MANAGEMENT’S DISCUSSION & ANALYSIS

For the six months ended March 31, 2015

BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Alder Resources Ltd. ("we", "our", "us", "Alder" or the "Company") as of May 27, 2015 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations and compares its financial results with those of the previous period and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and six months ended March 31, 2015 and 2014 and related notes. The condensed interim consolidated financial statements and related notes of Alder have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Please refer to the notes of the September 30, 2014 consolidated financial statements for disclosure of the Company's significant accounting policies. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars.

Additional information, including press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com.

Additional information relating to the Company can be found on Alder's website at www.alderresources.ca.

Don Dudek, P.Geo, President and CEO of the Company and a Qualified Person under National Instrument 43-101 of the Canadian Securities Administrators, has reviewed and approved the scientific and technical information in this MD&A.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to Alder, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluations; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; anticipated success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on current contracts and purchase orders, previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

OVERVIEW OF THE COMPANY

Alder is a Canadian TSX Venture Exchange listed company focused on gold and base metals exploration in the Americas.

Highlights for the six months ended March 31, 2015 include:

- The Company issued 993,740 shares to settle outstanding management and consulting fees to a former officer (see press release dated February 26, 2015).
- The Company discovered new surface-enriched copper mineralization and collected engineering data for a planned preliminary economic assessment of the Rosita Stockpile (see press release date February 13, 2015).
- The Company completed a metallurgical study program on the inferred mineral stockpile and gold-copper-silver-bearing tailings showing up to 94% gold recovery (see press release dated November 5, 2014).

The mineral exploration business is risky and most exploration projects will not become mines. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company's consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements.

OUTLOOK

Alder will continue to advance the Rosita project in Nicaragua through targeted technical studies and exploration around the past producing pits as well as historic and newly discovered targets in outlying areas within the concession, when funds to do so are available. The performance of our exploration team resulted in a maiden National Instrument 43-101 compliant inferred resource for the stockpiles around the old pits. This resource comprises broken mineralized material at surface with an attendant low mining cost and represents an excellent base to build upon and add shareholder value. As well, Alder had previously delineated near surface metal enriched, skarn and porphyry Cu-Au-Ag exploration targets at the R13, Tipispan and T3 ares. During a recent field visit, abundant copper oxide mineralization and associated alteration was observed at El Rastro, an artisanal mining area located 1.5km north of the historic Santa Rita pit. In combination with the stockpiles resource, tailings resource target and exploration targets, management believes the Rosita property contains all of the elements required for both short and long term value growth for Alder's shareholders.

Given the prevailing market conditions and in an effort to conserve cash, the Company has implemented temporary cost cutting measures that include a reduction in exploration activities at Rosita. When funding becomes available, the Company intends to focus efforts on carrying out a drill program to test for surface enriched and oxide Cu-Au–Ag targets, in-fill the stockpiles, complete additional metallurgical studies of the stock pile material, economic modeling and / or a preliminary economic analysis.

Alder is currently reviewing financing alternatives to finance the additional studies that are required.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Mar 31 2015	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014	Dec 31 2013	Sep 30 2013	Jun 30 2013
Revenue	-	-	-	-	-	-	-	-
Net Income (Loss)	$(488)	$(55,105)	$(441,065)	$322,425	$(175,370)	$(183,060)	$(234,424)	$(285,994)
Per Share*	$0.00	$(0.00)	$(0.01)	$0.00	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Total Working Capital**	$(365,312)	$(311,665)	$(195,715)	$(53,085)	$(674,754)	$(484,649)	$(211,693)	$29,248
Total Assets	$3,404,780	$3,344,398	$3,364,813	$3,820,489	$3,656,133	$3,663,486	$3,732,652	$3,819,074

* basic and fully diluted weighted average shares outstanding for each period.

** total working capital is equal to current assets minus current liabilities

Factors Affecting Comparability of Quarters

Results of operations can vary significantly as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the nature of activity, and the number of personnel required to advance each individual project.

In addition, the granting of stock options in a particular quarter gives rise to a share-based payment expense. In the second quarter ended March 31, 2015, the Company recorded share-based compensation expense totaling $Nil (Q1-2015 $406, Q4-2014 $1,049, Q3-2014 $(2,750), Q2-2014 $46,846, Q1-2014 $(7,854), Q4-2013 $42,021, Q3-2013 $27,257).

In the quarter ended December 31, 2014, the Company continued to reduce expenses company-wide resulting in the lower net loss for the period.

In the quarter ended March 31, 2015, the Company realized a gain on the settlement of debt with a former officer of $39,750.

RESULTS OF OPERATIONS - FINANCIAL

The following is a discussion of the results of operations of the Company for the three and six months ended March 31, 2015 and 2014. They should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and six months ended March 31, 2015 and 2014 and related notes.

For the three months ended March 31, 2015 and 2014

	March 31 2015	March 31 2014
Net income (loss)	$(488)	$(175,370)
Accounting and legal	9,400	6,440
Management and consulting fees	20,842	92,990
Office and rent	10,910	16,351
Regulatory	8,850	11,877
Share-based payments	-	46,846
Travel and promotion	8,943	3,870
Foreign currency (gain)	(10,031)	(2,999)
Interest income	-	5
Interest expense	307	-
(Gain) on settlement of debt	(39,750)	-
Deferred income tax recovery	8,984	-

For the three months ended March 31, 2015, the Company recorded a loss of $488 ($0.00 per share) compared to a loss of $175,370 ($0.00 per share) for the three months ended March 31, 2014.

Management and consulting fees were $20,842 for the three months ended March 31, 2015 compared to $92,990 for the three months ended March 31, 2014. The Company reduced the number of consultants in early 2014 resulting in lower consulting fees in Q2 2015.

Share-based payments were $Nil for the three months ended March 31, 2015 compared to $46,846 for the three months ended March 31, 2014. The Company granted zero options in Q2 2015 compared to 1,437,000 options in Q2 2014.

(Gain) on settlement of debt was $(39,750) for the three months ended March 31, 2015 compared to $Nil for the three months ended March 31, 2014. The Company issued 993,750 shares for management and consulting fees owed to a former officer of the Company.

Deferred income tax recovery was $8,984 for the three months ended March 31, 2015 compared to $Nil for the three months ended March 31, 2014. This was the result of 4,367,500 warrants expiring during the quarter.

Cash flows for the three months ended March 31, 2015 and 2014

During the three months ended March 31, 2015, the Company generated $16,366 on operating activities, spent $51,814 on exploration activities at the Rosita property, mainly on labour costs and field work and raised $40,500 from loans.

During the three months ended March 31, 2014, the Company spent $25,261 on operating activities and $62,370 on the exploration activities at Rosita.

For the six months ended March 31, 2015 and 2014

	March 31 2015	March 31 2014
Net income (loss)	$(55,593)	$(358,430)
Accounting and legal	20,798	16,440

Management and consulting fees	45,088	236,970
Office and rent	29,433	45,305
Regulatory	10,410	13,423
Share-based payments	406	38,992
Travel and promotion	11,651	19,323
Foreign currency (gain)	(13,753)	(11,883)
Interest income	14	140
Interest expense	307	-
(Gain) on settlement of debt	(39,750)	-
Deferred income tax recovery	8,984	-

For the six months ended March 31, 2015, the Company recorded a loss of $55,593 ($0.00 per share) compared to a loss of $358,430 ($0.00 per share) for the six months ended March 31, 2014.

Management and consulting fees were $45,088 for the six months ended March 31, 2015 compared to $236,970 for the six months ended March 31, 2014. The Company reduced the number of consultants in early 2014 resulting in lower consulting fees in 2015.

Office and rent was $29,433 for the six months ended March 31, 2015 compared to $45,305 for the six months ended March 31, 2014. The Company reduced office and rent costs in late 2014 resulting in savings in 2015.

Share-based payments were $406 for the six months ended March 31, 2015 compared to $38,992 for the three months ended March 31, 2014. The Company granted zero options in 2015 compared to 1,837,000 options in 2014.

(Gain) on settlement of debt was $(39,750) for the six months ended March 31, 2015 compared to $Nil for the six months ended March 31, 2014. The Company issued 993,750 shares for management and consulting fees owed to a former officer of the Company.

Deferred income tax recovery was $8,984 for the six months ended March 31, 2015 compared to $Nil for the six months ended March 31, 2014. This was the result of 4,367,500 warrants expiring during the quarter.

Cash flows for the six months ended March 31, 2015 and 2014

During the six months ended March 31, 2015, the Company spent $1,405 on operating activities, spent $115,841 on exploration activities at the Rosita property, mainly on labour costs and field work and raised $40,500 from loans.

During the six months ended March 31, 2014, the Company spent $92,772 on operating activities and $151,265 on the exploration activities at Rosita.

LIQUIDITY AND CAPITAL RESOURCES

Given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of a property that leads to the discovery of economically recoverable reserves. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

The Company currently has negative operating cash flow and the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial success will be dependent on the economic viability of its mineral exploration properties and the extent to which it can establish economic reserves and operations.

The Company had a working capital deficit of $365,312 as at March 31, 2015 compared to working capital deficit of $311,665 as at December 31, 2014, including cash and cash equivalents of $17,892 and $12,828 as at December 31, 2014 and December 31, 2014, respectively. Also none of the cash equivalents are asset-backed securities.

The Company will attempt to resolve its working capital deficit in a number of different ways such as a private placement financing and further debt for share agreements.

On January 30, 2015, the Company entered into a promissory note for $20,000 with Sulliden Mining Capital Inc. This is a related party transition due to Mr. Pierre Pettigrew being a director of both companies. The interest rate on the promissory note is 20% and the loan is due and payable in full on the earlier of March 29, 2015 or the date the Company completes an equity financing (including any financing that includes securities convertible into equity securities of the Company) for gross proceeds of $100,000 or more.

On February 25, 2015, the Company issued 993,740 common shares to settle debt of $49,687.

On February 27, 2015 and March 31, 2015, the Company received loans from an arm's length party of $10,000 and $10,500 respectively. The loans are interest free and due on demand.

Currency Risk

The Company operates internationally and is exposed to foreign exchange risk as certain expenditures are denominated in non-Canadian dollar currencies. Foreign exchange risk is predominantly to the US dollar and Nicaragua cordoba.

A strengthening of $0.01 in the Canadian dollar against the US dollar and Nicaragua cordoba would have increased the net loss by approximately $18 for the six months ended March 31, 2015. A $0.01 weakening of the Canadian against the US dollar and Nicaragua cordoba would have an equal, but opposite, effect.

At March 31, 2015, one Canadian dollar was equal to 0.7895 US dollars and one Canadian dollar was equal to 21.4133 Nicaragua cordoba. Balances in non-Canadian dollar currencies are as follows:

	US dollars	Nicaragua cordoba
Cash	$3,876	$4,034
Accounts payable and accrued liabilities	-	(266,587)
	$3,876	$(262,553)

Capital Risk Management

The Company includes cash and equity, comprised of issued common shares, share-based payments reverse and deficit, in the definition of capital. The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the exploration stage and accordingly, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise the additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the six months ended March 31, 2015. The Company is not subject to externally imposed capital requirements.

Commitments

Management Contract Commitments

The Company is party to certain management contracts. These contracts require that additional payments of up to $320,000 be made upon the occurrence of certain events such as a change of control. Minimum commitments remaining under these contracts were approximately $133,126 all due within one year.

Environmental Commitments

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Royalty Agreement

The Company entered into a royalty agreement with Forbes & Manhattan, Inc. ("Forbes") in the settlement of a dated accounts payable totaling $508,500 (including HST). The royalty becomes effective upon Alder earning a 65% interest in the Rosita property. In the event that Alder fails to earn into the option agreement, the Company is required to pay Forbes $508,500 plus $15,000 multiplied by the number of months that has passed between the date of the royalty agreement and the date on which the option expired unexercised, is abandoned or is terminated.

Exploration Expenditure Commitments

The Company holds an option to earn a 65% interest in the Rosita D concession by spending an aggregate of $4,000,000 on exploration and development by October 2015. Of this total, $500,000 must have been spent by October 2012, an additional $750,000 by October 2013 and an additional $1,250,000 by October 2014. The Company has incurred the required exploration expenditure commitments for October 2012, October 2013 and October 2014. To date, the Company estimates it has spent approximately $3.5 million in eligible expenditures on the property.

The only capital resources of the Company are its exploration and evaluation assets and property, plant and equipment, with a historical cost of $3,357,065 and $15,724, respectively.

SELECTED ANNUAL INFORMATION

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	September 30, 2014	September 30, 2013	September 30, 2012
(a) Net Sales	-	-	-
(b) Loss before Other Items			
(i) Total loss	$565,853	$1,088,444	$1,735,777
(ii) Loss per share – Basic	$0.01	$0.01	$0.03
(iii) Loss per share – Diluted	$0.01	$0.01	$0.03
(c) Net loss			
(i) Total loss	$477,070	$1,595,447	$1,987,763
(ii) Loss per share – Basic	$0.01	$0.02	$0.03
(iii) Loss per share – Diluted	$0.01	$0.02	$0.03
(d) Total Working Capital	$(195,715)	$(211,693)	$951,688
(e) Total Assets	$3,364,813	$3,732,652	$4,514,683

RESULTS OF OPERATIONS – EXPLORATION

For the three and six months ended March 31, 2015, the Company incurred deferred expenditures of $56,015 and $122,171 compared to deferred expenditures for the three and six months ended March 31, 2014 of $64,280 and $153,171. The Company's mineral properties are comprised of:

		September 30, 2014		Additions		March 31, 2015
Rosita Property, Nicaragua						
Property acquisition – shares	$	45,000	$	3,000	$	48,000
Assays		409,002		(2,793)		406,209
Drilling		754,669		-		754,669
Field work and supplies		1,069,190		35,325		1,104,515
Geophysics		222,454		-		222,454
Labour & consulting fees		844,861		70,363		915,224
Legal & community relations		85,260		1,388		86,648
Technical reports		114,393		-		114,393
Long-term VAT receivable		140,065		14,888		154,953
Sale of royalty		(450,000)		-		(450,000)
Total Rosita Property	**$**	**3,234,894**	**$**	**122,171**	**$**	**3,357,065**

Rosita Property, Nicaragua

Agreement

Under the terms of an option agreement between Alder and Calibre Mining Corp. ("Calibre"), Alder can earn a 65-per-cent interest in the Rosita D concession by expending a total of $4.0 million on exploration and other work on the property and by issuing to Calibre a total of one million common shares of Alder over a four-year period. Alder will be acting as the project operator for all work conducted on the property during the option period. Upon Alder earning a 65-per-cent interest in the property, a joint venture will be formed with Alder and Calibre each being responsible for its pro rata share of all subsequent project expenditures with Alder as operator as long as it owns greater than 50% of the property.

Background

The Rosita D concession consists of an area of 3,356 hectares and is located 275 kilometres northeast of the capital city of Managua. The property has road access to the port at Puerto Cabezas, located approximately 120 kilometres to the east on the Caribbean coast. Historic open pit production of 5.4 million tonnes at 2.06 percent ("%") Cu, 0.93 g/t Au and 15.08 g/t Ag was achieved at the Santa Rita open pit. Exploration activities at Rosita over the past two years has resulted in the discovery of a significant copper-gold-silver porphyry target and surface enriched Cu-Au-Ag mineralization at the Tipispan prospect, four kilometres northwest of the Santa Rita open pit as well as the discovery of two gold zones, one at Santa Rita and the other at Tigre Negro Norte, two kilometres northwest of the pit. In management's opinion, significant opportunities exist at Tipispan, the new gold zones as well as in and around the open pit not only for the extension of the historic zones, but also for the discovery of new zones of copper, gold and silver mineralization. All of the historical mineral resource estimates and production totals quoted herein are based upon historical data and reports obtained and prepared by previous operators and consultants (Arengi, 2003; Hendrickson, 1995; Rivera, 1977; Rosario, 1974; Sims, 1998) and the quoted mineral resource estimates/mineral inventory were prepared prior to the introduction of National Instrument 43-101. These historic resource estimates/mineral inventories are considered to be relevant to the evaluation of the Rosita D concession. A Qualified Person has not completed the work necessary to independently verify the classification of the historic mineral resource estimates. Alder is not treating the historical mineral resource estimates as National Instrument 43-101 compliant defined resources verified by a Qualified Person. The historical estimates should not be relied upon.

National Instrument ("NI") 43-101 compliant inferred resource estimates for stockpiles that surround the pit total 108.5 million lbs Cu, 118,500 ozs Au and 2.35 million ozs Ag contained within 7.95 million tonnes grading 0.62% Cu, 0.46 g/t Au and 9.21 g/t Ag (see the technical report entitled "Rosita Cu-Au-Ag Project, RAAN, Nicaragua, NI 43-101 Technical Report on Mineral Resource Estimate of Rosita Stockpiles" effective as of May 8, 2012). Diamond drilling at Santa Rita returned a bonanza grade Au intercept of 29.54 g/t over 8 metres within a NW trending epithermal system that also returned 6.90 g/t Au over 8 metres and 3.22 g/t Au over 4 metres, located 250 metres to the southeast (see September 5, 2012 press release).

Drill intercepts below the Santa Rita pit returned 1.42% Cu, 0.18 g/t Au and 20.45 g/t Ag over 10 metres (see September 11, 2012 press release). These intercepts as well as those from historic drilling, confirm the presence of significant mineralization below and adjacent to the open pit.

The Bambana area is located four kilometres northwest of the Santa Rita open pit and Alder has carried out exploration at two prospects, T3 and Tipispan (1 kilometre northeast of T3). In 2010, Calibre completed two drill holes at Tipispan that returned intercepts of up to 0.42% Cu and 7.00 g/t Ag over 50 metres and 0.51% Cu, 0.25 g/t Au and 10.41 g/t Ag over 11.50 metres within a porphyry-style copper-gold-silver system. Trenching at Tipispan returned 12.1 metres grading 5.21% Cu, 4.40g/t Au and 144.01 g/t Ag and 6.5 metres grading 7.48% Cu, 2.36 g/t Au and 316.13 g/t Ag.

Diamond drilling by Alder at the T3 area returned at surface intercepts of 1.23% Cu over 13 metres and 1.74% Cu over 18 metres (see September 11, 2012 press release). Soluble Cu assays indicate leachable Cu recoveries to 68%.

During a recent site visit, with a goal to collect logistical data for a Preliminary Economic Assessment, an examination of the El Rastro gold mining artisanal zone, located 1.5 km north of the historic Santa Rita open pit mine, was carried out. On surface, a distinctly colored fracture-controlled hematite alteration was observed on two northwest-trending ridges across an approximately 125 metre wide area. This type of hematite alteration is interpreted to reflect iron oxides that are left behind after leaching of copper-rich chalcocite (Cu_2S) mineralization. In support of this observation, abundant fracture-controlled chalcocite mineralization, was observed near the base of a 5 metre deep artisanal shaft.

Stockpile and tailings development

Alder's work has defined a tailings resource target tonnage of between 1.75 million and 2.25 million tonnes grading from 0.14 to 0.30 % Cu, 0.52 to 0.57 g/t Au and 6.37 to 12.55 g/t Ag. The target size was determined from the results of 99, up-to-six-metre-deep, augur holes with most holes penetrating to the base of the tailings. The average grade of these intercepts is 0.21 per cent Cu, 0.55 g/t Au and 9.37 g/t Ag over an average width of 5.4 metres. Within this block, Alder is targeting a higher-grade subblock containing between 400,000 and 500,000 tonnes grading from 0.38 to 0.41 per cent Cu, 0.70 to 1.00 g/t Au and 6.37 to 10.65 g/t Ag (see press release dated January 20, 2014). The potential quantity and grade of the tailings material are conceptual in nature and there has been insufficient exploration to define a mineral resource in respect of the tailings and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Three samples of stockpile and tailings were sent to SGS Lakefield for metallurgical testing with an overall goal of determining how much gold, copper and silver can be extracted in the most cost-effective way possible. The goal of the stockpile testwork was to first determine what percentage of the copper can be leached. A second test is designed to determine how much of the copper, gold and silver can be leached from the same sample. The two tailings samples were also subjected to gravity concentration to determine how much gold and copper can be recovered.

Metallurgical test results

Metallurgical results from tests using cyanide leaching conducted at SGS Lakefield as well as projections for sulphuric acid leaching are presented in the associated table.

A summary of the recent metallurgical results are as follows:

Deposit	**Recovery method**	**Cu recovery**	**Au recovery**	**Time period**	**Sample type**
Stockpile	Sulphuric acid	47.7%		30 day leach	Reverse circulation drill chips
Stockpile	Sodium cyanide	27%	73%	72 hours	1/2 inch drill chips
Stockpile	Sodium cyanide	30.5%	94%	72 hours	Ground reverse circulation drill chips - 80% passing 56 microns
Tailings	gravity	9.1%	15.9%		Bulk tailings

Tailings	gravity	17.8%	55.5%		Ground tailings at 80% passing 87 microns
Tailings	Sodium cyanide	47.6%	84.6%	72 hours	Ground tailings at 80% passing 94 microns

The goal of the metallurgical study was to determine how much of the copper, gold and silver could be recovered from the stockpiles (7.95 million tonnes of inferred resources grading 0.62 per cent copper, 0.46 gram per tonne gold and 9.21 grams per tonne silver -- Alder news release May 9, 2012) and from the tailings (tonnage target of between 1.75 million and 2.25 million tonnes grading from 0.14 to 0.30 per cent copper, 0.52 to 0.57 gram per tonne gold and 6.37 to 12.55 grams per tonne silver -- Alder news release Jan. 20, 2014).

Metallurgical testing to date focused on the higher-grade north stockpile (3.33 million tonnes grading 0.78 per cent copper, 0.58 gram per tonne gold and 10.3 grams per tonne gold) and a higher-grade tailings target area (tonnage target of 400,000 to 500,000 tonnes grading from 0.38 to 0.41 per cent copper, 0.70 to one gram per tonne gold and 6.37 to 10.65 grams per tonne silver). Additional metallurgical testing of the other stockpiles and tailings sections should to be carried out to both validate and broaden these metallurgical results.

The potential quantity and grade of the exploration targets described herein are conceptual in nature, there has been insufficient exploration to define a mineral resource in respect of these targets, and it is uncertain if further exploration will result in these targets being delineated as a mineral resource. For details regarding the basis on which the potential quantity and grade of the exploration targets have been determined, please see Alder's news releases dated January 20, 2014, and March 18, 2014.

Sodium cyanide leaching of copper- and gold-bearing ores generally results in very high initial consumption of sodium cyanide that can mostly be recovered via a process called SART (sulfidization, acidification, recycling and thickening). There several mine operations including Newmont's Yanococha mine in Peru, Kinross's Maricunga mine in Chile and Anglo Asia Mining's Gedabek mine in Azerbaijan recovering (recycle) sodium cyanide and a saleable copper product is produced as well as gold, which results in higher revenues.

Future Activities

Although exploration activities have been reduced it is anticipated that any future program would include delineating the geometry, orientation, limits and controls for the mineralization identified during previous exploration as well as advancing the metallurgy of the stockpiles and tailings. Specific, financing availability, objectives include:

- Further assess the economic viability of the stockpile resource and tailings resource target including additional metallurgical testing and in-fill drilling;
- Test near surface oxide / supergene mineralization at R13 West, Tipispan, T3, El Rastro and conceptual targets;
- Continued exploration for additional high-grade gold mineralization along the northwest-striking structural corridors at the Santa Rita pit;
- Follow up on other untested Au-Cu targets developed at Tipispan Au-Cu porphyry target developed under and around the Santa Rita pit and down-dip extensions of known Cu-Au-Ag skarn zones.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

RELATED PARTY TRANSACTIONS

The condensed interim consolidated financial statements include the financial statements of the Company and the subsidiaries at their respective ownership listed in the following table.

	Country of incorporation	% equity interest
ALR Nicaragua S.A	Nicaragua	100

The Company shares office space with other companies who may have common officers and directors. The costs associated with this space are administered by 2227929 Ontario Inc., an unrelated company.

	Purchases of goods/services For the six months ended March 31,	
	2015	2014
2227929 Ontario Inc.	$ 37,362	$ 82,468

The following balances were outstanding at the end of the reporting period:

	As at	
	March 31, 2015	September 30, 2014
2227929 Ontario Inc.	$ 235,008	$ 192,429

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

All of the above noted transactions have been in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties.

On January 30, 2015, the Company entered into a promissory note with Sulliden Mining Capital Inc for $20,000. This is a related party transaction due to Mr. Pierre Pettigrew being a director of both companies. The interest rate on the promissory note is 20% and the loan is due and payable in full on the earlier of March 29, 2015 or the date the Company completes an equity financing (including any financing that includes securities convertible into equity securities of the Company) for gross proceeds of $100,000 or more.

COMPENSATION OF DIRECTORS AND OFFICERS

During the six months ended March 31, 2015, the Company paid or accrued $Nil (2014 - $Nil) to directors of the Company and $25,000 (2014 - $70,500) to officers of the Company.

More detailed information regarding the compensation of officers and directors of the Company is disclosed in the Company's annual proxy solicitation Information Circular and such information is incorporated by reference herein. The Information Circular is available under the profile of the Company on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying value of cash and cash equivalents, receivables and accounts payable approximate their fair values due to the short maturity of those instruments.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. 90,235,585 common shares are issued and outstanding as at May 27, 2015.

Stock options, warrants and convertible securities outstanding as at May 27, 2015:

Stock Options:

850,000 at an exercise price of $0.35 expiring September 1, 2015
300,000 at an exercise price of $0.30 expiring January 26, 2016
50,000 at an exercise price of $0.13 expiring April 25, 2016
350,000 at an exercise price of $0.10 expiring August 24, 2016
700,000 at an exercise price of $0.135 expiring September 26, 2016
40,000 at an exercise price of $0.135 expiring October 26, 2016
75,000 at an exercise price of $0.115 expiring January 3, 2017
3,005,000 at an exercise price of $0.22 expiring January 31, 2017
150,000 at an exercise price of $0.10 expiring December 12, 2017
200,000 at an exercise price of $0.10 expiring March 19, 2018
400,000 at an exercise price of $0.05 expiring January 10, 2019
1,437,000 at an exercise price of $0.05 expiring March 13, 2019

Warrants:

2,900,000 at an exercise price of $0.07 expiring May 30, 2017

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operation costs are estimated to be greater than projected prices of product. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date the Company has recorded no revenues from exploration operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Foreign Exchange

The Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar. The Company supports its operations by raising financing in Canadian dollars and mineral commodities are sold in US dollars. A decline in the US dollar would result in a decrease in the real value of Alder's future revenues, if any, and adversely affect its financial performance.

Mineral Resource Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as commodity prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Differences between management's assumptions, including economic assumptions such as commodity prices and market conditions, and actual events could have a material adverse effect on the Company's mineral reserve estimates.

Licences and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that Alder will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Artisanal Mining

Artisanal miners are active in at least six areas on the property. Their rights are protected by law in Nicaraugua as long as their activities are limited to a certain percentage of the property. Recently artisanal mining activity has increased as has the emplacement of small scale mills to process the ore. For the most part, these activities are not regulated and result in local environmental degradation and ground water contamination through the use of mercury. Removing and compensating the miners and mitigating any environmental damage, if mining is ever initiated, could be a cost to the company.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities, particularly gold. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Environmental

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the company and increase costs of projects.

Competition

Alder competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

Alder has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Alder.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors or officers of Alder may have a conflict of interest in negotiating and concluding terms respecting such participation.

Litigation

Alder has entered into legally binding agreements with various third parties on a consulting and partnership basis. The rights and obligations that arise from such agreements is open to interpretation and Alder may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Alder to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on Alder.

Foreign Operations

At present, certain operations of Alder are located in Nicaragua. As a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts, land or tax disputes; changes in taxation policies; restrictions on foreign exchanges; changing political condition; currency controls; and governmental regulations that may require the awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Nicaragua or other countries in which Alder conducts business may adversely affect the operations of the Company. The Company may become subject to local political unrest that could have a debilitating impact on operations, and at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 3 of its consolidated financial statements for the years ended September 30, 2014 and 2013.

Future Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after October 1, 2015 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded thereof.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. 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, 2018. Earlier adoption is permitted.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 7 for details of capitalized exploration and evaluation costs.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in commodity price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on the expected timing of expenditures, changes in laws and regulations and negotiations with regulatory authorities.

Share-Based Payments

Management determines costs for share-based payments using the Black-Scholes valuation method, a market-based valuation technique. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.