CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Aldridge Minerals Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed consolidated interim 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 unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Mario Caron"
Mario Caron
Chief Executive Officer

"Jim O'Neill"
Jim O'Neill
Chief Financial Officer

Toronto, Canada
July 19, 2012

Aldridge Minerals Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	As at May 31 2012	As at November 30 2011 (Note 15)	As at December 1 2010 (Note 15)
ASSETS			
Current			
Cash and cash equivalents	**$ 9,551,420**	$ 4,741,663	$ 1,652,989
Other receivables	**682,723**	817,353	178,188
Prepaid expenses	**590,001**	362,088	93,799
	10,824,144	5,921,104	1,924,976
Exploration license deposits	**44,250**	80,406	-
Loan receivable from Aldridge Uranium Inc. (Note 6)	**-**	-	254,384
Long-term investments (Note 5)	**1,048,153**	1,394,915	378,578
Property and equipment (Note 7)	**372,411**	391,741	114,864
	$ 12,288,958	$ 7,788,166	$ 2,672,802
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**$ 1,632,938**	$ 968,252	$ 477,578
Due to related parties (Note 12)	**19,892**	101,144	105,606
	1,652,830	1,069,396	583,184
Environmental rehabilitation (Note 13)	**49,098**	48,732	48,012
	1,701,928	1,118,128	631,196
SHAREHOLDERS' EQUITY			
Share capital (Note 8)	**45,526,494**	35,090,168	25,755,113
Contributed surplus	**13,188,247**	12,988,103	9,968,882
Deficit	**(48,127,711)**	(41,408,233)	(33,682,389)
	10,587,030	6,670,038	2,041,606
	$ 12,288,958	$ 7,788,166	$ 2,672,802

Nature of Operations and Going Concern (Note 1)
Commitments (Note 11)

Approved by the Board of Directors:

"Mario Caron" Director — Mario Caron

"Ed Guimaraes" Director — Ed Guimaraes

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

Aldridge Minerals Inc.
Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended May 31		Six Months Ended May 31	
	2012	**2011** (Note 15)	**2012**	**2011** (Note 15)
EXPENSES				
Exploration and evaluation expenditures (Note 9)	**$ 2,225,055**	$ 731,440	**$ 4,091,709**	$ 1,573,139
General and administrative (Note 10)	**1,346,256**	1,154,366	**2,399,075**	1,775,318
	(3,571,311)	(1,885,806)	**(6,490,784)**	(3,348,457)
OTHER INCOME (EXPENSE)				
Interest income	**68,053**	28,715	**81,655**	34,621
Foreign exchange gain (loss)	**(4,565)**	5,525	**(29,854)**	170,459
Gain on disposition of investment in Aldridge Uranium Inc. (Note 5)	-	-	-	2,299,527
Impairment loss on investment in Anatolia Energy Ltd. (Note 5)	**(346,763)**	-	**(346,763)**	-
	(283,275)	34,240	**(294,962)**	2,504,607
Net loss for the period before income tax	**$ (3,854,586)**	$ (1,851,566)	**$ (6,785,746)**	$ (843,850)
Income tax recovery	-	-	**66,268**	-
Net loss for the period	**$ (3,854,586)**	$ (1,851,566)	**$ (6,719,478)**	$ (843,850)
Net unrealized loss on available-for-sale investments [(1)]	**(126,671)**	(474,745)	-	(474,745)
Comprehensive loss for the period	**$ (3,981,257)**	$ (2,326,311)	**$ (6,719,478)**	$ (1,318,595)
Net loss per share – basic and diluted	**$ (0.09)**	$ (0.05)	**$ (0.17)**	$ (0.03)
Weighted average number of shares outstanding - basic and diluted	**43,316,063**	37,093,841	**40,187,764**	33,460,104

[(1)] *Net of income tax expense of $nil (2011 – $nil)*

Aldridge Minerals Inc.
Condensed Consolidated Interim Statement of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance, December 1, 2010	**$ 25,755,113**	**$ 9,968,882**	**$ -**	**$ (33,682,389)**	**$ 2,041,606**
Net loss for the period	-	-	-	(843,850)	(843,850)
Net unrealized loss on available-for-sale investments	-	-	(474,745)	-	(474,745)
Total comprehensive loss for the period	**-**	**-**	**(474,745)**	**(843,850)**	**(1,318,595)**
Shares issued for cash	12,424,650	-	-	-	12,424,650
Warrant valuation	(2,153,606)	2,153,606	-	-	-
Share issue cost	(1,369,489)	438,342	-	-	(931,147)
Shares issued for options exercised	195,500	-	-	-	195,500
Black-Scholes valuation of options exercised	112,700	(112,700)	-	-	-
Shares issued for warrants exercised	105,000	-	-	-	105,000
Black-Scholes valuation of warrants exercised	20,300	(20,300)	-	-	-
Stock based compensation	-	177,557	-	-	177,557
Balance, May 31, 2011	**$ 35,090,168**	**$12,605,387**	**$ (474,745)**	**$(34,526,239)**	**$ 12,694,571**
Net loss for the period	-	-	-	(6,881,994)	(6,881,994)
Net unrealized loss on available-for-sale investments	-	-	(445,992)	-	(445,992)
Impairment of available-for-sale investment	-	-	920,737	-	920,737
Total comprehensive loss for the period	**-**	**-**	**474,745**	**(6,881,994)**	**(6,407,249)**
Stock based compensation	-	382,716	-	-	382,716
Balance, November 30, 2011	**$ 35,090,168**	**$ 12,988,103**	**$ -**	**$ (41,408,233)**	**$ 6,670,038**
Net loss for the period	-	-	-	(6,719,478)	(6,719,478)
Net unrealized gain on available-for-sale investments	-	-	126,671	-	126,671
Impairment of available-for-sale investment	-	-	(126,671)	-	(126,671)
Total comprehensive loss for the period	**-**	**-**	**-**	**(6,719,478)**	**(6,719,478)**
Shares issued for cash	11,200,000	-	-	-	11,200,000
Share issue cost	(763,674)	-	-	-	(763,674)
Stock based compensation	-	266,412	-	-	266,412
Tax on expired warrants	-	(66,268)	-	-	(66,268)
Balance, May 31, 2012	**$ 45,526,494**	**$ 13,188,247**	**$ -**	**$(48,127,711)**	**$ 10,587,030**

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

Aldridge Minerals Inc.
Condensed Consolidated Interim Statement of Cash Flow
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended May 31		Six Months Ended May 31	
	2012	**2011 (Note 15)**	**2012**	**2011 (Note 15)**
Cash Flows from (used in) Operating Activities				
Net loss for the period	**$ (3,854,586)**	$(1,851,566)	**$ (6,719,478)**	$ (843,850)
Add (deduct) items not affecting cash:				
Amortization	**23,095**	6,706	**48,220**	13,095
Income tax recovery	-	-	**(66,268)**	-
Stock-based compensation	**166,509**	127,957	**266,412**	177,557
Gain on disposition of investment in Aldridge Uranium Inc.	**-**	-	**-**	(2,299,527)
Impairment loss on investment in Anatolia Energy Ltd.	**346,763**	-	**346,763**	-
Accretion for asset retirement	**183**	180	**366**	360
	(3,318,036)	(1,716,723)	**(6,123,985)**	(2,952,365)
Changes in non-cash operating assets and liabilities				
Amounts receivable	**132,992**	(158,041)	**134,629**	(194,824)
Prepaid expenses	**(226,595)**	(113,884)	**(227,913)**	(148,683)
Accounts payable and accrued liabilities	**415,832**	211,719	**664,686**	17,465
Due to related parties	**(9,274)**	(15,944)	**(81,252)**	(5,446)
	(3,005,081)	(1,792,873)	**(5,633,835)**	(3,283,853)
Cash Flows from (used in) Financing Activities				
Share issue proceeds received, net of costs	**10,436,326**	-	**10,436,326**	11,493,503
Proceeds from options exercised	-	-	-	195,500
Proceeds from warrants exercised	-	-	-	105,000
	10,436,326	-	**10,436,326**	11,794,003
Cash Flows from (used in) Investing Activities				
Purchase of property and equipment	**(15,471)**	(8,491)	**(28,890)**	(8,491)
Proceeds on sale of investment in Aldridge Uranium Inc.	-	829,384	-	829,384
Exploration license deposit	**38,995**	-	**36,156**	-
	23,524	820,893	**7,266**	820,893
Net change in cash and cash equivalents	**7,454,769**	(971,980)	**4,809,757**	9,331,043
Cash and cash equivalents, beginning of period	**2,096,651**	11,956,012	**4,741,663**	1,652,989
Cash and cash equivalents, end of period	**$ 9,551,420**	$10,984,032	**$ 9,551,420**	$10,984,032
Total interest paid	**$ -**	$ -	**$ -**	$ -
Total income taxes paid	**$ -**	$ -	**$ -**	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aldridge Minerals Inc. (the "Company") is listed on the Toronto Stock Exchange – Venture (TSX-V: AGM). Its principal business activities are the exploration and development of mineral properties. The Company's mineral properties including exploration licences are located in Turkey and Papua New Guinea ("PNG"). The Company is incorporated under the laws of the Province of British Columbia, Canada, and its head office is located at 130 King Street West, Suite 2830, Toronto, Ontario, M5X 1E3.

The unaudited condensed consolidated interim financial statements of the Company for the three months and six months ended May 31, 2012 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 19, 2012.

The Company is in the process of exploring its mineral properties and has not yet determined if the properties contain ore reserves that are economically recoverable. The profitability of the mineral properties is dependent upon the existence of reserves, confirmation of title, and the ability of the Company to obtain necessary financing to bring the property to commercial production.

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has incurred a net loss in the current six-month period of $6,719,478 and has an accumulated deficit of $ 48,127,711 (November 30, 2011 - $41,408,233 and December 1, 2010 - $33,682,389). In addition, the Company had working capital, being current assets less current liabilities, of $9,171,314 at May 31, 2012 (November 30, 2011 - working capital of $4,851,708 and December 1, 2010 - $1,341,792). The Company's exploration activities and development of the Yenipazar property feasibility study will significantly reduce its working capital and thereby will require the Company to secure additional funding in 2012 to meet its obligations and keep its mineral claims in good standing. Although the Company has successfully raised additional funding in the past, there can be no assurance that sufficient new funding will be obtained. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These unaudited condensed consolidated interim financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business as they come due. These unaudited condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and condensed consolidated interim statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and adoption of International Financial Reporting Standards ("IFRS")

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company is reporting on this basis in these condensed consolidated interim financial statements. In these financial statements, the term "Canadian GAAP" refers to GAAP before the adoption of IFRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (continued)

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in Note 15, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at December 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 15 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended November 30, 2011.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of July 19, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2012 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed consolidated interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended November 30, 2011.

(b) Basis of measurement

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets to fair value, including available-for-sale investments and derivative instruments.

(c) Basis of consolidation

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

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

The condensed consolidated interim financial statements include the Company and its subsidiary.

The following entity has been consolidated within the unaudited condensed consolidated interim financial statements:

	Country of incorporation	Principal activity
Aldridge Mineral Madencilik Sanayi Ticaret Ltd. Sti.(1)	Turkey	Exploration company

(1) 405,600 shares outstanding, of which 1 share is owned by a Turkish national pursuant to Turkish regulations and the balance is owned by the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Foreign currencies

The functional currency, as determined by management, of Aldridge Minerals Inc. and its subsidiary is the Canadian Dollar. For the purpose of the condensed consolidated interim financial statements, the results and financial position are expressed in Canadian Dollars.

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

(e) Cash and cash equivalents

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

(f) Financial instruments

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash and cash equivalents	Loans and receivables
Other receivables	Loans and receivables
Long-term investments:	
Anatolia Energy Ltd. - Ordinary shares	Available-for-sale
Anatolia Energy Ltd. – Class A performance shares	Fair value through profit and loss
Vetter Uranium Ltd.	Available-for-sale at cost

Financial liabilities:	Classification:
Amounts payable and other liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

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

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

The investment in Anatolia Energy via Class A performance shares is accounted for as a financial derivative with changes in fair value being recorded in the statement of loss.

(ii) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive loss. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive loss are recorded in the consolidated statements of loss.

Available-for-sale investments are classified as non-current, unless the investments mature within twelve months or management expects to dispose of them within twelve months.

The long term investment in Vetter Uranium Ltd. ("Vetter") for which the Company does not have the ability to exercise significant influence over the operations of the entity was initially recorded at fair value and henceforth carried at cost. The Vetter shares do not have a quoted market price in an active market and the fair value cannot be measured reliably.

(iii) Loans and receivables

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

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

(iv) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(v) Impairment of Financial Assets

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

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

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

If the fair value of available-for-sale equity investments declines below the carrying amount, the Company undertakes qualitative and quantitative assessments of whether the impairment is either significant or prolonged. The Company considers all relevant facts and circumstances of this assessment, particularly the length of time and extent to which fair value as been less than the carry amount.

If an unrealized loss on an available-for-sale investment has been recognized in other comprehensive loss and it is deemed to be either significant or prolonged, any cumulative loss that had been recognized in other comprehensive loss is reclassified as an impairment loss in the consolidated statement of loss. The reclassification adjustment is calculated as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized. If the value of previously impaired available-for-sale equity instruments subsequently recovers, additional unrealized gains are recorded in other comprehensive loss and the previously recorded impairment losses are not subject to reversal through the consolidated statement of loss.

(vi) Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the condensed consolidated interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Exploration and evaluation expenditures

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

Once a project has been established as commercially viable and technically feasible, related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(h) Property and equipment

Property and equipment ("PE") are carried at cost, less accumulated depreciation and accumulated impairment losses.

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

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

Automotive	30% per annum, declining balance
Equipment	30% per annum, declining balance
Computer equipment and software	30% per annum, declining balance
Furniture	20% per annum, declining balance

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

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

(i) Impairment of non-financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income taxes

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

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

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

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

Deferred income tax assets and liabilities are presented as non-current.

Tax on income in interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

(k) Share based payment transactions

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

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

(l) Restoration, rehabilitation and environmental obligations

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

(n) Significant accounting judgments and estimates

The preparation of these unaudited condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed consolidated interim 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.

Critical accounting estimates

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

- All inputs used in the option pricing models for determining the fair value of share based payment transactions and warrants issued.
- The estimated useful lives and residual value of PE used for the amortization.
- Management's estimate of amounts for restoration, rehabilitation and environmental provisions, based on the facts and circumstances that existed during the period.

Critical accounting judgments

- Management's assumptions in determining the functional currencies of the Company's subsidiary.
- Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- Management's assessment of significant or prolonged decline in fair value of available-for-sale investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Accounting standards and amendments issued but not yet adopted

Unless otherwise noted, the following revised standard and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

(ii) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

(iii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(v) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorised under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(vi) IAS 1 – Presentation of financial statements ("IAS 1") IAS 1 was amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

(vii) IAS 28 - Investments in Associates and Joint Ventures (Amended in 2011)

IAS 28 (2011), "Investments in Associates and Joint Ventures", supersedes IAS 28 "Investments in Associates" and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The amended standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities" and IAS 27 (2011), "Separate Financial Statements".

(viii) IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. On October 19, 2011 the IASB issued IFRIC 20-Stripping Costs in the Production Phase of a Surface Mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

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

The Company considers its capital to be equity, comprising share capital, contributed surplus, accumulated other comprehensive income and deficit which at May 31, 2012 totaled $10,587,030 (November 30, 2011 - $6,670,038 and December 1, 2010 - $2,041,606).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration and development activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended May 31, 2012.

The Company is not subject to any capital requirements imposed by a lending institution.

4. FINANCIAL RISK FACTORS

(a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, which are held in reputable financial institutions in Canada, Turkey and Papua New Guinea, 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 issued by reputable financial institutions in Canada with which it keeps its bank accounts and management believes the risk to be remote.

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

4. FINANCIAL RISK FACTORS (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2012, the Company had cash and cash equivalents of $9,551,420 (November 30, 2011 - $4,741,663) to settle current liabilities of $1,652,830 (November 30, 2011 - $1,069,396). All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Although the Company has successfully raised additional funding in the past, there can be no assurance that sufficient new funding will be obtained. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

Market risk

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

Interest rate risk

The Company has significant cash balances and no interest-bearing debt. The Company's policy is to invest excess cash in fixed interest investment-grade short-term deposit certificates. The Company regularly monitors its cash management policy.

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar. Major purchases are transacted in Canadian Dollars, Turkish Lira ("TRY"), Euros, United States Dollars ("USD") and Papua New Guinea Kina ("PGK"). The Company funds exploration expenditure in Turkey and Papua New Guinea. In Turkey, the Company maintains a Turkish Lira bank account and a Canadian dollar bank account with sufficient funds to support monthly forecasted cash outflows over the following month. Management believes the foreign currency risk derived from currency conversions is minimal and therefore does not hedge its foreign currency risk.

Price risk

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

4. FINANCIAL RISK FACTORS (continued)

(b) Sensitivity analysis

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

(i) Short-term investments are subject to fixed interest rates. The Company has no debt and receives low interest rates on its cash balances. As such the Company does not have significant interest rate risk.

(ii) Long-term investments include ordinary shares of Anatolia Energy Ltd., which are traded on the Australian Stock Exchange. If the total of the market share price and the change in the conversion rate of the Australian dollar to the Canadian dollar weakened/strengthened by 10% with all other variables held constant, the Company's other comprehensive loss would have been approximately $80,000 lower/higher and reported shareholders' equity would have been approximately $80,000 lower/higher.

(iii) The Company maintains bank accounts, and has other current assets and current liabilities denominated in TRY, Euro, PGK and USD and is subject to foreign currency risk. As at May 31, 2012, had these foreign currencies weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's loss would have been approximately $21,000 lower/higher and reported shareholders' equity would have been approximately $21,000 lower/higher.

(c) Fair value hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at May 31, 2012 and as at November 30, 2011:

	Level 1	Level 2	Level 3	Total
Long-term investments - May 31, 2012	$ 802,416	$ -	$ -	$ 802,416
Long-term investments - November 30, 2011	$ 1,149,178	$ -	$ -	$ 1,149,178

The different levels of valuation are defined as follows:

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

5. LONG-TERM INVESTMENTS

Long-term investments include:

	May 31, 2012	November 30, 2011	December 1, 2010
Aldridge Uranium Inc.	$ -	$ -	$ 378,578
Anatolia Energy Ltd. - Ordinary shares	802,416	936,631	-
Anatolia Energy Ltd. - Class A performance shares	-	212,547	-
Vetter Uranium Ltd.	245,737	245,737	-
Long-term investments	$ 1,048,153	$ 1,394,915	$ 378,578

In February 2011 the Company completed the spin-off off Aldridge Uranium Inc. ("Aldridge Uranium") to Anatolia Energy Limited ("Anatolia") and received $831,233 in cash, 8,150,633 directly held Anatolia Energy shares, 3,051,196 Class A performance shares (described below) in Anatolia Energy and 5,666,506 shares in Vetter Uranium Limited ("Vetter), a private company holding a 65% interest in Aldridge Uranium, in exchange for its investment in Aldridge Uranium, which was previously recorded as an associate accounted for under the equity method, and the settlement of its loan to Aldridge Uranium of $256,233. All of the Anatolia Energy shares were subject to a 12 month escrow imposed by the Australian Securities Exchange. Following the transaction, the Company held a 26% interest in Vetter. The Company recognized a gain of $2,299,527 on the disposition reflecting the difference between the fair value of the assets acquired and the assets given up.

The shares in Anatolia Energy were recorded at fair value and accounted for as an available-for-sale financial asset with changes in fair value being recorded in other comprehensive loss. The assigned fair value at the date of the transaction amounted to $1,857,367.

The Class A performance shares are non-transferable, non-voting and are not entitled to any dividends or any amount on the winding up of Anatolia Energy. If the Aldridge Uranium properties (the "Project") (defined below) were found to have an Australian Joint Ore Reserves Committee ("JORC") Code compliant resource estimate of between 15 million pounds and 20 million pounds of contained uranium each Class A performance share of Anatolia Energy would entitle the holder to be issued 0.303092 Anatolia Energy ordinary shares for each 1 million pounds of contained uranium in the resource estimate in excess of 15 million pounds, but less than 20 million pounds (or a total of 3,543,784 Anatolia Energy ordinary shares). During 2011, Anatolia Energy announced an increase in reserves to 17.41 million pounds of contained uranium. Anatolia Energy declared a pro rata conversion of the Class A performance shares calculated as 40% of the maximum conversion rate of 1.51546, resulting in 1,849,571 ordinary shares being issued to the Company in February 2012 upon the expiry of the 12 month escrow period.

During the period ended May 31, 2012, the investment in Anatolia Energy was identified as impaired. An impairment charge of $346,763 was recognized on the Statement of Loss. Accumulated Other Comprehensive Income of $126,671 that was originally recognized during the three months ended February 29, 2012 was derecognized accordingly.

The cost of Anatolia Energy Ltd. Class A performance shares was initially recorded at an estimated fair value of $nil based on the assessment of the likelihood of achieving the minimum performance requirement as defined below. On declaration of the increased resource estimate, triggering conversion, the shares were marked to market based on the corresponding ordinary shares quoted price.

The cost of the interest in Vetter, a private company, was initially recorded at an estimated fair value of $245,737 and henceforth carried at cost as the Vetter shares do not have a quoted market price in an active market and the fair value cannot be measured reliably.

5. LONG-TERM INVESTMENTS (continued)

On completion of the above transaction Anatolia Energy held a 35% interest in the Project and Vetter held the remaining 65%. To earn an interest of up to 75% in Aldridge Uranium's properties (the "Project"), Anatolia Energy must incur exploration expenditures of A$15 million on the Project, and progress the Project to a bankable feasibility study or incur total expenditures of A$20 million. If Anatolia Energy increases its interest in the Project to 75%, the remaining indirect 25% carried interest that would be held by former Aldridge Uranium shareholders ensures that former Aldridge Uranium shareholders who retain their shares benefit from any production from or sale of the Project. In certain circumstances, Anatolia Energy may elect to stop sole funding exploration expenditures on the Project and to not free carry the interest in the Project held by former Aldridge Uranium shareholders, subject to certain buy/sell rights between the parties.

6. LOAN RECEIVABLE

On March 26, 2010, the Company executed a loan agreement with Aldridge Uranium pursuant to which it advanced $250,000 to Aldridge Uranium. Interest accrued to February 28, 2011, at a rate equivalent to the prime rate, totaled $6,233. On March 1, 2011, the Company received $256,233 as full payment of the loan receivable.

7. PROPERTY AND EQUIPMENT

Cost	Automotive	Equipment	Computer software	Computer equipment	Land	Total
Balance, December 1, 2010	$ 151,820	$ 124,808	$ 26,623	$ -	$ 29,681	$ 332,932
Additions (dispositions)	122,145	81,192	34,770	28,179	(667)	257,128
Balance, November 30, 2011	273,965	206,000	61,393	28,179	29,014	598,551
Additions	-	6,710	-	22,180	-	28,890
Balance, May 31, 2012	$ 273,965	$ 212,710	$ 61,393	$ 50,359	$ 29,014	$ 627,441

Accumulated amortization	Automotive	Equipment	Computer software	Computer equipment	Land	Total
Balance, December 1, 2010	$ 118,568	$ 81,144	$ 18,356	$ -	$ -	$ 218,068
Amortization for the period	(44,070)	22,441	6,145	4,226	-	(11,258)
Balance, November 30, 2011	74,498	103,585	24,501	4,226	-	206,810
Amortization for the period	28,798	9,660	5,364	4,398	-	48,220
Balance, May 31, 2012	$ 103,296	$ 113,245	$ 29,865	$ 8,624	$ -	$ 255,030

Carrying value	Automotive	Equipment	Computer software	Computer equipment	Land	Total
Balance, December 1, 2010	$ 33,252	$ 43,664	$ 8,267	$ -	$ 29,681	$ 114,864
Balance, November 30, 2011	199,467	102,415	36,892	23,953	29,014	391,741
Balance, May 31, 2012	$ 170,669	$ 99,465	$ 31,528	$ 41,735	$ 29,014	$ 372,411

8. SHARE CAPITAL

(a) Authorized
100,000,000 common shares without par value.

(b) Issued

	Number of Shares	Amount
Balance, December 1, 2010	28,470,741	$ 25,755,113
Shares issued for cash (i)	8,283,100	12,424,650
Warrant valuation (i)	-	(2,153,606)
Share issue cost (i)	-	(1,369,489)
Exercise of stock options	270,000	195,500
Value of options exercised transferred from contributed surplus	-	112,700
Exercise of warrants	70,000	105,000
Value of warrants exercised transferred from contributed surplus	-	20,300
Balance, May 31, 2011 and November 30, 2011	**37,093,841**	**$ 35,090,168**
Shares issued for cash (ii)	16,000,000	11,200,000
Share issue cost (ii)	-	(763,674)
Balance, May 31, 2012	**53,093,841**	**$ 45,526,494**

(i) On February 17, 2011, the Company closed a brokered private placement of 8,283,100 units ("Units") of the Company at a price of $1.50 per Unit for gross proceeds of $12,424,650. Each Unit was comprised of one common share and one-half of one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $2.00 until February 17, 2013.

The Company paid cash commission and expenses of $931,147 and issued non-transferable broker warrants to acquire 579,817 Units of the Company at a price per Unit of $1.50 ("broker warrant"). Each broker warrant is exercisable until February 17, 2013 and entitles the holders to purchase an aggregate of 579,817 common shares and 289,908 Warrants of the Company. The common shares, Warrants and broker warrants were subject to a four-month hold period until June 17, 2011.

The grant date fair value of the 4,141,550 Warrants was determined to be $2,153,606 using a relative fair value method based on the estimated fair value of the Warrants using the Black-Scholes option pricing formula with the following assumptions: share price at grant date of $1.53; expected dividend yield of 0%; expected volatility of 91% based on historical volatility of the Company's share; risk free interest rate of 1.9% and expected life of 2 years.

The grant date fair value of the 579,817 broker warrants was estimated at $438,342 using an option pricing formula with the following assumptions: share price at grant date of $1.53; expected dividend yield of 0%; expected volatility of 91% based on historical volatility of the Company's share; risk free interest rate of 1.9% and expected life of 2 years.

(ii) On April 26, 2012, the Company closed a private placement with ANT Holding Anonim Sti. ("ANT") by which ANT has purchased a total of 16,000,000 common shares of the Company at a price of $0.70 per share for gross proceeds of $11,200,000. The Company paid cash commission and expenses of $763,674 with respect to this private placement. Upon closing of the Private Placement, ANT held approximately 30.1% of the Company’s outstanding Shares. The Company’s Shareholder Rights Plan has been waived in respect of this transaction and otherwise remains in effect.

8. SHARE CAPITAL (continued)

(c) Warrants

The following table shows the continuity of warrants for the period ended May 31, 2012:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 1, 2010	6,011,135	$ 1.50
Issued (Note 8(b)(i))	4,721,367	1.94
Exercised	(70,000)	1.50
Balance, May 31, 2011	10,662,502	1.70
Expired	(832,330)	1.50
Balance, November 30, 2011	9,830,172	$ 1.71
Expired	(5,108,805)	1.50
Balance, May 31, 2012	**4,721,367**	**$ 1.94**

As at May 31, 2012, the following warrants were outstanding:

Expiry date	Exercise Price	Warrants Outstanding	Value Assigned on Issue Date
February 17, 2013	2.00	4,141,550 [1]	2,153,606
February 17, 2013	1.50	579,817 [2]	438,342
	$ 1.94	**4,721,367**	**$ 2,591,948**

[1] Each Warrant is exercisable for one common share.
[2] Each broker warrant is exercisable for one common share and one-half Warrant.

8. SHARE CAPITAL (continued)

(d) Stock options

The Company adopted a Stock Option Plan (the "Plan"), which was amended on June 15, 2011, to promote the interests of the Company to assist the Company in attracting, retaining and motivating its directors, officers, employees and consultants by providing greater incentive to further develop and promote the business and financial success of the Company. Pursuant to the Plan, the Company may grant options to purchase common shares of the Company to directors, officers, employees and consultants. A maximum of 5,514,322 common shares of the Company may be issued pursuant to the Plan.

The following table shows the continuity of stock options for the period ended May 31, 2012:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 1, 2010	4,229,000	$ 1.40
Granted	50,000	1.46
Exercised [(i)]	(270,000)	0.72
Balance, May 31, 2011	4,009,000	$ 1.45
Granted	1,470,000	1.05
Cancelled	(184,000)	1.48
Expired	(170,000)	1.93
Balance, November 30, 2011	5,125,000	$ 1.31
Granted	508,000	0.61
Forfeited	(75,000)	1.06
Cancelled	(30,000)	1.82
Expired	(825,000)	1.38
Balance, May 31, 2012	**4,703,000**	**$ 1.23**

[(i)] Weighted average share price at date of exercise was $1.81.

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

	2012	2011
Share price at grant date	$0.63	$1.08
Risk-free interest rate	1.30%	1.98%
Expected life of options	5 years	5 years
Expected volatility	85%	84%
Dividend yield	Nil	Nil

The expected volatility used in the Black-Scholes option pricing model is based on historical volatility of the Company.

8. SHARE CAPITAL (Continued)

(d) Stock options (continued)

As at May 31, 2012, the following stock options were outstanding:

Expiry Date	Exercise Price	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life (years)
July 24, 2012	2.88	30,000	30,000	0.15
July 29, 2012	1.06	75,000	75,000	0.16
February 6, 2013	2.24	33,000	33,000	0.69
February 19, 2013	2.40	37,000	37,000	0.72
July 15, 2013	2.40	200,000	200,000	1.12
July 29, 2013	1.31	550,000	550,000	1.16
December 22, 2013	2.04	65,000	65,000	1.56
January 21, 2014	1.11	200,000	200,000	1.64
October 9, 2014	1.40	935,000	935,000	2.36
April 28, 2015	0.88	200,000	200,000	2.91
November 9, 2015	1.11	200,000	200,000	3.44
November 30, 2015	1.40	300,000	300,000	3.50
February 22, 2016	1.46	50,000	50,000	3.73
March 21, 2016	1.06	50,000	50,000	3.81
March 30, 2016	1.29	60,000	60,000	3.83
June 15, 2016	1.25	400,000	100,000	4.04
June 20, 2016	1.05	200,000	50,000	4.06
August 3, 2016	0.80	110,000	27,500	4.18
November 15, 2016	0.88	500,000	125,000	4.46
February 28, 2017	0.54	75,000	18,750	4.75
March 28, 2017	0.64	233,000	58,250	4.83
May 1, 2017	0.61	200,000	50,000	4.92
	$1.23	**4,703,000**	**3,414,500**	**2.99**

9. EXPLORATION AND EVALUATION EXPENDITURES ON MINERAL PROPERTIES

Exploration activities include:

	Three months ended May 31 2012	Three months ended May 31 2011	Six months ended May 31 2012	Six months ended May 31 2011
Yenipazar Property				
Acquisition costs	**$ -**	$ -	**$ -**	$ 504,900
Analytical	**36,622**	-	**110,569**	10,000
Project expenses and employee costs	**327,336**	603,177	**540,076**	827,283
Geotechnical consulting	**158,123**	-	**228,717**	-
Metalurgical consulting	**118,575**	-	**168,299**	-
Resource estimate	**98,431**	-	**98,431**	-
Feasibility studies and project management	**473,808**	-	**797,898**	-
Drilling	**412,800**	-	**784,713**	-
Transportation	**23,369**	-	**51,323**	-
Travel	**24,405**	-	**45,599**	-
License	**2,511**	-	**13,285**	-
Depreciation	**8,005**	-	**9,563**	-
Professional	**13,701**	-	**17,526**	-
Other	**53,380**	-	**68,751**	-
	$ 1,751,066	**$ 603,177**	**$ 2,934,750**	**$ 1,342,183**
Derinkoy Property				
Project expenses and employee costs	**$ -**	$ -	**$ -**	$ 2,314
	$ -	$ -	**$ -**	$ 2,314
Exploration Licenses				
Analytical	**$ -**	$ -	**$** -	$ 840
Project expenses and employee costs	**-**	-	-	33,526
Travel and transportation	**-**	-	-	2,243
Licenses and fees	-	4,035	33,527	25,775
	$ -	**$ 4,035**	**$ 33,527**	**$ 62,384**
Kili Teke License, PNG				
Project expenses and employee costs	**$ 83,237**	$ 124,228	**$ 290,485**	$ 166,258
Drilling	-	-	**78,182**	-
Transportation	**390,752**	-	**746,046**	-
Travel	-	-	**8,719**	-
	$ 473,989	**$ 124,228**	**$ 1,123,432**	**$ 166,258**
Total exploration activities	**$ 2,225,055**	**$ 731,440**	**$ 4,091,709**	**$ 1,573,139**

9. EXPLORATION AND EVALUATION EXPENDITURES ON MINERAL PROPERTIES (continued)

Yenipazar Property, Turkey

The Yenipazar Property is located in central Turkey and hosts a polymetallic volcanogenic massive sulphide ("VMS") body. On December 1, 2004, the Company entered into an agreement with Alacer Gold Corp. (formerly Anatolia Minerals) ("Alacer") to acquire a 65% interest in the Yenipazar property ("the Yenipazar Property"). In July 2006, a revised option agreement was executed whereby, supplementary to earn-in conditions, the Company has the right to earn a 100% interest in the Yenipazar Property in exchange for consideration of 250,000 common shares (issued). In October 2010, the Company announced that a second amended and restated option agreement had been executed with Alacer to extend the period within which the Company may earn a 100% working interest in the Yenipazar Property (collectively, the "Option Agreement").

The Company made the option payments, incurred the minimum exploration expenditures and issued the following common shares of the Company pursuant to the Option Agreement in satisfaction of the financial conditions precedent to becoming eligible to exercise its option in respect of the Yenipazar Property:

Date	Property Commitments	Option Payments US($)	Minimum Exploration Expenditure US($)	Common Shares
December 1, 2004	Option payment (paid)	$ 25,000	$ -	-
June 1, 2005	Option payment (paid)	25,000	-	-
December 1, 2005	Option payment (paid)	25,000	-	-
December 1, 2005	Minimum exploration expenditures (incurred)	-	230,000	-
July 2006	Common shares payment (issued)	-	-	250,000
December 1, 2006	Option payment (paid)	25,000	-	-
June 1, 2007	Option payment (paid)	50,000	-	-
December 1, 2007	Option payment (paid)	50,000	-	-
June 1, 2008	Option payment (paid)	50,000	-	-
December 1, 2008	Option payment (paid)	50,000	-	-
June 1, 2009	Option payment (paid)	50,000	-	-
December 1, 2009	Option payment (paid)	50,000	-	-
June 1, 2010	Option payment (paid)	50,000	-	-
December 1, 2010	Option payment (paid)	500,000	-	-
	Minimum exploration expenditures (incurred)	-	6,000,000	-
	Total	**$ 950,000**	**$ 6,230,000**	**250,000**

9. EXPLORATION AND EVALUATION EXPENDITURES ON MINERAL PROPERTIES (continued)

The Company's only outstanding obligation to complete its earn in of a 100% interest in the Yenipazar Property is to deliver a feasibility report to Alacer by December 1, 2012. Under the Option Agreement, should the feasibility study not be completed within this timeframe, the Company's rights in respect of the Yenipazar Property will remain unimpaired provided that it is seen to be diligently and continuously working to complete such feasibility study. In addition to the condition which must be satisfied prior to the Company exercising its option on the Yenipazar Property, upon commercial production, the Company will pay Alacer a 6% net profit interest ("NPI") until such time as operational revenues reach the amount of US$165,000,000. Should operational revenues exceed this threshold amount, the NPI will increase to 10%. The Company's wholly-owned subsidiary in Turkey holds an Operational License for an area that encompasses the Yenipazar Property and an Operational Mining License for a smaller area within the Yenipazar Property that contains the mineral resources referred to in the related National Instrument 43-101 compliant Technical Report and Preliminary Economic Assessment completed in 2010. These licenses may be amended or renewed based on the completed feasibility study and earlier than the licenses' expiry date December 17, 2014.

In June 2011, the Company engaged a consulting company to oversee the completion of the Yenipazar feasibility study pursuant to the Option Agreement.

Derinkoy Property, Turkey

The Derinkoy Property is located in north eastern Turkey and is primarily prospective for gold, silver and copper. The Company entered into option agreements in 2002 and 2006 to acquire up to a 100% interest in the Derinkoy Property. In November 2009 the Company entered into an agreement with European Goldfields Ltd. ("EUG") whereby EUG could earn up to a 70% interest in the Derinkoy Property on certain terms.

EUG terminated its option on the Derinkoy property. The Company presently has no plans to fund exploration or development of this property. The Company has in turn terminated its option agreements relating to the Derinkoy Property.

Exploration Licenses, Turkey

The Company, at May 31, 2012 holds a total of 11 licenses (November 30, 2010 – 19 licenses) in western Turkey, which are prospective for nickel and chromite. During the second half of the year ending November 30, 2011, the Company evaluated all of its licences to determine which licenses should be held for further development and which licenses should be either sold, written down, or abandoned.

In July 2011, the Company entered into an agreement to assign the rights to six licenses in exchange for US$50,000 ($52,374) received in July 2011 and the acquirer's further commitment to spend US$250,000 in exploration within the first year. If the acquirer achieves the first year spending commitment, it has the option of paying an additional US$50,000 to retain its exploration rights and to make a further commitment of spending US$1,000,000 during the second and third years combined. At the end of the second year, the acquirer has to pay the Company US$250,000 to retain its exploration rights and commit to paying a 3% net smelter royalty on production from the properties. The six licenses were transferred to the acquirer in October and recorded as a disposal of licenses. Due to various delays in obtaining the necessary drilling licenses, the acquirer has requested an extension of the option to pay the additional US$50,000 to retain its exploration rights for the second and third years. The Company has considered the various challenges faced by the acquirer and has extended the option by one year such that the option will be settled in June 2013.

In August 2011, the Company entered into an agreement to sell five licenses for US$100,000 subject to certain conditions including full payment. As at May 31, 2012, the Company has received US$66,000. The balance will be received subject to revised payment terms that are being negotiated. The licenses will be transferred once full payment has been received.

9. EXPLORATION AND EVALUATION EXPENDITURES ON MINERAL PROPERTIES (continued)

Kili Teke License, Papua New Guinea

The Company held an exploration license for an area in the Southern Highlands province of Papua New Guinea (the "Kili Teke License"). The Company completed an exploration and drilling program on certain parts of the area subject to the Kili Teke License. Under the terms of the original license, the Company must incur minimum exploration expenditures of 150,000 Kina (approximately $58,200) prior to December 2, 2010 (incurred) and 200,000 Kina (approximately $77,500) prior to December 2, 2011 (incurred). An application for renewal of the license was submitted in accordance with local mining regulations in January 2011 and the license remained in effect until a response was received from the local authorities. The exploration license was not successfully renewed (See Note 16).

10. GENERAL AND ADMINISTRATIVE

	Three months ended May 31 2012	Three months ended May 31 2011	Six months ended May 31 2012	Six months ended May 31 2011
Accretion	**$ 183**	$ 180	**$ 363**	$ 360
Amortization	**5,017**	6,706	**10,043**	13,095
Consulting fees	**-**	94,969	**-**	143,205
Directors' fees	**44,752**	73,000	**114,018**	132,000
Management fees	**-**	134,000	**-**	293,750
Office and sundry	**76,970**	100,570	**203,106**	141,017
Professional fees	**156,844**	240,634	**280,321**	275,350
Salaries and benefits	**493,096**	2,629	**764,825**	5,258
Shareholder information	**141,132**	129,519	**248,110**	144,686
Stock-based compensation	**166,509**	127,957	**266,412**	177,557
Transfer and filing	**21,493**	61,107	**41,622**	97,873
Travel and promotion	**41,827**	62,386	**77,167**	70,425
General and administrative - Canada	**$ 1,147,823**	$ 1,033,657	**$ 2,005,987**	$ 1,494,576
General and administrative - Turkey	**$ 198,433**	$ 120,709	**$ 393,088**	$ 280,742
	$ 1,346,256	$ 1,154,366	**$ 2,399,075**	$ 1,775,318

11. COMMITMENTS

Operating Lease Agreements

During the year ended November 30, 2007 the Company entered into an operating lease agreement for premises in Vancouver, British Columbia expiring August 31, 2012. The agreement was subsequently amended resulting in minimum lease payments of $19,095 for the fiscal year ending November 30, 2012.

The Company entered into an agreement to lease office space in Ankara, Turkey from July 1, 2011 to June 30, 2014. The commitment for the gross rent, including operating costs and realty taxes is estimated at $2,536 per month. The Company also leases field office space for approximately $270 per month until November 30, 2012.

On July 13, 2011 the Company entered into an agreement to lease office space in Toronto from November 1, 2011 to September 29, 2014. The commitment for the gross rent, including operating costs and realty taxes is estimated at $16,979 per month or $203,747 per annum.

The minimum lease payments are as follows:

Fiscal year ending November 30, 2012	$	128,621
Fiscal year ending November 30, 2013		234,181
Fiscal year ending November 30, 2014		188,179
	$	550,981

Mineral Property Licenses in Turkey

The Turkish Mining Law was amended during 2005 whereby exploration licenses are now granted for three years and can be extended for an additional two years, upon application. Furthermore, pre-operation licenses are no longer granted and any outstanding pre-operation licenses shall be treated as exploration licenses until expiration.

Exploration license holders are required to submit reports on exploration at the end of the second, third and fifth years of the exploration period. Operation license holders are required to submit annual reports on operation projects to the relevant departments. To obtain the appropriate licenses, deposits must be made based on a per hectare fee. The applicable deposits are proportional to the size of the mining area and are determined each year or re-valued according to prevailing economic conditions. In the event the required reports and projects are not submitted on time, deposits for that period are forfeited. If a site is abandoned, the remaining part of the deposit is returned.

12. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions were conducted in terms equivalent to those that prevail in arm's length transactions.

(a) the Company entered into the following transactions with related parties:

	Notes	Three months ended May 31 2012	Three months ended May 31 2011	Six months ended May 31 2012	Six months ended May 31 2011
Akin Commodity Consulting Ltd.	(i)	**$ -**	$ 15,000	**$ -**	$ 30,000
Kim Evans	(ii)	**-**	5,000	**-**	20,000
Jacob Willoughby	(iii)	**-**	45,000	**-**	90,000
DDimitrov Advisory Corp.	(iv)	**-**	18,750	**-**	37,500
Edward J. Badida	(v)	**-**	6,000	**-**	24,000
Level 2 Advisors Inc.	(vi)	**-**	24,000	**-**	60,000
Dalvay Capital Corporation	(vii)	**-**	12,000	**-**	24,000
Jean-Pierre Colin	(viii)	**-**	10,000	**-**	20,000
Marrelli CFO Outsource Syndicate	(ix)	**-**	8,250	**-**	8,250
Marrelli Support Services	(ix)	**-**	6,675	**-**	6,675
Martin S. Oczlon	(x)	**43,804**	60,138	**83,296**	90,456
Tormin Resources Limited	(xi)	**18,000**	-	**36,000**	-

(i) Consulting fees were paid to Akin Commodity Consulting Ltd., a company controlled by Hikmet Akin, a former director and officer of the Company. As at May 31, 2012, Akin Commodity Consulting Ltd was owed $nil (May 31, 2011 - $5,600).

(ii) Consulting fees were paid to Kim Evans, a former officer of the Company. As at May 31, 2012, Kim Evans was owed $nil (May 31, 2011 - $nil).

(iii) Consulting fees were paid to Jacob Willoughby, a former officer and director of the Company. As at May 31, 2012, Jacob Willoughby was owed $nil (May 31, 2011 - $nil).

(iv) Consulting fees were paid to DDimitrov Advisory Corp., a company controlled by Daniella Dimitrov, a director of the Company. As at May 31, 2012, DDimitrov Advisory Corp. was owed $nil (May 31, 2011 - $10,250).

12. RELATED PARTY TRANSACTIONS (continued)

(v) Consulting fees were paid to Edward J. Badida, a former officer of the Company. As at May 31, 2012, Edward J. Badida was owed $nil (May 31, 2011 - $2,000).

(vi) Consulting fees were paid to Level 2 Advisors Inc., a company controlled by Barry Hildred, a director of the Company. As at May 31, 2012, Level 2 Advisors Inc. was owed $nil (May 31, 2011 - $38,869). As at May 31, 2012, Barry Hildred was owed $nil (May 31, 2011 - $6,000).

(vii) Consulting fees were paid to Dalvay Capital Corporation, a company controlled by Mark Monaghan, a former director of the Company. As at May 31, 2012, Dalvay Capital Corporation was owed $nil (May 31, 2011 - $12,000).

(viii) Consulting fees were paid to Jean-Pierre Colin, a former director of the Company. As at May 31, 2012, Jean-Pierre Colin was owed $nil (May 31, 2011 - $nil).

(ix) Consulting fees were paid to Marrelli CFO Outsource Syndicate and Marrelli Support Services Inc., companies controlled by Carmelo Marrelli, a former officer of the Company. As at May 31, 2012, Marrelli CFO Outsource Syndicate was owed $nil (May 31, 2011 -$nil). Marrelli Support Services Inc. was owed $nil (May 31, 2011 - $2,645).

(x) Consulting fees were paid to Martin S. Oczlon , as an officer and a director of the Company. As at May 31, 2012, Martin S. Oczlon was owed $13,392 (May 31, 2011 - $10,918) and this amount was included in Due to Related Parties on the Balance Sheet.

(xi) Consulting fees were paid to Tormin Resources Limited, a company controlled by John Cook, a director of the Company. As at May 31, 2012, Tormin Resources Limited was owed $6,500 (May 31, 2011 - $2,000) and this amount was included in Due to Related Parties on the Balance Sheet.

(b) Remuneration of key management personnel which are defined as directors and officers of the Company was as follows:

	Three months ended May 31 2012	**Three months ended May 31 2011**	**Six months ended May 31 2012**	**Six months ended May 31 2011**
Salaries and benefits [1]	**$ 369,599**	$ 75,629	**$ 581,886**	$ 137,258
Termination benefits	**225,000**	-	**225,000**	-
Share based payments	**80,737**	25,718	**155,819**	75,318
	$ 675,336	**$** 101,347	**$ 962,705**	$ 212,576

[1] The board of directors do not have employment or service contracts with the Company. Directors are entitled to director fees while officers are entitled to salaries and benefits for their services. Both directors and officers are also eligible for share-based payments.

13. ENVIRONMENTAL REHABILITATION

The Company's asset retirement obligations ("ARO") are based on management's estimates of costs to abandon and reclaim mineral properties and facilities, as well as an estimate of the future timing of costs to be incurred.

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

	May 31, 2012	November 30, 2011	December 1, 2010
Balance, beginning of period	**$ 48,732**	$ 48,012	$ 47,302
Accretion for asset retirement	**366**	720	710
Balance, end of period	**$ 49,098**	$ 48,732	$ 48,012

The Company has estimated its total asset retirement obligations to be $49,098 at May 31, 2012 based on a total future liability of approximately $49,480, which has been adjusted using an annual inflation rate of 1.5%, and a risk free rate of 7%. This obligation pertains to the exploration shaft on the Yenipazar Property in Turkey. Reclamation is expected to occur in the year 2013.

14. SEGMENTED INFORMATION

Segmented information is provided on the basis of geographical segments as the Company operates in one industry, exploration and evaluation of mineral properties and manages its business and exploration activities through geographical regions - Canada, Turkey and Papua New Guinea. The business segments presented reflect the management structure of the Company and the way in which the Company's Board of Directors review business performance. The Company evaluates performance of its operating and reportable segments as noted below:

	Canada	Turkey	Papua New Guinea	Total
Exploration and evaluation expenditures	$ -	$ 2,968,277	$ 1,123,432	$ 4,091,709
General and administrative	2,005,987	393,088	-	2,399,075
Total expenses – six months ended May 31, 2012	$ 2,005,987	$ 3,361,365	$ 1,123,432	$ 6,490,784

	Canada	Turkey	Papua New Guinea	Total
Exploration and evaluation expenditures	$ -	$ 1,406,881	$ 166,258	$ 1,573,139
General and administrative	1,494,576	280,742	-	1,775,318
Total expenses – six months ended May 31, 2011	$ 1,494,576	$ 1,687,623	$ 166,258	$ 3,348,457

	Canada	Turkey	Papua New Guinea	Total
Exploration and evaluation expenditures	$ -	$ 1,751,066	$ 473,989	$ 2,225,055
General and administrative	1,147,823	198,433	-	1,346,256
Total expenses - three months ended May 31, 2012	$ 1,147,823	$ 1,949,499	$ 473,989	$ 3,571,311

14. SEGMENTED INFORMATION (continued)

	Canada	Turkey	Papua New Guinea	Total
Exploration and evaluation expenditures	$ -	$ 607,212	$ 124,228	$ 731,440
General and administrative	1,033,657	120,709	-	1,154,366
Total expenses - three months ended May 31, 2011	$ 1,033,657	$ 727,921	$ 124,228	$ 1,885,806

	Canada	Turkey	Papua New Guinea	Total
Long-term investments	$ 1,048,153	$ -	$ -	$ 1,048,153
Corporate and other assets	10,076,381	1,164,424	-	11,240,805
Total assets - May 31, 2012	$ 11,124,534	$ 1,164,424	$ -	$ 12,288,958

	Canada	Turkey	Papua New Guinea	Total
Long-term investments	$ 1,394,915	$ -	$ -	$ 1,394,915
Corporate and other assets	5,586,991	825,063	(18,803)	6,393,251
Total assets - November 30, 2011	$ 6,981,906	$ 825,063	$ (18,803)	$ 7,788,166

	Canada	Turkey	Papua New Guinea	Total
Exploration and evaluation expenditures	$ -	$ 2,172,650	$ 2,822,395	$ 4,995,045
General and administrative	3,314,861	590,961	-	3,905,822
Total expenses - year ended November 30, 2011	$ 3,314,861	$ 2,763,611	$ 2,822,395	$ 8,900,867

	Canada	Turkey	Papua New Guinea	Total
Long-term investments	$ 378,578	$ -	$ -	$ 378,578
Corporate and other assets	2,003,676	290,548	-	2,294,224
Total assets - December 1, 2010	$ 2,382,254	$ 290,548	$ -	$ 2,672,802

Geographic Information

The Company has options on mining properties in Turkey. The book value of those properties is $nil. The Company has cash, other receivables, exploration license deposits, and property and equipment in Turkey. All the rest of the Company's assets are located in Canada.

15. CONVERSION TO IFRS

(i) Overview

As stated in significant accounting policies note 2, these unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS as issued by the IASB.

The policies set out in the significant accounting policies section have been applied in preparing the financial statements for the three and six months ended May 31, 2011 and in the preparation of an opening IFRS balance sheet at December 1, 2011 (the Transition Date).

(ii) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemption in its preparation of an opening IFRS statement of financial position as at December 1, 2010, the Company's "Transition Date".

- To apply IFRS 2 Share-based Payments only to equity instruments issued after November 7, 2002, and that had not vested by the transition date.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

(iii) Transition elections and adjustments

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective on November 30, 2012, the Company's first annual IFRS reporting date. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

15. CONVERSION TO IFRS (continued)

(iii) Transition elections and adjustments (continued)

(a) Impairment of (non-financial) assets

IAS 36, Impairment of Assets ("IAS 36") requires a write down of assets if the recoverable amount (defined as the higher of the fair value less costs to sell and the value in use of an asset or a cash generating unit) is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Under Canadian GAAP, a write down to estimated fair value was required only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value. The Company has changed its accounting policies related to impairment of assets to be consistent with the requirements under IFRS.

IAS 36 also requires the reversal of any previous impairment losses, with the exception of goodwill, where circumstances have changed such that the level of impairment in the value of the assets has been reduced. Canadian GAAP prohibits the reversal of impairment losses.

The Company has changed its accounting policies related to impairment of assets to be consistent with the requirements under IFRS. The changes in accounting policies related to impairment did not have a significant impact on the Company's condensed consolidated interim financial statements.

(b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the condensed interim consolidated financial statements.

(c) Property, Plant & Equipment

IAS 16, Property, Plant and Equipment ("IAS 16") requires the Company to choose, for each class of capital assets, between the cost model or the revaluation model. The Company has selected the cost model in accounting for all of its capital assets.

The Company has changed its accounting policies to reflect the requirement under IAS 16 that when an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment and amortized over their respective useful lives. This change in accounting policies did not have a significant impact on the Company's condensed consolidated interim financial statements.

(d) Exploration and evaluation

On transition to IFRS, the Company elected to expense exploration and evaluation expenditures as incurred. Previously, the Company's Canadian GAAP policy was to capitalize exploration and evaluation expenditures as incurred.

(iv) Presentation

Certain amounts in the unaudited condensed interim consolidated statements of financial position, statements of loss and comprehensive loss and statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

15. CONVERSION TO IFRS (continued)

(v) Reconciliation between IFRS and Canadian GAAP

Reconciliation of equity and comprehensive loss previously reported under Canadian GAAP to IFRS.

Equity

	As at November 30 2011	As at May 31 2011	As at December 1 2010
Equity as reported under Canadian GAAP	$ 23,396,653	$ 26,945,445	$ 15,797,796
IFRS adjustments decrease:			
Exploration and evaluation expenditures (Note 15 (iii)(d))	(16,726,615)	(14,250,874)	(13,756,190)
Equity reported under IFRS	$ 6,670,038	$ 12,694,571	$ 2,041,606

Comprehensive loss (income)

	Year ended November 30 2011	Three months ended May 31 2011	Six months ended May 31 2011
Comprehensive loss as reported under Canadian GAAP	$ 4,755,419	$ 1,594,871	$ 823,911
IFRS adjustments increase:			
Exploration and evaluation expenditures (Note 15 (iii)(d))	2,970,425	731,440	494,684
Comprehensive loss reported under IFRS	$ 7,725,844	$ 2,326,311	$ 1,318,595

Cash flow statement

The IFRS transition adjustments above did not have an impact on the Company's cash and cash equivalents. Differences in the cash flow statements between Canadian GAAP and IFRS are the result of non-cash adjustments to items in the statement of loss and comprehensive loss.

16. SUBSEQUENT EVENTS

i) On June 22, 2012, the Company entered into an offer to lease agreement for smaller office premises in Toronto, Ontario, in conjuction with an offer to sublease its current office premises in order to realize cost savings on rental payments. The lease agreement is expected to be finalized by the end of July 2012. The minimum lease payments related to the new lease are as follows:

Fiscal year ending November 30, 2012	$ 33,537
Fiscal year ending November 30, 2013	134,146
Fiscal year ending November 30, 2014	136,392
Fiscal year ending November 30, 2015	143,131
Fiscal year ending November 30, 2016	143,131
Fiscal year ending November 30, 2017	143,131
Fiscal year ending November 30, 2018	35,783
	$ 769,251

16. SUBSEQUENT EVENTS (continued)

ii) On July 6, 2012, the Company reported that it planned to exit Papua New Guinea following receipt of a formal notice from the Registrar of Tenements in Papua New Guinea that the Company's license renewal application for its Kili Teke property has not been approved.

The Company submitted its license renewal application in January 2011 as required by local mining laws and was operating under such renewal application. With the receipt of the formal notice, the Company has determined that it will take no further action in Papua New Guinea, in order to focus management efforts on the Yenipazar project in Turkey and to avoid any litigation costs to seek redress. The Company had no significant assets remaining at the PNG Property.

17. RECLASSIFICATION

Certain expense items have been reclassified to conform to the presentation for the three and six months ended May 31, 2012.