ALDRIDGE
MINERALS INC.

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

For the Three Months Ended March 31, 2017
(As of May 29, 2017)

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 May 29, 2017 and should be read in conjunction with the condensed consolidated interim financial statements and the related notes for the three months ended March 31, 2017 (the "Q1 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, 2016 (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 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). 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 Sti. Ltd. ("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 May 29, 2017, the Company announced it had executed a definitive subscription agreement with Mr. Ahmet Taçyildiz, Chairman and controlling shareholder of ANT Holding Anonim Sti. ("ANT") and a director of the Company, in connection with a $5,000,000 non-brokered private placement (the "Private Placement") of common shares ("Common Shares") of the Company. Common Shares issued pursuant to the Private Placement will be priced at $0.15 (or approximately CAD$0.20) per Common Share, subject to receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange and other customary closing conditions.

The closing of the Private Placement is anticipated to occur on or about June 15, 2017 (the "Closing Date"). On the Closing Date, Mr. Taçyildiz will purchase 33,333,333 Common Shares for gross proceeds of $5,000,000. Upon closing of the Private Placement, the Company understands that ANT and its wholly-owned subsidiaries, together with Mr. Taçyildiz, will own, or exercise control or direction over, a total of 66,617,442 Common Shares or approximately 47.4% of the outstanding Common Shares. The Company understands that Orion Fund JV Limited ("Orion") currently owns approximately 10.9% of the outstanding Common Shares. If Orion exercises certain anti-dilution rights prior to the closing of the Private Placement, the percentage of outstanding Common Shares held by ANT, its wholly-owned subsidiaries and Mr. Taçyildiz, would decrease to 46.1%.

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. The proceeds to be received by the Company upon closing the Private Placement in mid-June are expected to alleviate the critical near term cash shortfall otherwise anticipated by the Company based on its present accounts payable and the projected spending through June 30, 2017 (See 'Risk Factors').

Land Acquisition – Beginning in March, the path forward was focused on the ongoing State-led compulsory sale process and court hearings. As a result, the Company improved its land ownership status at March 31, 2017, as noted in the table below. Additionally, the Company took action in February to obtain agreements with land owners to grant immediate access to some of the land included in the State-led compulsory sale process. The State-led compulsory sale of the remaining private land to be acquired moved forward with the Court hearing cases in March, April and May and scheduling additional hearings thereafter. During these hearings, the Court ordered the Company to make deposit payments for some of the land.

The Company's land ownership status is as indicated on the dates noted in the table that follows. Furthermore, there were no changes to the ownership status in April and May, 2017.

	At December 31, 2016			**At March 31, 2017**		
	Land Parcels	**Land Area (m^2)**	**% of Project**	**Land Parcels**	**Land Area (m^2)**	**% of Project**
Treasury land – 'Right to use per mining license	84	1,210,907	12.7%	84	1,210,907	12.8%
Private land – wholly-owned	364	5,968,659	62.9%	433	6,785,443	71.4%
Wholly-owned Private & Treasury	**448**	**7,179,566**	**75.6%**	**517**	**7,996,350**	**84.2%**
Private land – partially-owned	79	853,269	9.0%	57	686,821	7.2%
Land Title Owned & Right to Use	**527**	**8,032,835**	**84.6%**	**574**	**8,683,171**	**91.4%**
Remaining to purchase – partially-owned (same number of parcels as above)		401,094	4.2%		325,400	3.5%
Remaining to purchase – wholly-owned	74	1,013,382	10.7%	27	438,740	4.6%
Pasture land-application in progress	2	48,338	0.5%	2	48,338	0.5%
Outstanding Required Land	**76**	**1,462,814**	**15.4%**	**29**	**812,478**	**8.6%**
Yenipazar Project Area	**603**	**9,495,649**	**100.0%**	**603**	**9,495,649**	**100.0%**

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, the private land partially-owned by Aldridge would not be available to begin construction of the Yenipazar Project until either consent from other owners was received (e.g. access agreements as discussed below) or the balance of the land parcel ownership was acquired by Aldridge, or by the State via the State-led compulsory sale process, which is in progress.

Prior to the first court hearing, which were expected to determine the initial basis for prices for land, the Company took action to obtain land access commitments from owners of some of the strategically located land parcels. As a result, the Company obtained access agreements from landowners to provide access to approximately 408,000 m^2 of the remaining private land to be acquired, which increases the total 'Land Title Owned and Right to Use' by 4.3% to 95.7% of the total project area. The partially-owned land, adjusted for these new access agreements is reduced to approximately 650,697 m^2 or 6.9% of the project area (from 686,821 m^2 per the table above). Since the right to use partially-owned land requires consent for construction from the other minority land owners, until such consent is obtained, the land accessible for construction at April 30th totals approximately 88.8% of the project area.

In exchange for granting access to the land for any activity, including construction, the Company agreed to (a) make a 'top-up' payment to the landowners to compensate for any difference in value in the event the court determined price was less than the TRY 9.1/m^2; (b) to pay the landowners' legal expenses; and (c) to make the same payments as offered under the land purchase agreements, which included paying TRY 0.2/m^2 if the deferred payment was not made by August 31, 2017 and a further TRY 0.2/m^2 if the deferred payment was not made by August 31, 2018.

At hearings held on March 2nd through April 20th, 2017, the Court issued payment decisions, based on the latest expert pricing reports, on 631,624 square metres. The prices used to calculate the payments were 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. The next steps in the State-led court process include: (i) the Company paying the value of the land based on the court issued payment decisions; (ii) land owner objections to the pricing used in the payment decisions related to approximately 528,272 m^2, which were received through April 2017, must be addressed by the court in one or more additional hearings; (iii) the court to issue a final price determination; and (iv) the land office transfers the title to treasury, which provides the Company with land access for mining; and (v) the appeal process, whereby the original landowner may appeal the final price decision, but cannot appeal the land title transfer to treasury. 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 evaluating project financing and strategic transaction alternatives required to create value. 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 payment decisions have been rendered on 631,634 m^2 of the remaining 764,129 m^2 of private land. The land acquired through the court will be classified as treasury land. In addition, the government office is expected to approve the conversion of two pasture land parcels of 48,338 m^2 (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 strategic transactions.

Engineering and Project Development - The Company plans to advance the project in the following areas:

- <u>Update Project Economic Analysis</u> **-** During Q3 and Q4, 2017, the Company plans to conduct a detailed review and update of the estimates for the Yenipazar Project capital and operating expenditures to determine the net impact of any changes since the completion of the Optimization Study in 2014. The review is intended to account for the potential impact of inflation, foreign exchange rates, tax incentives and other factors that may have affected the economic assessment of the project. It is anticipated that the updated economic analysis will continue to demonstrate the robustness of the project in support of the Company's financing efforts.

- EPC Development Plan – The Company plans to advance the Project in 2017 by positioning itself to advance engineering design and develop its construction readiness in anticipation of obtaining project financing. The extent of the engineering and development will be affected by the availability of funds and the anticipated time required to obtain full project financing. Activities in 2017 include the ongoing review of risk exposure and risk management, and developing and implementing strategies to enhance performance with respect to technical, environmental, health, safety and sustainability matters. 2017 project development and economic update analysis may consider and include the review and analysis of prospective execution strategies, contracts and negotiations of certain basic engineering packages and letters of intent related to the supply of long lead-time process equipment as well as other services. Aldridge will continue to refine its engineering schedule and Project Execution Plan to ensure the focus is on critical path items while considering the variability of the timing of financing.

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 2017 commodity prices fluctuated as indicated in the chart below:

		January 1 to March 31, 2017 Price Range				Spot	Optimization Study
		Low	**High**	**Close**	**Average**	**24-May-17**	**23-May-14**
Gold	$/oz.	1,151	1,257	1,245	1,219	1,253	1,250
Silver	$/oz.	15.95	18.34	18.06	17.42	17.03	20.00
Copper	$/lb.	2.75	3.07	2.92	2.91	2.83	3.00
Lead	$/lb.	1.00	1.22	1.16	1.14	1.04	0.94
Zinc	$/lb.	1.27	1.49	1.39	1.39	1.31	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. 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.

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 to modify its constitution, which included changes to the current parliamentary system. 51% of voters approved the proposed constitutional changes. To date, there appears to have been no significant impact on the Company's current or future operations. In summary, the current political environment in Turkey, may have an adverse effect on the assessment of potential country risk as it relates to raising financing for a development project in Turkey.

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 May 31, 2017 Exchange Rates						Spot	Optimization Study
From	**To**	**High**	**Low**	**Average**	**Close**	**24-May-17**	**24-May-14**
USD	TRY	3.869	3.512	3.689	3.642	3.569	2.100
USD	EUR	0.959	0.921	0.938	0.936	0.894	0.890
USD	CAD	1.350	1.301	1.324	1.333	1.349	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
Country	**2014**	**2015**	**2016**	**Cumulative Total**
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.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*	

Consumer prices in Turkey increased by 11.29 percent year-on-year in March of 2017, following a 10.13 percent rise in the previous month. It was the highest inflation since October 2008, as cost of food and housing went up at a faster pace. Currently, the Company has not experienced any material adverse effects resulting from changing domestic input prices that have influenced its operations.

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

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

(ii) 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 Q1 2017 Financial Statements of the Company.

	THREE MONTHS ENDED AND AS AT MARCH 31, 2017	THREE MONTHS ENDED AS AT MARCH 31, 2016	YEAR ENDED AND AS AT DECEMBER 31, 2016
Loss before income tax and discontinued operations	**$ (622,024)**	$ (736,705)	$ (4,418,102)
Net loss	**(622,024)**	(736,705)	(4,418,102)
Net loss per share	**(0.01)**	(0.01)	(0.04)
Cash and cash equivalents	**1,581,296**	6,047,309	4,289,055
Working capital(i)	**1,111,168**	12,990,670	4,132,470
Total assets	**52,582,304**	30,711,621	51,138,630
Total non-current liabilities(ii)	**44,377,823**	120,767	42,577,599

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

	THREE MONTHS ENDED MARCH 31, 2017	THREE MONTHS ENDED MARCH 31, 2016
Yenipazar Project, Turkey	**$ (584,457)**	$ (824,941)
Total Exploration & Evaluation	**$ (584,457)**	$ (824,941)

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 $240,484 during the three months ended March 31, 2017 to $584,457 as compared to the three months ended March 31, 2016. The decrease was mainly driven by reductions in staff, engineering consulting fees and drilling costs. The total cost of mineral property under development at March 31, 2017 was $15,171,751. In addition, land costs to date were $34,855,330, which includes capitalized interest of $4,626,466 and accruals for deferred land payments of $10,085,179, or $1.35/m^2.

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, 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 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 operates under a temporary shutdown permit, renewed annually. The temporary shutdown permit is renewed annually and expired in December 2016. The Company's revised renewal application was submitted on February 22, 2017 for approval, which is still outstanding.

This regulation is intended to promote development of permitted properties, by requesting holders of permits to demonstrate they are developing the properties. The temporary shutdown permits were issued in prior years within two months of the application. 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. Although the Company expects the temporary shutdown permit to be issued in the near future, in the event that it is not approved, the Company would be required to conduct qualifying development activities on the site within three years and/or pay a fine of approximately $17,000 while it maintains all its rights under the Company's operating licences.

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 2017, the Company plans to continue the ongoing analysis of the project economics affected by cost changes and developments since the OS was filed on SEDAR in May 2014. The planned analysis will consider the potential net economic impact affected by a number of items or changes since May 2014, which are described below:

- <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.
    - 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/m^2 was increased to TRY 9.1/m^2 Offer Price. When the higher Offer Price is combined with savings related to the TRY/USD exchange rate on amounts paid, the total capital expenditures increased by approximately $9,200,000 from the OS estimated cost.
    - Refer to the Land Acquisition section below for additional details.

- <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 proposed in the Optimization Study, was introduced. This addition provides added processing flexibility without changing planned throughput or recoveries.
  - The jaw crusher was replaced with sizers in order to achieve more flexibility in comminution without changing costs significantly.
  - Increases to non-land contingency costs were updated 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%**	1,250.01	20.01	3.40	0.91	1.13
8%	**4%**	1,500.01	25.01	3.63	1.02	1.36
10%	**5%**	1,750.01	30.01	3.86	1.13	1.59
14%	**7%**	2,000.01	35.01	4.08	1.36	1.81

- 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.
    - 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 also be influenced by mining industry and Turkey construction industry supply and demand pricing dynamics. More detailed analysis is planned in 2017 to determine the potential impact on the project.

- Pre-production Capital Expenditures (CAPEX)
  - The CAPEX for the Yenipazar Project may change from the present estimate of $239,200,000 (i.e. the OS estimate of $230,000,000 plus $9,200,000 related to the land price increase) due to the net impact 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 planned 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%**
NPV7 (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.

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 does not involve 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 March 31 and May 29, 2017, the Company had ownership and treasury land access to approximately 91.4% of the required land. In addition, the State-led compulsory acquisition court process has resulted in payment decisions, based on land expert pricing reports, for approximately 631,624 m^2 (6.7% of total land area) of the remaining 764,140 m^2 (8.0% of total land area) land to be acquired.

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 and to date in 2017 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 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.

- 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 m2 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/m^2. The revised offer price resulted in significant acceptance by existing land owners.

- During the three months ended March 31, 2017, approximately $2,092,161 was spent for acquiring land through voluntary sales. As at March 31, 2017 approximately 91.4% of the total project area had been acquired for a cost of $34,855,330, which includes capitalized interest of $4,626,466 and an accrual for deferred payments of $10,085,179 (based on $1.35/$m^2$ land acquired, excluding treasury land).

- At hearings held from March 2nd through April 12th, 2017, the Court reached a land payment decision based on expert pricing reports on land parcels representing 631,634 square metres. The Court, for calculating the payments, used prices of TRY 6.19 per square metre for irrigated land and TRY3.05 per square meter for non-irrigated land.

- Prior to the March 2, 2017 court cases, the Company took action to ensure more timely access to strategically located land parcels, and other parcels remaining to be acquired. As a result, the Company obtained commitments from landowners to provide access to approximately 408,000 m^2 of the remaining private land to be acquired, and 4.3% of the total project area. In exchange for granting access to the land, the Company agreed to make a deferred ‘top-up’ payment to the landowners to compensate for any difference in value in the event the court determined price is less than TRY 9.1/m^2, and to pay the landowners’ legal expenses. The deferred top-up payment is due at the same time as the Deferred Payment included in the June 2016 Offer Price. In addition, the Company also agreed to make the same additional payments included in the June 2016 offer, which were contingent upon when the Deferred Payment is made (i.e. August 31, 2017 TRY 0.2/m^2; August 31, 2018 TRY 0.2/m^2 and the extension fee of TRY 0.675/m^2).

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. When the court determines the payment price, which is based on the land expert pricing reports, for each parcel of land, the court requests Aldridge to deposit the funds for the State’s purchase of the land. The next stage of the process allows land owners to file an objection to the payment price. Through April 2017, pricing objections had been filed by landowners with the courts related to approximately 528,371 m^2. These objections result in additional follow up hearings prior to the local court’s final price decision and order to convert the land to treasury land. The law grants the land owner the right to appeal the final price decision at a higher court, but does not allow an appeal on the transfer of the land title to treasury. 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 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^2, the deferred payment of $1.35/$m^2$ at the same deferred date 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. The geo-metallurgical programs are expected to be initiated later in 2017, while the geo-technical programs and infill drilling activity may be scheduled in 2018 and beyond.

EXPLORATION AND OPERATING LICENCES IN TURKEY

As at March 31, 2017, 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. Reports received to date from Kenz indicate spending of approximately $1,420,000 through March 31, 2017. Upon completion of this exploration phase in June 2017, Kenz may advance the licences to the operation period upon payment to Aldridge of $250,000. Negotiations have been initiated to allow Kenz additional time for evaluation, which will likely result in a deferral of all or a portion of the June 2017 fee.

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 months ended March 31, 2017 and March 31, 2016:

	Three Months Ended As At March 31, 2017	Three Months Ended As At March 31, 2016
EXPENSES		
General and administrative	**$ 645,187**	$ 819,632
	(645,187)	(819,632)
OTHER EXPENSES	**23,163**	82,927
Net loss for the period	**$ (622,024)**	$ (736,705)

During the three months ended March 31, 2017 the Company incurred net losses from continuing operations of $622,024 as compared to net losses of $736,705 during the comparable period in the prior year. The decrease in general administrative expenses is primarily due to the decrease in professional, office and staff expenses as a result of efforts by the Company to preserve cash until interim financing is closed.

MINERAL PROPERTY UNDER DEVELOPMENT

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

	THREE MONTHS ENDED MARCH 31 2017	THREE MONTHS ENDED MARCH 31 2016[1]
Yenipazar Property		
Depreciation	**$ 16,776**	$ 20,083
Engineering consulting	**47,873**	161,272
Environmental consulting	**4,000**	4,000
Land acquisition plan and development	**39,800**	44,387
Permitting	**15,140**	28,625
Employee costs	**211,080**	279,619
Community relations	**10,901**	2,311
Travel	**9,192**	3,458
Vehicles and equipment maintenance	**9,923**	9,367
Interest capitalization	**204,004**	255,139
Camp costs	**13,482**	15,678
Other	**2,286**	1,002
Total exploration and evaluation expenditures	**584,457**	824,941

[1] *2016 mineral property expenses categories are reclassified for comparative purpose.*

During the three months ended March 31, 2017 the expenditures on mineral property under development relating to the Yenipazar Project decreased by $240,484 to $584,457 compared to last year. The decreased expenses mainly relate to the employee costs as a result of fewer employees and restricted engineering activities in Q1 2017.

General and Administrative Expenses

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

	Three Months Ended March 31, 2017 ($)	**Three Months Ended March 31, 2016 ($)**	**Year Over Year Change ($)**
Amortization	**23,486**	30,174	(6,688)
Directors' fees and expenses	**47,421**	40,984	6,437
Office and sundry	**87,868**	108,747	(20,879)
Professional fees	**125,009**	158,117	(33,108)
Salaries and benefits	**281,101**	375,162	(94,061)
Shareholder information	**27,350**	29,175	(1,825)
Stock-based compensation	**16,995**	29,811	(12,816)
Transfer and filing	**10,944**	9,402	1,542
Travel and promotion	**25,013**	38,060	(13,047)
General and administrative	**645,187**	819,632	(174,445)

Additional comments on individual expense item changes follow:

- Office and sundry expenses decreased by $20,879 during the three months ended March 31, 2017 as compared to the prior year, mainly due to reduction in office expenses and the strengthening of USD against CAD and TRY.
- Professional fees decreased by $33,108 during the three months ended March 31, 2017 as compared to the corresponding period in the prior year due to intentional deferral of IT projects to conserve cash until interim financing is completed.
- Salaries and benefits decreased by $94,061 during the three months ended March 31, 2017 as compared to the same period in the prior year, mainly due to staff reduction.
- Travel and promotion costs decreased by $13,047 during the three months ended March 31, 2017 when compared to the three months ended March 31, 2016 primarily due to a restriction of staff travel until interim financing is closed.
- Stock-based compensation decreased by $12,816 for the quarter ended March 31, 2017 as compared to the first 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 revenues $	Loss before taxes $	Loss before taxes per share $	Net loss $	Net loss per share $	Total Assets $
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
June 30, 2015	Nil	(1,218,202)	(0.01)	(1,218,202)	(0.01)	24,280,358

Note: The Company has no history of declaring dividends.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at March 31, 2017 totaled $1,581,296 (December 31, 2016 - $4,289,055). At March 31, 2017, the Company had a working capital (current assets less current liabilities) of $1,111,168 as compared to working capital of $4,132,470 as at December 31, 2016, a decrease of $3,021,302. During the three months ended March 31, 2017, the Company's average monthly recurring cash expenditures excluding land expenses were approximately $303,000. 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 to be received by the Company upon closing the Private Placement in mid-June are expected to alleviate the critical near term cash shortfall otherwise anticipated by the Company based on its present accounts payable and the projected spending through June 30, 2017.

Financing Activities: For the three months ended March 31, 2017 net cash inflows arising from financing activities totaled $25,610 as compared to cash inflows of $Nil for the three months ended March 31, 2016. For the three months ended March 31, 2017, cash inflow mainly consisted of issuance of common shares pursuant to the exercise of stock options on January 20, 2017.

The Company had borrowings of $34,140,424 as at March 31, 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.

On May 29, 2017, the Company announced it had executed a definitive subscription agreement with Mr. Ahmet Taçyildiz in connection with the $5,000,000 Private Placement. Common Shares to be issued pursuant to the Private Placement will be priced at US$0.15 (or approximately CDN$0.20) per share. The Private Placement is expected to close on or about June 15, 2017.

Operating Activities: During the three months ended March 31, 2017, cash used in operating activities mainly comprised of general and administrative expenses. Cash used in operating activities for the three months ended March 31, 2017 totaled $282,794 compared to $917,545 for the three months ended March 31, 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 three months ended March 31, 2017 cash outflows arising from investing activities totaled $2,431,250 as compared to cash outflows of $1,601,858 for the three months ended March 31, 2016. The cash outflows consisted mainly of net expenditures on the Yenipazar Project that were capitalized to mineral property under development of $356,762 and net purchases of property and equipment, consisting primarily of land within the Yenipazar Project, of $2,094,046.

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 $9,957 as at March 31, 2017 (December 31, 2016 - $13,846). Transactions with key management personnel were as follows:

	Three Months ended March 31, 2017	**Three Months ended March 31, 2016**
Salaries and benefits [(1)]	**$ 183,128**	$ 181,597
Share based payments	**19,283**	25,106
Total compensation	**$ 202,411**	$ 206,703
Consulting and management fees [(2)]	**111,992**	178,192
Total transactions with key management personnel	**$ 314,403**	$ 384,895

[(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 Q1 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 March 31, 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 three months ended March 31, 2017, the Company recorded interest income of $4,482 and interest expense of $930,060 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 is $13,974 for the three months ended March 31, 2017, compared to the gain of $125,145 for the same period 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 MAY 29, 2017

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	107,125,881

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 May 29, 2017, 10,712,588 common shares.

As at May 29, 2017 the following stock options were outstanding:

Expiry Date	Exercise Price (CAD)	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
November 26, 2018	0.20	1,255,000	1,255,000	1.49
April 7, 2019	0.24	1,000,000	1,000,000	1.85
December 18, 2019	0.20	2,858,438	2,320,938	2.55
March 26, 2020	0.20	750,000	562,500	2.82
June 1, 2020	0.20	200,000	100,000	3.01
December 15, 2020	0.17	500,000	250,000	3.55
September 20, 2021	0.29	807,000	201,750	4.31
	0.21	**7,370,438**	**5,690,188**	**2.58**

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 proceeds to be received by the Company upon closing the Private Placement in mid-June are expected to alleviate the near term critical cash shortfall otherwise anticipated by the Company based on its present accounts payable and the projected spending through June 30, 2017. Completion of the Private Placement is conditional upon receipt of all necessary regulatory approvals and other customary closing conditions. Failure to close the Private Placement when anticipated or raise additional capital will have a material adverse effect on the Company's liquidity, capital resources, 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 Q1 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.