

ALDRIDGE MINERALS INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FEBRUARY 28, 2010
(Stated in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements for Aldridge Minerals Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles. These financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company's auditors. The Company's Audit Committee and Board of Directors has reviewed and approved these interim financial statements.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

ALDRIDGE MINERALS INC.
 (An Exploration Stage Company)
 Interim Consolidated Balance Sheets
 (Expressed in Canadian Dollars)
 (Unaudited)

	February 28, 2010	November 30, 2009
ASSETS		
Current		
Cash	\$ 5,082,992	\$ 1,025,943
Amounts receivable	91,752	75,090
Prepaid expenses	111,300	94,272
	<u>5,286,044</u>	<u>1,195,305</u>
Investment in Aldridge Uranium Inc. (Notes 4 & 14)	441,084	468,338
Mineral properties (Note 5)	13,081,838	12,776,708
Property and equipment (Note 6)	165,589	173,846
	<u>\$ 18,974,555</u>	<u>\$ 14,614,197</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 326,779	\$ 406,359
Due to related parties (Note 8)	5,585	1,229
	<u>332,364</u>	<u>407,588</u>
Aldridge Uranium Inc. (Note 14)	-	-
Asset retirement obligation (Note 10)	47,302	47,302
Future income tax liability (Note 12)	1,031,844	1,031,844
	<u>1,411,510</u>	<u>1,486,734</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	25,711,881	22,492,848
Contributed surplus (Note 7)	8,506,903	6,881,412
Deficit	(16,655,739)	(16,246,797)
	<u>17,563,045</u>	<u>13,127,463</u>
	<u>\$ 18,974,555</u>	<u>\$ 14,614,197</u>

Nature of operations (Note 1)

Commitments (Notes 5 and 9)

Approved by the Board Of Directors:

 "Hikmet Akin" Director
 Hikmet Akin

 "John Schaw" Director
 John Schaw

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

ALDRIDGE MINERALS INC.

(An Exploration Stage Company)

Interim Consolidated Statements of Loss, Comprehensive Loss and Deficit

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE MONTH PERIOD ENDED	February 28, 2010	February 28, 2009
EXPENSES		
Administrative costs – Turkey office	\$ 111,530	\$ 150,272
Consulting fees	-	128,409
Amortization	1,523	2,195
Directors' fees	6,000	3,500
Management fees	123,841	45,475
Office and sundry	27,776	37,959
Professional fees	62,901	44,885
Salaries and benefits	33,036	47,254
Shareholder information	25,777	39,241
Stock based compensation	173,200	236,800
Transfer and filing fees	35,326	12,915
Travel and promotion	17,446	10,720
	<u>(618,356)</u>	<u>(759,625)</u>
OTHER INCOME (EXPENSE)		
Write down of equipment	-	(667)
Equity loss on investment (Note 4)	(27,254)	-
Foreign exchange gain	236,668	117,795
Interest income	-	15,612
Research and development (Note 9(c))	-	(64,765)
	<u>209,414</u>	<u>(67,975)</u>
Net Loss for the Period	(408,942)	(691,650)
Deficit, Beginning of Period	(16,246,797)	(13,274,521)
Deficit, End of Period	\$ (16,665,739)	\$ (13,996,171)
Loss per share – basic and diluted	(0.01)	(0.02)
Weighed average number of shares outstanding – basic and diluted	27,729,628	31,016,787

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

ALDRIDGE MINERALS INC.
(An Exploration Stage Company)
Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE MONTH PERIOD ENDED	February 28, 2010	February 28 2009
Cash Flows From Operating Activities		
Net loss for the period	\$ (408,942)	\$ (691,650)
Amortization	1,523	2,195
Stock based compensation	173,200	236,800
Write down of equipment	-	667
Equity loss on investment	27,254	-
	<u>(206,965)</u>	<u>(451,988)</u>
Changes in non-cash operating assets and liabilities:		
Amounts receivable	(16,662)	(23,563)
Accounts payable and accrued liabilities	(72,809)	266,517
Due to related parties	4,356	(6,372)
Prepaid expenses	(17,028)	(110,077)
	<u>(309,108)</u>	<u>(325,483)</u>
Cash Flows From Financing Activities		
Unit and share issue proceeds received	4,671,324	160,354
Share subscriptions received relating to Aldridge Uranium Inc.	-	(119,100)
	<u>4,671,324</u>	<u>41,254</u>
Cash Flows from Investing Activities		
Short-term investments	-	1,125,000
Mineral property acquisition and exploration costs	(305,167)	(791,245)
Proceeds on sale (purchase) of equipment, net	-	17,135
	<u>(305,167)</u>	<u>350,890</u>
(Decrease) Increase In Cash	4,057,049	66,661
Cash, Beginning of Period	1,025,943	331,981
Cash, End of Period	\$ 5,082,992	\$ 398,642
-Supplemental Cash Flow Information		
Cash paid for interest	\$ -	\$ -
Non-cash Financing and Investing Activities		
25,000 common shares issued for finders' fees	\$ -	\$ 57,500
Amounts related to mineral properties recorded in accounts payable	\$ (6,771)	\$ 219,493
Asset retirement obligation recorded as mineral property expenditures (Note 10)	\$ -	\$ 45,914
Stock based compensation recorded as mineral property expenditures (Note 7)	\$ -	\$ 5,600

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

ALDRIDGE MINERALS INC.

(An Exploration Stage Company)

Notes to the Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2010

1. NATURE OF OPERATIONS & GOING CONCERN

Aldridge Minerals Inc. (the “Company”) was incorporated under the laws of British Columbia, Canada. Its principal business activities are the exploration and development of mineral properties. The Company’s mineral properties are located in Turkey and Papua New Guinea.

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 recoverability of the amounts shown for the mineral properties is dependent upon the existence of economically recoverable reserves, confirmation of title, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared according to Canadian generally accepted accounting principles (“GAAP”) as issued by the Canadian Institute of Chartered Accountants (“CICA”). All financial figures are presented in Canadian dollars unless otherwise stated.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries Aldridge Mineral Madencilik Sanayi Ticaret Ltd. Sti., incorporated in Turkey, and Aldridge Minerals Inc. Limited, of Papua New Guinea. All intercompany accounts and transactions and balances have been eliminated on consolidation.

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. As at February 28, 2010, the Company did not have cash equivalents.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions include those related to the determination as to whether costs are expensed or capitalized; the establishment of accounts payable and accrued liabilities; estimates to account for the abandonment of long-lived assets; impairment of mineral properties; the use of the Black-Scholes option pricing valuation model to record the fair value ascribed to warrants and stock options; the valuation allowance for future income tax assets and liabilities; and determining whether contingent assets or liabilities exist. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

The Company's financial instruments consist of cash, short-term investments, amounts receivable, accounts payable and accrued liabilities and due to related parties.

Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading, financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

The Company designates its cash and short-term investments as held-for-trading, which are measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

The Company had no "other comprehensive income or loss" transactions during the period ended February 28, 2010 and no opening or closing balances for accumulated other comprehensive income or loss.

Translation of Foreign Currencies

The operations of the Company's subsidiaries are determined to be of an integrated nature. Foreign functional currency transactions and balances are translated into the Canadian dollar reporting currency using the temporal method as follows:

- a) Monetary items are translated at the rates prevailing at the balance sheet date;
- b) Non-monetary items are translated at historical rates;
- c) Revenues and expenses are translated at the average rates in effect during applicable accounting periods, except amortization, which is translated at historical rates;
- d) Gains and losses on foreign currency translation are reflected in the consolidated statements of loss and deficit.

Mineral Properties

The Company accounts for its mineral properties on a cost basis whereby all direct costs, net of revenue earned prior to production, relative to the acquisition of and exploration of the properties are capitalized. Amounts shown for the mineral properties represent capitalized costs incurred and are not intended to reflect present or future values. All sales and option proceeds received are first credited against the costs of the related property, with any excess credited to earnings. Once production has commenced, the net costs of the applicable property are charged to operations using the unit-of-production method based upon estimated proven and probable recoverable reserves. The net costs related to abandoned properties are charged to operations. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based on changes in conditions and assumptions that a material change in the recorded amounts could be required.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Lived Assets

The Company follows the recommendations in CICA Handbook Section 3063 – *Impairment of Long-Lived Assets* and the CICA’s Emerging Issues Committee (“EIC”) extract EIC-174 – *Mining Exploration Costs*. Section 3063 requires that the Company review long-lived assets, including mineral properties for impairment. Long-lived assets are assessed for impairment when events and circumstances warrant an assessment. EIC-174 provides additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. Adoption of this standard has not significantly impacted the Company’s financial statements.

A mining enterprise is required to consider the conditions in Section 3063 for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition, management’s development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, capitalized costs are written down to the estimated recoverable amount.

Equipment

Equipment is recorded at cost less accumulated amortization and is amortized over the estimated useful lives at the following rates:

Automotive	30% per annum, declining balance
Equipment	30% per annum, declining balance
Computer software	30% per annum, declining balance

Asset Retirement Obligations

The Company is required to recognize a liability for an asset retirement obligation on long-lived assets when a legal liability exists and the amount of the liability is reasonably determinable. Asset retirement obligations are calculated on discounted future payment estimates and the liability is accreted over the expected term of the obligation. Subsequent adjustments are made when there are changes to the underlying assumptions. Corresponding amounts and adjustments are added to the carrying value of the related long-lived asset and charged to operations in accordance with accounting policy.

Equity instruments

Agent’s warrants, stock and unit options, and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model.

Income Taxes

The Company has adopted the asset and liability method of accounting for income taxes. Future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities using tax rates applicable for future years. A valuation allowance is provided to offset any future tax asset if, based upon the available evidence, it is more likely than not that some or all of the future tax asset will not be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stock Based Compensation

Compensatory stock based transactions with directors, officers, employees and consultants are recorded at estimated fair value. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the measurement date. Transactions are charged to operations or capitalized to mineral properties as appropriate, with an offsetting credit to contributed surplus. The fair value of stock options, which vest immediately, is recorded at the date of grant; the fair value of options, which vest in the future, is recognized over the vesting period using the straight line method. Stock options issued to consultants that vest over time are valued at the grant date and subsequently valued on each vesting date.

Earnings (Loss) per Share

Loss per share is computed on the basis of the average number of shares outstanding during the year. Diluted loss per share is computed on the treasury stock method to give effect to the potential exercise of outstanding stock options and warrants. Diluted loss per share is not shown as the effect of the issuance of stock options and warrants is anti-dilutive.

Equity Investment

Investments in entities over which the Company exercises significant influence are accounted for using the equity method whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the Company's pro rata share of post-acquisition losses.

Accounting Policy Developments

Effective December 1, 2008, the Company adopted CICA Handbook Section 3064, *Goodwill and Intangible Assets*, which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and expenses during the pre-operating period and the previous Goodwill and intangible assets standard (Section 3062). As a result of the withdrawal of EIC 27, the Company will not be able to defer revenues and related costs incurred prior to commercial production at new operations. Adoption of this standard has not significantly impacted the Company's financial statements.

During 2009, CICA Handbook Section 3862, *Financial Instruments – Disclosures* ("Section 3862"), was amended. The amendments provide for additional disclosure requirements about the inputs to fair value measurements of financial instruments, including their classification into one of three levels within a "fair value hierarchy" that prioritizes the inputs to fair value measurement. These disclosures are included in Note 11 of these consolidated financial statements.

New pronouncements

Section 1582 *Business Combinations*, 1601, *Consolidated Financial Statements* and 1602 *Non-controlling Interests* will replace the former Sections 1581 *Business Combinations*, 1600 *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 is effective for business combinations for which the acquisition date is on or after January 1, 2011 and Sections 1601 and 1602 apply to consolidated financial statements relating to years beginning on or after January 1, 2011. The Company is currently evaluating the effects of adopting this standard.

ALDRIDGE MINERALS INC.

(An Exploration Stage Company)

Notes to the Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2010

3. SHORT-TERM INVESTMENTS

At February 28, 2010, the Company did not hold any short-term investments (2009 - \$Nil). Short-term investments consist of one year guaranteed investment certificates, invested at the bank prime rate less a prescribed percentage, and are redeemable, in whole or part, at anytime.

4. INVESTMENT IN ALDRIDGE URANIUM INC.

On December 31, 2008, the Company completed the spin-off of Aldridge Uranium Inc. (see Note 14). From that date onwards, Aldridge Uranium Inc. was accounted for as an equity investment as it remains subject to significant influence by the Company.

The initial cost of the investment was valued on the basis of the carrying value of Aldridge Uranium Inc. as at the date of the transaction.

Balance at November 30, 2008	\$	-
Aldridge Uranium Inc.		214,684
Advances received from the Company		287,872
Less: share of losses during the year		(34,218)
Balance at November 30, 2009	\$	468,338
Less: share of losses during the year		(27,254)
Balance at February 28, 2010	\$	441,084

5. MINERAL PROPERTIESa) Derinkoy Property, Turkey

By agreements dated December 4, 2002 and January 27, 2006, the Company may acquire a 100% interest in the Derinkoy mineral property located in Turkey. Pursuant to the terms of the agreements, the Company has issued 1,050,000 common shares to the optionors and earned a 60% interest in the properties. An additional 1,000,000 common shares are to be issued upon completion of a feasibility study, with a further 2,000,000 common shares to be issued upon commencement of commercial production.

The property is subject to a 1.5% net smelter return royalty and cash payment of US\$3,000,000 upon the production of 2,500,000 ounces of gold (or equivalent value in silver or platinum group metal, or combination thereof).

In June 2009, the Company entered into an agreement with European Goldfields Ltd. ("European Goldfields") whereby that company may earn up to a 70% interest in the Derinkoy property by funding all exploration and development costs on the project to completion of a Preliminary Economic Assessment ("PEA"), with minimum expenditures of:

- (i) \$250,000 on or before the first anniversary date of the agreement; and
- (ii) a further \$400,000 on or before the second anniversary date of the agreement.

On the third anniversary date of the agreement, European Goldfields must issue a cash payment of \$100,000 to the Company, provided that the PEA indicates a deposit of more than 500,000 ounces of gold or 1,000,000 ounces of gold equivalent with an estimated internal rate of return greater than 20%.

ALDRIDGE MINERALS INC.

(An Exploration Stage Company)

Notes to the Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2010

5. MINERAL PROPERTIES (Continued)

a) Derinkoy Property, Turkey (continued)

Thereafter, European Goldfields may earn a further 20% interest, for an aggregate 90% interest, by conducting a feasibility study within five years of the date of the agreement. Subsequent to completion of the feasibility study, the Company has the right to elect to fund its 10% interest or revert to a 4% net proceeds interest. Should the feasibility study not be completed by May 30, 2017, ownership of the property will revert back to the Company.

b) Yenipazar Property, Turkey

On December 1, 2004, the Company entered into an agreement with Anatolia Minerals Development Ltd. and its subsidiary (collectively "Anatolia") to acquire a 65% interest in the Yenipazar property located in Turkey.

To earn its interest, the Company is required to:

- (i) pay US\$25,000 on closing of the agreement (paid);
- (ii) pay US\$25,000 on each of the six month and twelve month anniversary dates (paid) and incur aggregate exploration expenditures of at least US\$230,000 on or before the twelfth month anniversary date (incurred);
- (iii) pay US\$50,000 on each of the thirty month (paid), thirty-six month (paid), forty-second month (paid), forty-eight month (paid), fifty-fourth month (paid), sixty month (paid), sixty-six month and seventy-second anniversary dates; and
- (iv) pay US\$500,000, incur aggregate exploration expenditures of not less than US\$6,000,000 and deliver a feasibility study on the Yenipazar property or portion thereof, by the seventy-second month anniversary date. At February 28, 2010, the Company had made all required payments and had incurred the required exploration expenditures.

During the first quarter of fiscal 2009, the Company issued 25,000 common shares at a price of \$2.30 per share in payment of finders' fees related to the Yenipazar property.

In July 2006, the 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 addition, the Company will pay Anatolia a 6% net proceeds 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% of the amount realized in excess of US\$165,000,000. Further, the Company has the right and option to earn a 100% interest in the oxide mineralization deposits on the Yenipazar property by expending an aggregate US\$2,000,000 (incurred) on exploration on or before the forty-eight month anniversary date, making payments totaling US\$300,000 to Anatolia, of which \$150,000 remains to be paid per (iii) above, and delivering notice to Anatolia of its intention to exercise this option.

During 2008, the Company reduced the Yenipazar license area by 29,076 hectares after determining that potential for further discovery on this ground was unlikely. Accordingly, at November 30, 2008, the Company had written down the respective mineral property expenditures by \$678,631.

c) Exploration Licenses

The Company holds a number of exploration licenses in Turkey. A total of 23 licenses covering roughly 20,500 hectares are prospective for nickel and chromite. During the year ended November 30, 2008, the Company relinquished 4 nickel licenses covering an area of approximately 4,800 hectares and wrote-off costs of \$6,720. A total of 86 claims acquired during the fiscal year ended November 30, 2008, which are prospective for uranium and cover approximately 132,000 hectares, were spun-off to Aldridge Uranium Inc. (Note 14).

ALDRIDGE MINERALS INC.

(An Exploration Stage Company)

Notes to the Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2010

5. MINERAL PROPERTIES (Continued)d) Papua New Guinea License

On February 13, 2009, the Company was granted a two-year exploration license, primarily prospective for gold, in western-central Papua New Guinea. In accordance with PNG regulations the Company has established an operating company (Aldridge Minerals Inc. Limited). Further, the Company has prepaid two years rent and costs and provided a security deposit, for an aggregate 29,780 Kina or approximately \$13,600 Canadian dollars. Under the terms of the license, the Company must incur minimum exploration expenditures of 150,000 Kina (approximately \$60,000 Canadian dollars)(incurred) prior to December 2, 2010 and 200,000 Kina (approximately \$80,000 Canadian dollars) prior to December 2, 2011.

e) The Company's capitalized acquisition and deferred costs are as follows:

	February 28, 2010	November 30, 2009
Yenipazar Property	\$ 10,507,683	\$ 10,282,449
Derinkoy Property	1,252,317	1,245,931
Exploration Licenses	998,569	930,376
Papua New Guinea License	323,269	317,952
	\$ 13,081,838	\$ 12,776,708

6. PROPERTY AND EQUIPMENT

	February 28, 2010			November 30, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Automotive	\$ 151,820	\$ 87,871	\$ 63,949	\$ 151,820	\$ 84,226	\$ 67,594
Equipment	155,280	86,378	68,902	155,280	82,005	73,275
Computer software	26,623	23,564	3,059	26,623	23,327	3,296
Land	29,681	-	29,681	29,681	-	29,681
	\$ 363,404	\$ 197,813	\$ 165,591	\$ 363,404	\$ 189,558	\$ 173,846

7. SHARE CAPITAL

Authorized: 100,000,000 common shares without par value

	Number of Shares	Amount	Contributed Surplus
Balance, November 30, 2008	22,539,611	\$ 21,702,985	\$ 5,099,040
Issued for options exercised	7,000	27,223	(11,543)
Issued for fees	25,000	57,500	-
Issued for cash	832,330	707,482	291,315
Stock based compensation	-	-	1,502,600
Less: Share issue costs	-	(2,342)	-
Balance, November 30, 2009	23,403,941	\$ 22,492,848	\$ 6,881,412
Issued for cash	5,010,000	3,557,709	1,452,291
Stock based compensation	-	-	173,200
Less: Share issue costs	-	(338,676)	-
Balance, February 28, 2010	28,413,941	\$ 25,711,881	\$ 8,506,903

Escrowed shares

At February 28, 2010, a total of Nil (2009 – 217,782) shares are subject to an escrow agreement, their release being subject to regulatory approval.

Private Placements

2010

During the first quarter of fiscal 2010, the Company issued 5,010,000 units at a price of \$1.00 per unit, via two tranches, for gross proceeds of \$5,010,000. Each unit is comprised of one common share and one share purchase warrant entitling the holder thereof to acquire one additional common share at a price of \$1.50 for a period of two years. A finders' fee, comprised of \$337,610 in cash and 41,755 warrants entitling the finder to purchase up to 41,755 common shares at a price of \$1.50 per share for a period of two years was paid. The share purchase warrants were valued at \$1,452,291 and credited to contributed surplus. Fair value was determined using the Black Scholes valuation model, based on a risk free interest rate of 1.20-1.22 %, an expected life of two years, an expected volatility of 79.5-79.7% and a dividend yield rate of nil.

2009

During the fiscal year ended November 30, 2009, the Company issued 832,330 units at a price of \$1.20 per unit for gross proceeds of \$998,796. Each unit is comprised of one common share and one share purchase warrant entitling the holder thereof to acquire one additional common share of the Company at a price of \$1.50 for a period of two years. The share purchase warrants were valued at \$291,315 and credited to contributed surplus. Fair value was determined using the Black Scholes valuation model, based on a risk free interest rate of 1.5%, and expected life of two years, an expected volatility of 78.3% and a dividend yield rate of nil.

ALDRIDGE MINERALS INC.

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Notes to the Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2010

7. SHARE CAPITAL (Continued)**Warrants**

A summary of the share purchase warrants outstanding at February 28, 2010 and November 30, 2009 and the changes for those periods is presented below.

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Exercise Life
Balance, November 30, 2009	2,062,336	\$ 2.62	0.85 Years
Issued	5,051,755	1.50	1.89 Years
Balance, February 28, 2010	7,114,091	\$ 2.62	1.39 Years

At February 28, 2010 and November 30, 2009, the following share purchase warrants were outstanding:

	Expiry Date	Exercise Price	2009	2008
Private placement	September 12, 2010	\$ 2.75	26,406	26,406
Private placement	September 12, 2010	\$ 3.39	445,100	445,100
Private placement	November 19, 2010	\$ 3.40	758,500	758,500
Private placement	October 8, 2011	\$ 1.50	832,330	832,330
Private placement	January 14, 2012	\$ 1.50	3,780,000	-
Private placement	January 24, 2012	\$ 1.50	1,271,755	-
			7,114,091	2,062,336

Stock Options

The Company has a stock option plan, in accordance with the policies of the TSX Venture Exchange, under which the board is authorized to grant up to a total of 4,514,322 options, not to exceed 20% of the issued and outstanding share capital of the Company, to employees, consultants, officers and directors. The number, terms and conditions of stock options granted to certain individuals may be limited.

A summary of the Company's stock options at February 28, 2010 and November 30, 2009 and the changes for those periods is presented below.

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Exercise Life
Balance, November 30, 2008	2,034,300	2.39	3.39 Years
Granted	2,110,000	1.47	
Exercised	(7,000)	2.24	
Expired	(461,300)	1.51	
Balance, November 30, 2009	3,676,000	\$ 1.97	3.24 Years
Granted	250,000	1.20	
Expired	(200,000)	2.74	
Balance, February 28, 2010	3,726,000	\$ 1.88	3.51 Years

7. SHARE CAPITAL (Continued)

Stock Options (continued)

During the first quarter of fiscal 2010, the Company recognized stock based compensation totaling \$173,200 (2009 - \$1,502,600), of which \$Nil (2009 - \$182,647) was capitalized as mineral property expenditures and \$173,200 (2009 - \$1,319,953) was expensed as stock based compensation in operations, with a corresponding increase in contributed surplus.

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 assumptions used to calculate the fair value were as follows:

	2010	2009
Risk-free interest rate	2.52%	1.43 - 2.84%
Expected life of options	5 years	2 - 5 years
Expected volatility	69.62%	65.7 - 70.9%
Dividend yield	Nil	Nil

The table below summarizes the stock options outstanding at February 28, 2010:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable
\$ 2.05	July 31, 2011	225,000	225,000
2.10	September 20, 2011	210,000	210,000
1.80	October 31, 2011	110,000	110,000
2.60	March 8, 2012	350,000	350,000
2.88	July 24, 2012	206,000	206,000
2.24	February 6, 2013	294,000	294,000
2.40	February 19, 2013	37,000	37,000
2.40	July 15, 2013	200,000	200,000
2.40	July 18, 2013	139,000	139,000
2.04	December 22, 2013	210,000	210,000
1.40	October 9, 2014	1,495,000	1,495,000
1.20	February 11, 2015	250,000	250,000
\$ 1.88		3,726,000	3,726,000

8. RELATED PARTY TRANSACTIONS

During the period ended February 28, 2010, the Company paid or accrued:

- a) management fees of \$123,841 (2009 - \$221,461) to directors and officers of the Company;
- b) directors' fees of \$6,000 (2009 - \$13,500);
- c) salary and benefits of \$25,229 (2009 - \$106,776) to directors and officers of the Company; and
- d) geological consulting fees to a director of the Company of \$35,366 (2009 - \$146,458) which are included in the capitalized costs of the mineral properties.

Due to related parties of \$5,585 (2009 - \$1,229) consists of amounts owing to directors and officers of the Company. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

Further, during fiscal 2009, the Company recorded an amount receivable of \$287,872 from Aldridge Uranium Inc. with respect to mineral properties expenditures paid on that company's behalf (Note 4).

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

a) Operating Lease Agreement

During the period ended November 30, 2007, the Company entered into an operating lease agreement for premises expiring August 31, 2012. During July 2009, the Company amended the lease agreement, reducing its square footage and cost. The minimum lease payments per fiscal year are as follows:

2010	\$	36,031
2011	\$	36,665
2012	\$	27,498

b) Mining Licenses

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. To date, the Company has experienced no issues with respect to the acquisition, reporting on and reduction of mineral licenses.

c) System Technology Agreement

On March 12, 2007, the Company entered into an agreement with a German based company for the development of system technology ("the System") for measuring certain materials, including the development of two prototypes and related software. Cost of developing the prototypes, borne equally by the two parties, was EURO 150,000 (approximately \$215,655CDN). The Company is responsible for the following additional costs upon completion of development:

- i) setup of the production facility, not to exceed EURO 400,000 (\$575,080CDN);
- ii) initial operational employment cost, approximately EURO 20,000/month (\$28,754CDN/month);
- iii) material cost for production, approximately EURO 300,000 (\$431,310CDN).

Immediately after a production decision is made, the German company is entitled to 200,000 stock options in the Company. After sale of a certain number of units of the system, it is also entitled to 50,000 common shares of the Company and, after the payback period, to 2.5% to 5% of pre-tax profits.

To date, the Company has incurred costs of \$241,269, of which \$176,504 has been incurred during the prior two fiscal years. These costs comprise Aldridge's half of the initial prototype development costs of EURO 75,000, plus operational costs (item ii above) of EURO 20,000 for four months. All costs have been expensed as incurred until capitalization criteria have been met. During the year ended November 30, 2009, the agreement was suspended until further notice.

10. ASSET RETIREMENT OBLIGATIONS

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 exploration properties:

	2009	2008
Balance, beginning of period	\$ 45,914	\$ -
Liabilities incurred	-	45,914
Accretion for asset retirement	1,388	-
Balance, end of period	\$ 47,302	\$ 45,914

The Company has estimated its total asset retirement obligations to be \$47,302 at November 30, 2009 based on a total future liability of approximately \$49,480, which has been adjusted using an annual inflation rate of 1.5%, and a credit adjusted risk-free rate of 7%. Reclamation is expected to occur in the year 2013.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

The management of capital includes cash and shareholders' equity comprised of share capital, contributed surplus and deficit. The capital structure at February 28, 2010 consists of common shares of \$25,711,881 (2009 - \$22,492,848). As at February 28, 2010, the Company had no bank indebtedness.

The Company is involved in mineral exploration which is a high risk activity. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

Management reviews its capital management approach on an ongoing basis and believes this approach, given the relative size of the Company, is reasonable.

12. FINANCIAL INSTRUMENTS

Credit and Interest rate risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has significant cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and other receivables. The Company's policy is to invest excess cash in variable interest investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk to be remote.

Fair value

The Company's financial assets and liabilities consist of cash, short-term investments, amounts receivable, accounts payable and accrued liabilities and due to related parties. The estimated fair values of cash, short-term investments, amounts receivable, accounts payable and accrued liabilities and due to related parties approximate their respective carrying values due to the short period to maturity. The Company classifies its fair value measurements within a fair value hierarchy. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following table illustrates the classification of the Company's financial instruments recorded at fair value within the fair value hierarchy as at February 28, 2010:

Financial assets at fair value				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	-	5,082,992	-	5,082,992

There were no financial liabilities measured at fair value at February 28, 2010.
 There were no transfers between levels during the 2010 fiscal year.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash flows from operations, dispositions of assets and accessing financing through private placements. The exposure of the Company to liquidity risk is considered to be minimal.

Foreign currency risk

The Company's functional currency is Canadian dollars. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates. A significant change in the currency exchange rates relative to Turkish Lira ("TRY") or Papua New Guinea Kina ("PGK") could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

13. FINANCIAL RISK FACTORS (Continued)

Sensitivity analysis

As of February 28, 2010, the carrying amount of amounts receivable and payable equals fair market value.

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

- The Company holds balances in foreign currencies which give rise to exposure to foreign exchange risk. However, the balances tend to be moderate and therefore the exposure to foreign exchange risk is low. For the period ended February 28, 2010, with other variables remaining constant, a 10% increase (decrease) in the Turkish Lira to Canadian dollar exchange rate would have increased (decreased) the Company's deficit by approximately \$6,909. There would be no significant effect on other comprehensive income.

Commodity price risk

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 to determine the appropriate course of action to be taken.

14. SPIN-OFF TRANSACTION

During the year ended November 30, 2008, the Company effectively completed the spin-off ("Spin-off") of its uranium assets to Aldridge Uranium Inc. ("Aldridge Uranium"), its wholly-owned subsidiary.

During the year ended November 30, 2008, the Company acquired 86 mineral licenses in Turkey with potential for sandstone-hosted uranium, incurring costs of \$443,222.

On May 1, 2008, the Company received shareholder approval to spin-off its uranium properties to Aldridge Uranium. Consideration received by the Company for these properties was 20,000,000 shares of Aldridge Uranium.

On December 29, 2008, Aldridge Uranium completed a non-brokered private placement and issued an aggregate 9,210,000 common shares to the directors of the Company, associates and employees for gross proceeds of \$276,300, of which subscription receipts totaling \$119,100 for the issuance of 3,970,000 shares were held at November 30, 2008. As a result of the share issuances to other investors, the Company recorded a dilution gain of \$50,324 during the year.

Shareholders of the Company as of the record date of December 31, 2008 received one common share of Aldridge Uranium for every two common shares of the Company held for a total distribution of 11,282,295 Aldridge Uranium shares. The Aldridge Uranium shares were distributed by way of an in specie dividend and not a return of capital. Additionally, the entitlement to receive shares of Aldridge Uranium was extended to all persons to whom the Company was contractually committed to issue common shares as of December 31, 2008, including all holders of stock options and share purchase warrants. The conversion or exchange ratios, as applicable, for such contractual commitments was adjusted in accordance with their respective terms to entitle such persons to receive common shares of Aldridge Uranium upon conversion or exchange.

14. SPIN-OFF TRANSACTION (Continued)

The distribution comprised a transfer to the Company's shareholders of 68.5% of its ownership interest in Aldridge Uranium. The Spin-off transaction represents a non-monetary non-reciprocal transfer to owners and is measured at the carrying amounts in the Company. Accordingly, the Company has accounted for the Spin-off by deconsolidating the assets and liabilities at their carrying values in the books of the Company as at December 31, 2008. The resulting deconsolidation adjustments are summarized in the following table.

Current assets	\$	275,792
Mineral properties and deferred costs	\$	443,222
Total assets	\$	719,014
Distribution of assets	\$	277,840

During the year ended November 30, 2009, Aldridge Uranium issued an additional 705,000 common shares to current directors, associates and employees of the Company as bonus shares in payment of services rendered during the year. The aggregate value of the bonus shares is \$17,540 or approximately \$0.025 per share.

On November 11, 2009, Aldridge Uranium granted 2,850,000 stock options to its directors, officers, employees and consultants, exercisable at \$0.05 per common share for a period of five years.

At February 28, 2010 and November 30, 2009, Aldridge Uranium had a total of 29,209,996 common shares issued and outstanding, of which the Company held a total of 8,717,701 (or 29.1%).

15. SUBSEQUENT EVENT

Subsequent to February 28, 2010, the Company announced that it has executed a short-term loan agreement with Aldridge Uranium whereby it will advance \$250,000 to Aldridge Uranium, which amount may be increased or decreased from time to time by mutual agreement. Interest will be payable monthly at a rate equal to the prime rate. The rate of interest will be subject to a monthly review by the Company's management and may be amended at the sole discretion of the Company upon the provision of notice of such amendment to Aldridge Uranium.