of the Company’s entities in Canada (CAD), Turkey (TRY), The Netherlands (EUR) and the Cayman Islands (KYD) are predominately incurred in the local currencies, with the exception of certain consulting or engineering contracts denominated in USD. The majority of the Yenipazar Project’s estimated capital expenditures are expected to be in USD, with up to approximately 25% to be denominated in TRY (including the portion of the land cost incurred in TRY). Depending on competitive bids, some capital expenditures may be denominated in EUR. The following chart provides representative exchange rates compared to rates used in the Optimization Study:

January 1 to June 30, 2017 Exchange Rates						Spot	Optimization Study
From	To	High	Low	Average	Close	31-Jul-17	24-May-14
USD	TRY	3.869	3.498	3.633	3.521	3.524	2.100
USD	EUR	0.959	0.875	0.924	0.875	0.850	0.890
USD	CAD	1.374	1.298	1.334	1.298	1.248	1.090

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

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 Cumulative Total
Country	2014	2015	2016	
USA	1.60%	0.10%	2.10%	3.83%
Canada	1.50%	1.60%	1.50%	4.67%
Turkey	8.17%	8.81%	8.53%	27.7%

Sources: USA <http://www.turkstat.gov.tr> CPI-U average  
<http://www.usinflationcalculator.com/inflation>  
 Canada [www.bankofcanada.ca/rates/price-indexes/cpi/](http://www.bankofcanada.ca/rates/price-indexes/cpi/)  
 Turkey <http://www.turkstat.gov.tr> <http://www.tcmb.gov.tr>

The CPI in Turkey increased by 10.9% year-on-year in June of 2017, following a 11.72% rise in the previous month. Since January, 2017 the monthly year to year CPI increase has fluctuated between 9.2% in January and 11.87% in April, 2017. Currently, the Company's operations have not experienced any material adverse effects resulting from changing domestic input prices.

### **Selected Financial Information**

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

	<b>YEAR ENDED AND AS AT DECEMBER 31, 2016</b>	<b>YEAR ENDED AS AT DECEMBER 31, 2015</b>	<b>YEAR ENDED AND AS AT DECEMBER 31, 2014</b>
Loss before income tax and discontinued operations	\$ (4,418,102)	\$ (5,279,998)	\$ (3,191,177)
Net loss	<b>(4,418,102)</b>	(5,279,998)	(3,191,177)
Net loss per share	<b>(0.04)</b>	(0.05)	(0.04)
Cash and cash equivalents	<b>4,289,055</b>	8,520,566	14,331,409
Working capital <sup>(i)</sup>	<b>4,132,470</b>	(10,005,830)	14,103,639
Total assets	<b>51,138,630</b>	30,814,033	25,829,329
Total non-current liabilities <sup>(ii)</sup>	<b>42,577,599</b>	126,974	8,445,579

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

<sup>(ii)</sup> Total non-current liabilities exclude deferred revenue and environmental rehabilitation provision.

The following table provides selected consolidated financial information that should be read in conjunction with the Q2 2017 Financial Statements of the Company.

	<b>SIX MONTHS ENDED AND AS AT JUNE 30, 2017</b>	<b>SIX MONTHS ENDED AND AS AT JUNE 30, 2016</b>	<b>YEAR ENDED AND AS AT DECEMBER 31, 2016</b>
Loss before income tax and discontinued operations	\$ (1,190,248)	\$ (1,688,792)	\$ (4,418,102)
Net loss	<b>(1,190,248)</b>	(1,688,792)	<b>(4,418,102)</b>
Net loss per share	<b>(0.01)</b>	(0.02)	<b>(0.04)</b>
Cash and cash equivalents	<b>4,999,772</b>	3,607,954	<b>4,289,055</b>
Working capital <sup>(iii)</sup>	<b>4,311,164</b>	(15,670,335)	<b>4,132,470</b>
Total assets	<b>58,101,013</b>	30,711,251	<b>51,138,630</b>
Total non-current liabilities <sup>(iv)</sup>	<b>45,528,657</b>	174,892	<b>42,577,599</b>

<sup>(iii)</sup> Working capital equals current assets less current liabilities, and is a non-GAAP measure used by management.

<sup>(iv)</sup> Total non-current liabilities exclude deferred revenue and environmental rehabilitation provision.

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

	<b>THREE MONTHS ENDED JUNE 30, 2017</b>	<b>THREE MONTHS ENDED JUNE 30, 2016</b>	<b>SIX MONTHS ENDED JUNE 30, 2017</b>	<b>SIX MONTHS ENDED JUNE 30, 2016</b>
Yenipazar Project, Turkey	\$ 607,029	\$ 752,534	\$ 1,191,486	\$ 1,577,475
<b>Total Exploration &amp; Evaluation</b>	<b>\$ 607,029</b>	<b>\$ 752,534</b>	<b>\$ 1,191,486</b>	<b>\$ 1,577,475</b>

## OVERVIEW OF PROJECTS AND INVESTMENTS

The Company's key property and primary focus is the Yenipazar Property in Turkey.

### 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 9,495,649 m<sup>2</sup> of land within the project fence line, of which 8,236,404 m<sup>2</sup> was originally privately owned. The majority of the remaining 1,259,245 m<sup>2</sup> (or approximately 13% of the required land) is government-owned treasury (12.5%) or pasture land (0.5% - to be reclassified as treasury land) which the Company will be authorized to use for mining pursuant to the Yenipazar Operating Licence. The court hearing stage of the State-led compulsory land sale process is expected to result in the conversion of privately owned land of approximately 764,000 m<sup>2</sup> or 8%, to treasury land. As at June 30, 2017, court decisions have resulted in approximately 40,170 m<sup>2</sup> or 0.5% of private land being converted to treasury land.

The Company's expenditures on the Yenipazar Project (excluding land) decreased by \$385,989 during the six months ended June 30, 2017 to \$1,191,486 as compared to the six months ended June 30, 2016. The decrease was mainly driven by reductions in engineering consulting fees and interest capitalization. The total cost of mineral property under development at June 30, 2017 was \$15,778,780. In addition, land costs to date were \$35,799,878, which includes capitalized interest of \$5,360,700 and accruals for deferred land payments of \$10,251,240, or \$1.35/m<sup>2</sup>.

### 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 Mineral Madencilik Limited Sirketi, 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 Yenipazar Project’s EIA Permit, which remains effective for the life of mine subject to the conditions of the permit. In addition, Aldridge received the GSM Permit in Q2 2014 (local operating permit, without an expiry date, that is 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 documents in place, the Company will proceed in due course with the applications for routine construction and other ancillary permits.

While the Company advances the Project towards development and production, the Company operates under a temporary shutdown permit, renewed annually. This regulation is intended to promote development of permitted properties, by requesting holders of permits to demonstrate they are developing the properties. The previous annual operating reports on which the permit approval was based included such activities resulting in completion of the Feasibility Study Optimization Study, and land acquisition. The temporary shutdown permit was recently renewed and it expires on February 22, 2018.

#### ***DEVELOPMENT ACTIVITIES***

The Optimization Study results announced in April 2014 (‘OS’) 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 OS contains a financial model incorporating changes to the capital and operating costs and revised base case metal prices compared to the Feasibility Study.

The robust project economics, as estimated in the OS, may have been affected by various cost changes and developments since the OS was filed on SEDAR in May 2014. Future economic analysis may consider the potential net economic impact of a number of items or changes since May 2014, as described more fully in the MD&A for the year ended December 31, 2016 and the MD&A for the six months ended June 30, 2017. The changes and developments relate to the following areas or issues:

- Land Acquisition Process (from September 2014 to present)

- Off-take agreements with Orion for gold production and lead concentrate (September 2014). (On June 5, 2017, Osisko Gold Royalties Ltd. announced it had acquired Orion’s gold off-take agreement with Aldridge as part of a larger transaction with Orion.)
- Value Engineering and Construction Planning (November, 2014 to April, 2015)
- Turkey Government Royalty Rate Change (February 2015) Investment Incentive Certificate (“IIC”) Approval (July 2015)
- Financial Variables - Commodity Prices, Foreign Exchange Rates, Inflation and Cost Escalation (OS to present)
- Pre-production Capital Expenditures (CAPEX)

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.

<b>Economic Highlights</b>	<b>Optimization Study (OS)</b>		
	<b>23-May-14</b>		
<b>Capital Expenditures</b> (Pre-production)			\$ 230 million
<b>Sustaining Capital</b>			\$ 17 million
<b>Operating Expenditures</b> per tonne of ore			\$ 29.65
<b>Revised Base Case Metal Prices</b>			
	Gold	- \$/oz.	1,250.00
	Silver	- \$/oz.	20.00
	Copper	- \$/ lb.	3.00
	Lead	- \$/ lb.	0.94
	Zinc	- \$/ lb.	0.90
<b>IRR</b>	(after-tax):		<b>32.2%</b>
<b>NPV7</b>	(after-tax):		\$ 330 million
<b>Payback</b>	(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.

### **Land Acquisition**

The Yenipazar Project land area is approximately 9.496 square kilometres, including approximately 1.211 square kilometres of treasury and 0.048 square kilometres of pasture land 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 has not involved any relocation or resettlement of people. Pursuant to the mining regulations, Aldridge has the legal right to access the State's treasury land within the approved fence line.

At June 30, 2017, the total of treasury land plus land owned by the Company was 8,723,341 m<sup>2</sup> or 91.9% of the Yenipazar Project area of 9,495,649 m<sup>2</sup>. Beginning in March, the Company's land acquisition process ('LAP') was focused on the ongoing State-led compulsory sale process and court hearings. The 'Highlights' section beginning on page 3 of this report provides additional information, including tables that quantify the status of the LAP.

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.

As at June 30, 2017 approximately 91.9% of the total project area had been acquired for a cost of \$35,799,878, which includes capitalized interest of \$5,360,700 and an accrual for deferred payments of \$10,251,240 (based on \$1.35/m<sup>2</sup> land acquired by Aldridge).

Acquisition of most of the remaining required land is expected to be achieved primarily through the State-led compulsory LAP court process, with 0.5% resulting from a separate process to reclassify pasture land to treasury land. The court process is described in the 'Highlights' section beginning on page 3 of this report. The Company expects the land acquisition will be completed in 2017 within the Company's current capital expenditure budget for land.

The Company is committed to award former land owners, who sold their land to the Company before July 2016 at the initial offer price of TRY 5.1/m<sup>2</sup>, the deferred payment of \$1.35/m<sup>2</sup> at the same deferred date (i.e. prior to construction starting) and the additional payments contingent upon when the deferred payment is made.

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.

### ***EXPLORATION AND OPERATING LICENCES IN TURKEY***

As at June 30, 2017, and the date of this report, the Company holds one operational licence for the Yenipazar Property and no additional 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. Reports received to date from Kenz indicate spending of approximately \$1,420,000 through June 30, 2017. In June 2017, the Company negotiated, with Kenz, to extend the evaluation period and agreement by two years to June 30, 2019, subject to an additional \$50,000 payment that was received in June 2017. As a result, the \$250,000 fee payable to exercise the option on the licenses is due on June 30, 2019.

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

## **RESULTS OF OPERATIONS**

*For the three and six months ended June 30, 2017 and June 30, 2016:*

	<b>THREE MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>JUNE 30,</b>	<b>JUNE 30,</b>	<b>JUNE 30,</b>	<b>JUNE 30,</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>EXPENSES</b>				
General and administrative	\$ 652,021	\$ 879,138	\$ 1,297,208	\$ 1,698,770
	\$ (652,021)	(879,138)	(1,297,208)	\$ (1,698,770)
<b>OTHER EXPENSES / INCOME</b>	<b>83,797</b>	<b>(72,949)</b>	<b>106,960</b>	<b>9,978</b>
Net loss for the period	\$ (568,224)	\$ (952,087)	\$ (1,190,248)	\$ (1,688,792)

During the six months ended June 30, 2017 the Company incurred net losses from continuing operations of \$1,190,248 as compared to net losses of \$1,688,792 during the comparable period in the prior year. The decrease in general administrative expenses is primarily due to the decrease in professional fees, travel, office and staff expenses as a result of efforts by the Company to continue to prudently manage its cash resources.

**MINERAL PROPERTY UNDER DEVELOPMENT**

The Company's primary focus in 2017 and 2016 was to advance the LAP and other development activities for its Yenipazar Project in Turkey. Consequently, its capitalized expenditures on mineral property under development were as follows:

	<b>THREE MONTHS ENDED JUNE 30, 2017 (\$)</b>	<b>THREE MONTHS ENDED JUNE 30, 2016 (\$)</b>	<b>SIX MONTHS ENDED JUNE 30, 2017 (\$)</b>	<b>SIX MONTHS ENDED JUNE 30, 2016<sup>(1)</sup> (\$)</b>
<b>Yenipazar Property</b>				
Depreciation	15,579	19,969	32,355	40,052
Engineering consulting	45,320	63,605	93,193	224,877
Environmental consulting	1,655	-	5,155	4,000
Land acquisition plan and development	38,510	62,422	78,310	106,809
Permitting	1,145	(1,469)	16,785	27,156
Employee costs	246,887	284,441	457,967	564,060
Community relations	11,345	23,393	22,246	25,704
Travel	6,967	32,512	16,159	37,720
Vehicles and equipment maintenance	15,660	11,364	27,985	20,731
Interest capitalization	207,800	253,088	411,804	508,227
Camp costs	9,827	2,427	20,907	16,355
Other	6,334	782	8,620	1,784
<b>Total exploration and evaluation expenditures</b>	<b>607,029</b>	<b>752,534</b>	<b>1,191,486</b>	<b>1,577,475</b>

<sup>(1)</sup> 2016 mineral property expenses categories are reclassified for comparative purpose.

During the second quarter ended June 30, 2017 the expenditures on mineral property under development relating to the Yenipazar Project decreased by \$385,989 to \$1,191,486 compared to same period in the prior year. The lower expenses mainly relate to the decreased engineering consulting expenses and interest capitalization costs as a result of efforts to preserve cash while seeking additional financing in 2017.

## General and Administrative Expenses

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

	THREE MONTHS ENDED JUNE 30, 2017 (\$)	THREE MONTHS ENDED JUNE 30, 2016 (\$)	YEAR OVER YEAR CHANGE (\$)	SIX MONTHS ENDED JUNE 30, 2017 (\$)	SIX MONTHS ENDED JUNE 30, 2016 (\$)	YEAR OVER YEAR CHANGE (\$)
Amortization	20,060	30,177	(10,117)	43,546	60,354	(16,808)
Directors' fees and expenses	47,581	44,304	3,277	95,002	85,285	9,717
Office and sundry	98,474	114,446	(15,972)	186,342	223,193	(36,851)
Professional fees	107,793	154,508	(46,715)	232,802	312,625	(79,823)
Salaries and benefits	322,707	442,416	(119,709)	603,808	817,578	(213,770)
Shareholder information	15,636	31,017	(15,381)	42,986	60,192	(17,206)
Stock-based compensation	16,732	22,083	(5,351)	33,727	51,894	(18,167)
Transfer and filing	7,362	8,172	(810)	18,306	17,574	732
Travel and promotion	15,676	32,015	(16,339)	40,689	70,075	(29,386)
<b>General and administrative</b>	<b>652,021</b>	<b>879,138</b>	<b>(227,117)</b>	<b>1,297,208</b>	<b>1,698,770</b>	<b>(401,562)</b>

Additional comments on individual expense item changes follow:

- Office and sundry expenses decreased by \$36,851 during the six months ended June 30, 2017 as compared to the prior year, mainly due to reduction in space rental cost and the strengthening of USD against CAD and TRY.
- Professional fees decreased by \$79,823 during the six months ended June 30, 2017 as compared to the corresponding period in the prior year due to restrictions in use of external support services to preserve cash resource.
- Salaries and benefits decreased by \$213,770 during the six months ended June 30, 2017 as compared to the same period in the prior year, mainly due to variable compensation cut-backs.
- Travel and promotion costs decreased by \$29,386 during the six months ended June 30, 2017 when compared to the six months ended June 30, 2016 primarily due to a restriction of staff travel until interim financing is closed.
- Stock-based compensation decreased by \$18,167 for the second quarter ended June 30, 2017 as compared to the second quarter ended 2016 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 revenue \$	Loss before tax \$	Loss before taxes per share \$	Net Loss \$	Net loss per share \$	Total Assets \$
June 30, 2017	Nil	(568,224)	(0.01)	(568,224)	(0.01)	58,101,013
March 31, 2017	Nil	(622,024)	(0.01)	(622,024)	(0.01)	52,582,304
December 31, 2016	Nil	(1,099,057)	(0.01)	(1,099,057)	(0.01)	51,138,630
September 30, 2016	Nil	(1,630,253)	(0.02)	(1,630,253)	(0.01)	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

Note: The Company has no history of declaring dividends.

## LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 30, 2017 totalled \$4,999,772 (December 31, 2016 - \$4,289,055). At June 30, 2017, the Company had a working capital (current assets less current liabilities) of \$4,311,164 as compared to working capital of \$4,132,470 as at December 31, 2016, an increase of \$178,694. The Company continues to recognize that it needs a prudent approach to spending to ensure it optimizes the use of its cash resources to achieve its project development objectives and obtain the long and short-term project financing required. The proceeds received by the Company upon closing the Private Placement in mid-June 2017 alleviated the critical near-term cash shortfall otherwise anticipated by the Company.

*Financing Activities:* For the six months ended June 30, 2017 net cash inflows arising from financing activities totalled \$4,771,640 as compared to cash inflows of \$Nil for the six months ended June 30, 2016. For the six months ended June 30, 2017, cash inflow represented net proceeds from a financing that closed on June 20, 2017 based on a subscription agreement with Mr. Ahmet Taçyıldız in connection with the \$5,000,000 less issuance cost of \$253,970 (net proceeds of \$4,746,030) Private Placement that was priced at US\$0.15 (or approximately CDN\$0.20) per share. Additionally, in the six months ended June 30, 2017 cash inflows of \$25,610 were received from the issuance of common shares pursuant to the exercise of stock options on January 20, 2017.

The Company had borrowings of \$35,080,146 as at June 30, 2017 related to a two-year secured credit facility entered into on September 16, 2016, with Banka Kombetare Tregtare sh.a. ("BKT"), the largest commercial bank in Albania. The credit facility is for up to \$40,000,000, including interest to be capitalized.

*Operating Activities:* During the six months ended June 30, 2017, cash used in operating activities mainly comprised of general and administrative expenses. Cash used in operating activities for the six months ended June 30, 2017 totalled \$537,597 compared to \$1,661,858 for the six months ended June 30, 2016. The Company has various commitments relating to rental office space, IT support services and debt payment as indicated in 'Note 14 Commitments' of the 2016 Audited Financials.

*Investing Activities:* For the six months ended June 30, 2017 cash outflows arising from investing activities totalled \$3,517,181 as compared to cash outflows of \$3,315,293 for the six months ended June 30, 2016. The cash outflows consisted mainly of net expenditures on the Yenipazar Project that were capitalized to mineral property under development of \$733,625 and net purchases of property and equipment, consisting primarily of land within the Yenipazar Project, of \$2,776,885.

## 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 \$17,968 as at June 30, 2017 (December 31, 2016 - \$13,846). Transactions with key management personnel were as follows:

	Three Months ended June 30, 2017	Three Months ended June 30, 2016	Six Months ended June 30, 2017	Six Months ended June 30, 2016
Salaries and benefits <sup>(1)</sup>	\$ 185,094	\$ 174,257	\$ 368,222	\$ 355,854
Share based payments	24,045	25,248	43,328	50,354
Total compensation	\$ 209,139	\$ 199,505	\$ 411,550	\$ 406,208
Consulting and management fees <sup>(2)</sup>	119,101	210,562	231,093	388,754
Total transactions with key management personnel	\$ 328,240	\$ 410,067	\$ 642,643	\$ 794,962

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 Q2 2017 Financial Statements.

Additional disclosure concerning the Company's contractual obligations is provided in Note 14 "Commitments" contained in the 2016 Audited Financials.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments as of June 30, 2017, 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 six months ended June 30, 2017, the Company recorded interest income of \$10,252 and interest expense of \$1,872,094 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 gain of \$28,536 and a gain of \$42,510 for the three and six months ended June 30, 2017, compared to the loss of \$73,101 and a gain of \$52,044 for the same periods in the prior year. The gain in 2017 was related primarily to the impact of a holding CAD and TRY while the USD strengthened. The Company has been and will continue to 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 AUGUST 9, 2017

<b>Class</b>	<b>Par Value</b>	<b>Authorized</b>	<b>Issued Number</b>
Common	No par value	Unlimited	140,459,214

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 14,045,921 shares (December 31, 2016 – 10,695,588).

As at August 9, 2017 the following stock options were outstanding:

<b>Expiry Date</b>	<b>Exercise Price (CAD)</b>	<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Weighted Average Remaining Contractual Life (years)</b>
September 25, 2017	0.19	475,000	475,000	0.13
November 26, 2018	0.20	1,155,000	1,155,000	1.30
April 7, 2019	0.24	1,000,000	1,000,000	1.66
December 18, 2019	0.20	2,558,438	2,095,938	2.36
March 26, 2020	0.20	500,000	375,000	2.63
June 1, 2020	0.20	200,000	150,000	2.81
December 15, 2020	0.17	200,000	100,000	3.35
September 20, 2021	0.29	807,000	201,750	4.12
	<b>0.21</b>	<b>6,895,438</b>	<b>5,552,688</b>	<b>2.19</b>

## 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 gross proceeds of \$5,000,000 received from the Private Placement on June 20, 2017 alleviated the near term critical cash shortfall previously anticipated by the Company. However, additional capital will be required within approximately nine months to fund continuing operations and advance the Yenipazar Project development. The Company’s borrowings from BKT (\$35,080,146 at June 30, 2017) are payable in September 2018, which will result in Aldridge having a material working capital deficit

(non-GAAP measure equal to current assets less current liabilities) later in 2017. The Company, will continue to closely manage its cash resources and capital structure to ensure it has access to sufficient capital resources to support the Company's liquidity, results of operations, assets, properties and prospects.

The section entitled "Risk Factors" in the 2016 Annual MD&A contains further details.

## **QUALIFIED PERSONS**

Dr. 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 2016 Audited Financials.

## **ACCOUNTING STANDARDS AND AMENDMENTS ISSUED**

Amendments to accounting standards adopted and not yet adopted are described in Note 2 of the 2016 Audited Financials and Q2 2017 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.