ROSITA MINING CORPORATION

BUSINESS ACQUISITION REPORT

FORM 51-102F4

Item 1. Identity of Company

1.1 Name and Address of Company

Rosita Mining Corporation (formerly Midlands Minerals Corporation) (the "**Corporation**")
120 Adelaide St. W., Suite 2400
Toronto, Ontario M5H 1T1

1.2 Executive Officer

Craig Pearman, President and Chief Executive Officer of the Corporation is knowledgeable about the significant acquisition and this business acquisition report and may be contacted at 604-366-2229.

Item 2. Details of Acquisition

2.1 Nature of Business Acquired

On July 24, 2015, the Corporation and Alder Resources Ltd. ("**Alder**") completed the previously announced acquisition by the Corporation of Alder pursuant to a statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**").

The Arrangement was completed pursuant to the terms of an arrangement agreement dated May 27, 2015 between the Corporation and Alder (the "**Arrangement Agreement**"). Pursuant to the terms of the Arrangement Agreement, Alder became a wholly-owned subsidiary of the Corporation.

Further information about the Arrangement, Alder and the Corporation can be found in the management information circular dated June 1, 2015 (the "**Alder Circular**") sent to shareholders of Alder in connection with its shareholder meeting, the management information circular dated June 9, 2015 (the "**Rosita Circular**" and together with the Alder Circular, the "**Circulars**") sent to shareholders of Rosita in connection with its shareholder meeting, the Arrangement Agreement, and the joint news release dated July 24, 2015 (the "**Acquisition News Release**"), copies of which have been filed under the Corporation's or Alder's profile, as applicable, on SEDAR at www.sedar.com.

2.2 Acquisition Date

The Arrangement was completed on July 24, 2015.

2.3 Consideration

Pursuant to the Arrangement, the Corporation acquired all of the issued and outstanding common shares of Alder (the "**Alder Shares**") in exchange for 1.81 common shares of the Corporation (each whole common share, a "**Common Share**"), calculated on a pre-consolidation basis. Each holder of an outstanding Alder warrant (each, an "**Alder Warrant**") will receive on subsequent exercise of such holder's Alder Warrant, in accordance with its terms, for the same aggregate consideration payable on exercise of such warrant, 1.81 of a Common Share, calculated on a pre-consolidation basis. In addition, each holder of an outstanding Alder option (each, an "**Alder Option**") will receive on subsequent exercise of such holder's Alder Option, in accordance with its terms, for the same aggregate consideration payable on exercise of such option, 1.81 of a Common Share, calculated on a pre-consolidation basis.

Upon completion of, and in connection with, the Arrangement, the Corporation consolidated its outstanding Common Shares (including those to be issued to former holders of Alder Shares under the Arrangement) on the basis of one new Common Share for every 10 existing Common Shares and changed its name from "Midlands Minerals Corporation" to "Rosita Mining Corporation".

To give effect to the Arrangement, the Corporation issued an aggregate of 17,325,347 Common Shares to former holders of Alder Shares.

2.4 Effect on Financial Position

Upon completion of the Arrangement, Alder became a wholly-owned subsidiary of the Corporation. The business and operations of Alder have been combined with those of the Corporation and are managed concurrently. Except as disclosed in this business acquisition report and the Circulars, the Corporation does not have any current plans for material changes in its business affairs or the affairs of Alder which may have a significant effect on the financial performance and financial position of the Corporation, including any proposal to liquidate the business of Alder, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business with any other business organization or to make any material changes to the business or corporate structure of the Corporation or Alder.

In connection with the Arrangement, the board of directors of the Corporation was reconstituted and is currently comprised of the following: John Cook, Mark B. Keatley, Craig Pearman, Nick Tintor, Don Dudek, Rene Bharti and Keith Stein.

The information set out above is a summary only and is qualified in its entirety by the information contained in the Circulars.

2.5 Prior Valuations

To the knowledge of the Corporation, there has not been any valuation opinion obtained within the last twelve months by the Corporation or Alder required by securities legislation or a Canadian exchange or market to support the consideration paid by the Corporation in connection with the Arrangement.

2.6 Parties to Transaction

The Arrangement was not with an informed person, associate or affiliate of the Corporation.

2.7 Date of Report

October 7, 2015

Item 3. Financial Statements

The following financial statements are attached to this business acquisition report as Appendix A:

(a) the audited consolidated financial statements of Alder for the years ended September 30, 2014 and September 30, 2013, together with the notes thereto and the auditor's report thereon; and

(b) the unaudited condensed interim consolidated financial statements of Alder for the three and nine months ended June 30, 2015, together with the notes thereto.

FORWARD-LOOKING STATEMENTS

This business acquisition report includes certain forward-looking statements or information under applicable Canadian, U.S. and other securities laws. All statements other than statements of historical fact included in this business acquisition report, including, the future plans, objectives or expectations of the Corporation or Alder are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the plans of Corporation or Alder or expectations include risks relating to the fluctuating gold prices, possibility of equipment breakdowns and delays, exploration cost overruns, availability of capital and financing, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by Corporation or Alder with securities regulators. The Corporation and Alder expressly disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

Readers should not place undue reliance on forward-looking statements or information as the plans, intentions or expectations upon which they are based might change. The Corporation cautions that the foregoing list of significant risk factors is not exhaustive. The forward-looking statements and information contained in this business acquisition report are expressly qualified by this cautionary statement.

ALDER RESOURCES LTD.

CONSOLIDATED
FINANCIAL STATEMENTS

For the years ended September 30, 2014 and 2013
(expressed in Canadian dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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Toronto, Ontario
M2J 5B4, Canada
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alder Resources Ltd.,

We have audited the accompanying consolidated financial statements of Alder Resources Ltd. and its subsidiary, which comprise the consolidated statements of financial position as at September 30, 2014 and 2013 and the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Financial Reporting Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alder Resources Ltd. and its subsidiary as at September 30, 2014 and 2013 and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company had continuing losses during the year ended September 30, 2014 and a cumulative deficit and working capital deficiency as at September 30, 2014. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
January 23, 2015

Alder Resources Ltd.

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ALDER RESOURCES LTD.

Consolidated Statements of Financial Position

As at

(Expressed in Canadian dollars)

	Notes		September 30, 2014		September 30, 2013
Assets					
Current assets					
Cash and cash equivalents		$	94,653	$	285,718
Receivables	4		8,133		13,200
Prepaid expenses and deposits	5		7,600		7,375
Total current assets			110,386		306,293
Non-current assets					
Property, plant and equipment	6		19,533		29,879
Exploration and evaluation assets	7		3,234,894		3,396,480
Total Assets		$	3,364,813	$	3,732,652
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities	8	$	306,101	$	517,986
Total current liabilities			306,101		517,986
Equity					
Share capital	9		11,269,609		11,000,447
Reserves	10		1,407,464		1,925,375
Retained earnings (deficit)			(9,618,361)		(9,711,156)
Total Equity			3,058,712		3,214,666
Total Liabilities and Equity		$	3,364,813	$	3,732,652

Nature of operations and going concern	1
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Approved on behalf of the Directors:

"Don Dudek"
Director

"Will Randall"
Director

See accompanying notes to these Consolidated Financial Statements

ALDER RESOURCES LTD.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Years ended September 30, 2014	2013
Revenue		$ -	$ -
Expenses			
Accounting and legal		36,440	44,322
Management and consulting fees		370,597	658,292
Office and rent		81,915	123,495
Regulatory and transfer agent		22,003	11,474
Share-based payments	10	37,291	143,398
Travel and promotion		25,968	98,520
Foreign exchange (gain) loss		(8,361)	8,943
(Loss) before the undernoted		(565,853)	(1,088,444)
Interest income		280	1,753
Gain on settlement of debt		22,916	-
Loss on marketable securities		-	(230,229)
Write off exploration and evaluation assets		-	(278,527)
(Loss) before income taxes		(542,657)	(1,595,447)
Future income tax (recovery)		65,587	-
Net (loss) and comprehensive (loss) for the period		$ (477,070)	$ (1,595,447)
Net loss per share			
Basic		$ (0.01)	$ (0.02)
Diluted		$ (0.01)	$ (0.02)
Weighted average number of shares outstanding:			
Basic		84,433,178	77,421,797
Diluted		84,433,178	77,421,797

See accompanying notes to these Consolidated Financial Statements

ALDER RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes	Years ended September 30, 2014	2013
Cash provided by (used in) operations:			
Net (loss)		$ (477,070)	$ (1,595,447)
Items not involving cash:			
Share-based payments	10	37,291	143,398
Loss on marketable securities		-	230,229
Unrealized (loss) gain on foreign exchange		11	30
Gain of settlement of debt		(22,916)	-
Write off exploration and evaluation assets		-	278,527
Future income tax (recovery)		(65,587)	-
Working capital adjustments:			
Change in receivables		5,067	28,675
Change in prepaid expenses and deposits		(225)	46,307
Change in accounts payable and accrued liabilities		301,574	240,618
Net cash used by operating activities		$ (221,855)	$ (627,663)
Investing activities			
Investment in exploration and evaluation assets		$ (256,163)	$ (693,414)
Proceeds from exploration and evaluation assets		-	80,000
Expenditures on property, plant and equipments		-	(494)
Sale of marketable securities		-	62,364
Net cash used in the investing activities		$ (256,163)	$ (551,544)
Financing activities			
Proceeds from issuance of private placement		$ 290,000	$ 436,750
Share issue costs		(3,036)	(12,700)
Net cash provided by financing activities		$ 286,964	$ 424,050
Effect of exchange rate changes on cash and cash equivalents		$ (11)	$ (30)
Change in cash and cash equivalents		$ (191,065)	$ (755,187)
Cash and cash equivalents, beginning of the year		285,718	1,040,905
Cash and cash equivalents, end of the year		$ 94,653	$ 285,718
Cash and cash equivalents are comprised of:			
Cash in bank		$ 94,653	$ 285,718
Non-cash investing and financing transactions:			
Common shares issued as property payment - Rosita D		$ 3,000	$ -
(Decrease) / increase in accounts payable related to exploration and evaluation		$ (3,427)	$ 16,356
Common shares received from CT as option payments		$ -	$ 200,000
Share-based payments recored as exploration and evaluation assets		$ 5,976	$ 5,344
Sale of royalty on Rosita D	7	$ 450,000	$ -

See accompanying notes to these Consolidated Financial Statements

ALDER RESOURCES LTD.

Consolidated Statement of Changes in Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Options	Warrants	Reserves	Retained Earnings (Deficit)	Total
Balance, September 30, 2013	81,514,085	$11,000,447	$1,362,575	$562,800	$1,925,375	($9,711,156)	$3,214,666
Shares issued - Rosita property	200,000	3,000	-	-	-	-	3,000
Share-based payments	-	-	43,267	-	43,267	-	43,267
Options expired/terminated	-	-	(140,452)	-	(140,452)	140,452	-
Warrant expired	-	-	-	(495,000)	(495,000)	429,413	(65,587)
Issuance of shares in settlement of debt (note 9)	1,527,760	53,472	-	-	-	-	53,472
Private placement (note 9)	5,800,000	290,000	-	-	-	-	290,000
Fair value of warrants from private placement	-	(74,274)	-	74,274	74,274	-	-
Share issue costs	-	(3,036)	-	-	-	-	(3,036)
Loss for the year	-	-	-	-	-	(477,070)	(477,070)
Balance, September 30, 2014	89,041,845	$11,269,609	$1,265,390	$142,074	$1,407,464	($9,618,361)	$3,058,712
Balance, September 30, 2012	72,779,085	$ 10,644,197	$ 1,249,813	$ 495,000	$ 1,744,813	$ (8,151,695)	$ 4,237,315
Share-based payments	-	-	170,606	-	170,606	-	170,606
Options expired	-	-	(35,980)	-	(35,980)	35,987	6
Options forfeited	-	-	(21,864)	-	(21,864)	-	(21,864)
Private placement	8,735,000	436,750	-	-	-	-	436,750
Fair value of warrants from private placement	-	(67,800)	-	67,800	67,800	-	-
Share issue costs	-	(12,700)	-	-	-	-	(12,700)
Loss for the year	-	-	-	-	-	(1,595,447)	(1,595,447)
Balance, September 30, 2013	81,514,085	$ 11,000,447	$ 1,362,575	$ 562,800	$ 1,925,375	$ (9,711,156)	$ 3,214,666

See accompanying notes to these Consolidated Financial Statements

1. Nature of operations and going concern

Alder Resources Ltd. (the "Company") is a base and precious metals exploration company engaged in the acquisition, exploration and development of properties located in Latin America and Canada. The Company is a publicly listed company continued in the Province of Ontario. The Company's shares are listed on the TSX Venture Exchange. The Company's head office is located at 65 Queen Street West, 8th Floor, Toronto, Ontario, Canada, M5H 2M5.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its assets on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements.

As at September 30, 2014, the Company had a working capital deficit of $195,715 and has accumulated losses since inception of $9,618,361. The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses and the working capital deficit, 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.

2. Basis of preparation

(a) Basis of presentation

These consolidated financial statements of the Company and its subsidiary were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared using accounting policies in accordance with IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations applicable. The policies set out below were consistently applied to all the periods presented unless otherwise note below.

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(b) Approval of the financial statements

These consolidated financial statements of the Company were approved for issue by the Board of Directors on January 23, 2015.

(c) New accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods effective beginning October 1, 2013. Updates that are not applicable or are not consequential to the Company have been excluded thereof.

IAS 36, Impairments of Assets was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. At October 1, 2013, the Company adopted this amendment and there was no impact on the Company's consolidated financial statements.

IFRS 7, Financial Instruments: Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognized financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of this standard did not result in any changes to the Company's disclosure of its consolidated financial instruments.

(d) Future accounting policies

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, 2014 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded thereof.

IFRS 2, Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The amendments are effective for annual periods beginning on or after July 1, 2014.

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.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

(e) Currency translation

The Company's functional and presentation currency is the Canadian dollar ("$").

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

(f) Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those 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.

Contingencies
Please refer to Notes 7 and 15.

3. Significant accounting polices

(a) Principles of consolidation

The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its wholly-owned subsidiary. All material intercompany transactions and balances between the subsidiary and the Company are eliminated on consolidation. Subsidiaries are entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases. The Company's subsidiary consists of ALR Nicaragua S.A.

(b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

(c) Exploration and evaluation assets

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities, net of recoveries, are capitalized to exploration and evaluation assets. Exploration expenditure relates to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on a status report regarding the Company's intentions for development of the undeveloped property.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

(d) Property, plant and equipment

Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives as follows:

- Furniture and fixtures – 20% straight line balance
- Mining equipment – 20%-50% straight line balance
- Computer equipment – 50% straight line balance
- Leasehold improvements – 6 months straight line balance
- Vehicles – 20% straight line balance

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period, and adjusted prospectively if appropriate.

(e) Impairment of non-financial assets

The carrying values of capitalized exploration and evaluation assets and property, plant and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to operations so as to reduce the carrying amount to its recoverable amount.

(f) Provisions

I. General

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

II. Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred.

The obligation generally arises when an asset is installed or the ground / environment is disturbed at the property location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

As at September 30, 2014 and 2013, the Company did not have any material rehabilitation obligations.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

I. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit or loss differs from profit or loss as reported in the consolidated statement of operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

II. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(h) Financial assets

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date.

The Company's financial assets include cash and cash equivalents and receivables.

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss includes financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as fair value through profit or loss if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income and finance costs in operations.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (“EIR”), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of operations. The losses arising from impairment are recognized in the statement of operations and comprehensive loss.

Loans and receivables include cash and receivables.

(i) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in operations. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in operations.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

(j) Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Company's financial liabilities include accounts payable and accrued liabilities. The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as at FVTPL if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of operations. The Company has not designated any financial liabilities upon initial recognition as at FVTPL.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in operations when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of operations and comprehensive loss.

Loans and borrowings include accounts payable and accrued liabilities.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in operations.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

(k) Interest revenue

Interest revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(l) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is determined at the grant date of the equity-settled share-based payments and is recognized on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

On expiry, the grant date fair value of any unexercised share-based payments (options and warrants) is charged to retained earnings (deficit).

(m) Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method and foreign exchange gains and losses on foreign currency borrowings.

(n) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss available to common shareholders equals the reported loss. Diluted loss per share is calculated assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti - dilutive.

(Expressed in Canadian dollars unless otherwise noted)

4. Receivables

	September 30, 2014	September 30, 2013
HST receivable	$ 8,133	$ 12,792
Interest and other receivables	-	408
	$ 8,133	$ 13,200

5. Prepaid expenses and deposit

	September 30, 2014	September 30, 2013
Prepaid insurance	$ 7,600	$ 7,289
Exploration advances	-	86
	$ 7,600	$ 7,375

6. Property, plant and equipment

	Furniture and Fixtures	Mining Equipment	Computer Equipment	Leasehold Improvements	Vehicles	Total
Cost at September 30, 2012	$ 12,078	$ 5,790	$ 10,187	$ 25,373	$ 20,602	$ 74,030
Additions	494	-	-	-	-	494
Cost at September 30, 2013	$ 12,572	$ 5,790	$ 10,187	$ 25,373	$ 20,602	$ 74,524
Additions	-	-	-	-	-	-
Write off	-	-	(10,187)	(25,373)	-	(35,560)
Cost as at September 30, 2014	$ 12,572	$ 5,790	$ -	$ -	$ 20,602	$ 38,964
Accumulated depreciation						
Balance at September 30, 2012	$ (1,743)	$ (918)	$ (3,081)	$ (22,029)	$ (1,390)	$ (29,161)
Charge for the year	(2,322)	(1,355)	(4,490)	(3,344)	(3,973)	(15,484)
Balance at September 30, 2013	$ (4,065)	$ (2,273)	$ (7,571)	$ (25,373)	$ (5,363)	$ (44,645)
Charges for the period	(2,510)	(1,057)	$ (2,616)	-	(4,163)	(10,346)
Write off	-	-	10,187	25,373	-	35,560
Balance at September 30, 2014	$ (6,575)	$ (3,330)	$ -	$ -	$ (9,526)	$ (19,431)
Net book value as at September 30, 2013	$ 8,507	$ 3,517	$ 2,616	$ -	$ 15,239	$ 29,879
Net book value as at September 30, 2014	$ 5,997	$ 2,460	$ -	$ -	$ 11,076	$ 19,533

(Expressed in Canadian dollars unless otherwise noted)

7. Exploration and evaluation assets

	Rosita D, Nicaragua	Canadian Creek, Yukon, Canada	Total
Balance, September 30, 2012	$ 2,682,231	$ 558,527	$ 3,240,758
Additions	714,249	-	714,249
Option payments	-	(280,000)	(280,000)
Impairment	-	(278,527)	(278,527)
Balance, September 30, 2013	$ 3,396,480	$ -	$ 3,396,480
Additions	288,414	-	288,414
Sale of royalty to F&M	(450,000)	-	(450,000)
Balance, September 30, 2014	$ 3,234,894	$ -	$ 3,234,894

Exploration and evaluation assets comprise the following:

a) Rosita D, Nicaragua

On August 28, 2011, the Company entered into an option agreement with Calibre Mining Corp. ("Calibre") to earn a 65% interest in the Rosita D concession.

To exercise the option, the Company must pay Calibre:

(i) An aggregate of 1,000,000 common shares as follows:
- 200,000 common shares within 5 business days of TSX Venture Exchange approval of the agreement; (200,000 shares issued during 2012 and valued at $24,000)
- 200,000 common shares on or before October 3, 2012 (200,000 shares issued during 2012 and valued at $18,000);
- 200,000 common shares on or before October 3, 2013 (200,000 shares issued subsequent to September 30, 2013 and valued at $3,000);
- 200,000 common shares on or before October 3, 2014 (200,000 shares issued subsequent to September 30, 2014 and valued at $3,000); and
- 200,000 common shares on or before October 3, 2015; and incur

(ii) An aggregate of $4,000,000 in expenditures on the property as follows:
- $500,000 on or before October 3, 2012 (incurred);
- An additional $750,000 on or before October 3, 2013 (incurred);
- An additional $1,250,000 on or before October 3, 2014 (incurred); and
- An additional $1,500,000 on or before October 3, 2015;

On June 30, 2014, the Company entered into a royalty agreement with Forbes & Manhattan, Inc. ("Forbes") for the settlement of a dated accounts payable totaling $508,500 (including HST). The royalty is a 0.5% net smelter royalty ("NSR") on its 65% interest on the Rosita D concession. The royalty becomes effective upon Alder earning the 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. The Company may reacquire the NSR by paying to Forbes $1,000,000 plus $508,500.

(Expressed in Canadian dollars unless otherwise noted)

b) Canadian Creek Property, Yukon, Canada

On October 12, 2010, the Company entered into a letter agreement to sell its right to earn a 60% interest in the Canadian Creek mineral property to Coastal Gold Corp. In consideration for the acquisition, Coastal Gold agreed to pay the Company an aggregate cash fee of $250,000 and issue the Company that number of common shares of Coastal Gold which in aggregate would equal $1,000,000 over a three year period ($125,000 and 2,645,536 Coastal Gold shares originally valued at $390,795 have been received). On October 12, 2012, the Company entered into an amending agreement with Coastal Gold with respect to Coastal Gold's right to acquire the 60% interest in the Canadian Creek project. Pursuant to this agreement Coastal Gold paid the Company $50,000 in cash and issued the Company five million common shares of Coastal Gold valued at $200,000 in lieu of the 6,666,667 common shares that Coastal Gold was required to issue to the Company under the terms of the original option agreement. On April 17, 2013, Coastal Gold announced it terminated the option agreement.

As at September 30, 2013, the company wrote off $278,527 in deferred costs related to the Canadian Creek project.

8. Accounts payable and accrued liabilities

		September 30, 2014		September 30, 2013
Corporate and exploration payables	$	233,365	$	94,361
Accrued liabilities		72,736		423,625
	$	306,101	$	517,986

9. Share Capital

a) As at September 30, 2014 and September 30, 2013 the Company's authorized number of common shares was unlimited without par value.

b) Issued and outstanding share capital

	Number of Shares		Amount
Balance, September 30, 2012	72,779,085	$	10,644,197
Private placement (i)	8,735,000		436,750
Share issue costs	-		(12,700)
Fair value of warrants from private placement, net of share issue costs	-		(67,800)
Balance, September 30, 2013	81,514,085	$	11,000,447
Shares issued for option payment - Rosita D Property (Note 7(a)(i))	200,000		3,000
Issuance of shares for the settlement of debt (ii)	1,527,760		53,472
Private placement (iii)	5,800,000		290,000
Share issue costs (iii)	-		(3,036)
Fair value of warrants from private placement, net of share issue costs (iii)	-		(74,274)
Balance, September 30, 2014	89,041,845	$	11,269,609

(Expressed in Canadian dollars unless otherwise noted)

i. On March 21, 2013, the Company closed a non-brokered private placement financing issuing 8,735,000 units priced at $0.05 for gross proceeds of $436,750. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase unit entitles the holder to acquire one common share of the Company at an exercise price of $0.10 until March 21, 2015. The fair value of the warrants was estimated at $68,800 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 111%; risk-free interest rate of 1.70% and an expected average life of two years. The Company incurred share issue costs of $12,700 of which $1,000 were allocated to warrants.

ii. On April 3, 2014, the Company issued 1,527,760 shares valued at $53,472 to settle outstanding fees of $76,388 owed to a former officer of the Company.

iii. On May 30, 2014, the Company closed a non-brokered private placement financing issuing 5,800,000 units priced at $0.05 for gross proceeds of $290,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase unit entitles the holder to acquire one common share of the Company at an exercise price of $0.07 until May 30, 2017. The fair value of the warrants was estimated at $75,274 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 137%; risk-free interest rate of 1.13% and an expected average life of three years. The Company incurred share issue costs of $3,036 of which $1,000 were allocated to warrants (see note 14).

10. Share-based payment reserves

	Number of Options	Weighted average exercise prices (CAD$)	Value of options	Number of warrants	Weighted average exercise prices (CAD$)	Value of warrants	Total value
September 30, 2012	7,112,500	$ 0.21	$ 1,249,813	15,952,019	$ 0.20	$ 495,000	$ 1,744,813
Granted / vested	350,000	0.10	170,606	4,367,500	0.10	67,800	238,406
Options expired/forfeited	(347,500)	0.22	(57,844)	-	-	-	(57,844)
September 30, 2013	7,115,000	$ 0.21	$ 1,362,575	20,319,519	$ 0.18	$ 562,800	$ 1,925,375
Granted / vested	1,837,000	0.05	43,267	2,900,000	0.07	74,274	117,541
Cancelled/expired	(795,000)	0.17	(140,452)	(15,952,019)	0.20	(495,000)	(635,452)
September 30, 2014	8,157,000	$ 0.18	$ 1,265,390	7,267,500	$ 0.09	$ 142,074	$ 1,407,464

Employee share option plan

The Company has an ownership-based compensation scheme for executives and employees. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, officers, directors and consultants of the Company may be granted options to purchase common shares with the exercise prices determined at the time of grant. The Company has adopted a Floating Stock Option Plan (the "Plan"), whereby the number of common shares reserved for issuance under the Plan is equivalent of up to 10% of the issued and outstanding shares of the Company from time to time.

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the year ended September 30, 2014, the Company recorded $43,267 of share-based payments, of which $37,291 (2013 - $143,398) was recorded as share-based payments through the statement of operations and $5,976 was capitalized in exploration and evaluation assets (2013 - $5,344).

(Expressed in Canadian dollars unless otherwise noted)

The following share-based payments arrangements were in existence at the end of the reporting period:

Options

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
300,000	300,000	28-Feb-10	28-Feb-15	$ 0.12	$ 45,913	$ 0.16	173%	5	0%	2.52%
300,000	300,000	28-May-10	27-May-15	$ 0.25	$ 104,728	$ 0.37	159%	5	0%	2.64%
850,000	850,000	1-Sep-10	1-Sep-15	$ 0.35	$ 278,995	$ 0.35	165%	5	0%	2.06%
300,000	300,000	25-Jan-11	25-Jan-16	$ 0.30	$ 72,000	$ 0.28	127%	5	0%	2.55%
50,000	50,000	25-Apr-11	25-Apr-16	$ 0.13	$ 5,500	$ 0.13	128%	5	0%	2.70%
350,000	350,000	24-Aug-11	24-Aug-16	$ 0.10	$ 28,000	$ 0.09	137%	5	0%	1.60%
700,000	700,000	22-Sep-11	22-Sep-16	$ 0.135	$ 84,000	$ 0.14	142%	5	0%	1.30%
40,000	40,000	26-Oct-11	26-Oct-16	$ 0.135	$ 5,600	$ 0.16	139%	5	0%	1.60%
75,000	75,000	3-Jan-12	3-Jan-17	$ 0.115	$ 7,500	$ 0.12	121%	5	0%	1.60%
3,005,000	3,005,000	31-Jan-12	31-Jan-17	$ 0.22	$ 570,950	$ 0.22	135%	5	0%	1.25%
150,000	150,000	12-Dec-12	12-Dec-17	$ 0.10	$ 7,500	$ 0.06	135%	5	0%	1.28%
200,000	175,000	19-Mar-13	19-Mar-18	$ 0.10	$ 8,000	$ 0.05	149%	5	0%	1.28%
400,000	400,000	29-Jan-14	29-Jan-19	$ 0.05	$ 4,000	$ 0.01	133%	5	0%	1.73%
1,437,000	1,424,500	13-Mar-14	13-Mar-19	$ 0.05	$ 43,110	$ 0.04	127%	5	0%	1.59%
8,157,000	8,119,500				$ 1,265,796					

Fair value of share options granted in the year:

The weighted average grant date fair value of the share options granted during the year ended September 30, 2014 is $0.05 (2013: $0.05). Options were priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non - transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises. The weighted average remaining life of the Company's options is 2.48 years.

Warrants

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
4,367,500	4,367,500	21-Mar-13	21-Mar-15	$ 0.10	$ 67,800	$ 0.04	111%	2	0%	1.70%
2,900,000	2,900,000	30-May-14	30-May-17	$ 0.07	$ 74,274	$ 0.04	137%	3	0%	1.13%
7,267,500	7,267,500				$ 142,074					

(Expressed in Canadian dollars unless otherwise noted)

11. Operating segments

Geographical information

The Company operates in Canada and Nicaragua. The Company's information about its non-current assets by geographical location is detailed below.

		Current Asests		Exploration and Evaluation Assets		Property, plant and equipment		Total assets
September 30, 2014								
Canada	$	109,860	$	-	$	-	$	109,860
Nicaragua		526		3,234,894		19,533		3,254,953
	$	110,386	$	3,234,894	$	19,533	$	3,364,813
September 30, 2013								
Canada	$	304,993	$	-	$	-	$	304,993
Nicaragua		1,300		3,396,480		29,879		3,427,659
	$	306,293	$	3,396,480	$	29,879	$	3,732,652

12. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and are disclosed in Note 3 above.

Financial instruments as at September 30, 2014 and September 30, 2013 were as follows:

September 30, 2014		Loans and receivables and other liabilities		Assets /(liabilities) at fair value through profit and loss		Total
Cash and cash equivalents	$	94,653	$	-	$	94,653
Accounts payable and accrued liabilities		(306,102)		-		(306,102)

September 30, 2013		Loans and receivables and other liabilities		Assets /(liabilities) at fair value through profit and loss		Total
Cash and cash equivalents	$	285,718	$	-	$	285,718
Receivables		408		-		408
Accounts payable and accrued liabilities		(517,986)		-		(517,986)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended September 30, 2014 and 2013.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparty related to its cash and cash equivalents carries an investment grade rating as assessed by external rating agencies. The Company maintains all or substantially all of its cash and cash equivalents with a major financial institution domiciled in Canada. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

The Company does not have any financial instruments exposed to credit risk.

(Expressed in Canadian dollars unless otherwise noted)

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at September 30, 2014, the Company had current assets of $110,386 to settle current liabilities of $306,101.

Market risk

(a) Interest rate risk

The Company's cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.

Based on cash and cash equivalent balances on hand at September 30, 2014, a 1% charge in interest rates could result in a corresponding change in annual net loss of approximately $950.

(b) 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 $17 for year ended September 30, 2014. A $0.01 weakening of the Canadian against the US Dollar would have an equal, but opposite, effect. At September 30, 2014, one Canadian Dollar was equal to 0.8929 US Dollars and one Canadian Dollar was equal to 23.9234 Nicaragua Cordoba.

Balances in non-Canadian dollar currencies are as follows:

		US dollars		Nicaragua cordoba
Cash	$	1,035	$	12,596
Prepaid expenses and deposits		-		-
Account payables and Accrued liabilities		(2,500)		(309,300)
	$	(1,465)	$	(296,704)

(c) Price risk

The Company is exposed to price risk with respect to commodity prices, specifically base and precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for base and precious metals, the level of interest rates, the rate of inflation, investment decisions by large holders of base and precious metals and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments.

13. Capital management

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of common shares, warrants and options. 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 to sustain future development of the business.

(Expressed in Canadian dollars unless otherwise noted)

The properties in which the Company currently has an interest are in the exploration and development stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

There were no significant changes in the Company's approach to capital management during 2014 and 2013. The Company is not subject to externally imposed capital requirements.

14. Related party disclosures

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, ALR Nicaragua S.A.

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.

	For the years ended September 30,	
	2014	2013
2227929 Ontario Inc.	$ 118,126	$ 214,051

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

	As at	
	September 30, 2014	September 30, 2013
2227929 Ontario Inc.	$ 192,429	$ 75,258

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.

Compensation of key management personnel of the Company

The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

	For the years ended September 30	
	2014	2013
Short-term benefits	$ 100,500	$ 473,500
Share-based payments	$ 29,682	$ 112,840

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Pursuant to the private placement financing on May 30, 2014, officers and directors of the Company subscribed for 1,000,000 units for gross proceeds to the Company of $50,000.

Pursuant to the private placement financing on March 21, 2013, officers and directors of the Company subscribed for 1,300,000 units for gross proceeds to the Company of $65,000.

See note 9(b)(ii).

(Expressed in Canadian dollars unless otherwise noted)

15. Commitments and contingencies

The Company has various other commitments described in Note 7(a).

The Company is party to certain management contracts. These contracts require that additional payments of up to approximately $320,000 be made upon the occurrence of certain events such as a change of control. As the triggering events have not taken place, the contingent payments have not been reflected in these consolidated financial statements. Minimum commitments remaining under these contracts were approximately $133,126, all due within one year.

The Company's mining and exploration activities are subject to various 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.

16. Income taxes

In assessing the realization of the Company's future income tax assets, management considers whether it is more likely than not that some portion of all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax assets considered realizable could change materially in the near term based on future taxable income during the carry-forward period.

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2013 – 26.5%) were as follows:

	2014 **$**	**2013** **$**
(Loss) before income taxes	(477,070)	(1,595,447)
Expected income tax recovery based on statutory rate	126,000	423,000
Adjustment to expected income tax benefit:		
Stock Based Compensation	(10,000)	-
Expenses not deductible for tax purposes	42,000	(154,000)
Other	519,413	-
Difference in foreign statutory rates	2,000	-
Benefit of tax losses not recognized	(119,000)	158,000
Reduction in income tax rates	-	(84,000)
Change in Benefit of tax assets not recognized	(626,000)	(343,000)
Deferred income tax provision (recovery)	(65,587)	-

(Expressed in Canadian dollars unless otherwise noted)

b) Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

Canada	**2014** $	**2013** $
Non-capital loss carry-forwards	5,083,000	4,466,000
Share issue costs	17,000	88,000
Mineral property costs	2,231,000	4,061,000
Marketable securities	-	528,000
Total	7,331,000	9,143,000

Nicaragua		
Non-capital loss carry-forwards	2,400,000	2,032,000
Total	2,400,000	2,032,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can use the benefits. The tax losses in Canada expire after 20 years and the tax losses in Nicaragua expire after 3 years. The other temporary differences do not expire under current legislation.

The Company has non-capital losses for income tax purposes of approximately $5,083,000 (2013 - $4,466,000) in Canada and $2,400,000 (Cordoba $55,745,465) (2013 - $2,032,000, Cordoba $48,165,517) in Nicaragua, which may be carried forward and offset against future taxable income. These losses expire as follows:

	Canada	Nicaragua
2015	-	1,537,000
2016	-	537,000
2026	10,000	326,000
2027	48,000	-
2028	158,000	-
2029	186,000	-
2030	776,000	-
2031	1,730,000	-
2032	831,000	-
2033	831,000	-
2034	513,000	-
	5,083,000	2,400,000

17. Subsequent event

On October 3, 2014, the Company issued 200,000 common shares to Calibre as part of its option agreement to earn a 65% interest in the Rosita D concession.

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2015 and 2014
(expressed in Canadian dollars)

ALDER RESOURCES LTD.

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Alder Resources Ltd.

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ALDER RESOURCES LTD.

Condensed Interim Consolidated Statements of Financial Position
As at
(Unaudited)
(Expressed in Canadian dollars)

	Notes		June 30, 2015		September 30, 2014
Assets					
Current assets					
Cash and cash equivalents		$	43,745	$	94,653
Receivables	3		9,168		8,133
Prepaid expenses and deposits	4		1,900		7,600
Total current assets			54,813		110,386
Non-current assets					
Property, plant and equipment	5		15,724		19,533
Exploration and evaluation assets	6		3,357,614		3,234,894
Total Assets		$	3,428,151	$	3,364,813
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities	7	$	153,344	$	306,101
Loans payable	8		20,500		-
Notes payable	9		100,000		-
Total current liabilities			273,844		306,101
Equity					
Share capital	10		11,337,391		11,269,609
Reserves	11		1,189,429		1,407,464
Retained earnings (deficit)			(9,372,513)		(9,618,361)
Total Equity			3,154,307		3,058,712
Total Liabilities and Equity		$	3,428,151	$	3,364,813

Nature of operations and going concern	1
Commitments and contingencies	15

Approved on behalf of the Directors:

"Nick Tintor"
Director

"Craig Pearman"
Director

See accompanying notes to these Condensed Interim Consolidated Financial Statements

ALDER RESOURCES LTD.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended June 30, 2015	Three months ended June 30, 2014	Nine months ended June 30, 2015	Nine months ended June 30, 2014
Revenue		$ -	$ -	$ -	$ -
Expenses					
Accounting and legal		37,685	10,000	49,083	26,440
Management and consulting fees		50,602	(341,787)	74,848	(104,817)
Office and rent		22,882	18,681	41,405	63,986
Regulatory and transfer agent		17,084	6,783	18,644	20,206
Share-based payments	10	-	(2,750)	406	36,242
Travel and promotion		14,857	1,716	17,565	21,039
Foreign exchange (gain)		33,196	7,848	29,474	(4,035)
(Loss) before the undernoted		(176,306)	299,509	(231,425)	(59,061)
Interest income		-	-	14	140
Interest expense		(313)	-	(313)	-
Gain of settlement of debt		259,132	22,916	259,132	22,916
(Loss) before income taxes		82,513	322,425	27,408	(36,005)
Deferred income tax recovery		8,984	-	8,984	-
Net (loss) and comprehensive (loss) for the period		$ 91,497	$ 322,425	$ 36,392	$ (36,005)
Net loss per share					
Basic		$ 0.00	$ 0.00	$ 0.00	$ (0.00)
Diluted		$ 0.00	$ 0.00	$ 0.00	$ (0.00)
Weighted average number of shares outstanding:					
Basic		91,320,444	85,214,251	90,056,276	82,880,074
Diluted		91,320,444	85,214,251	90,056,276	82,880,074

See accompanying notes to these Condensed Interim Consolidated Financial Statements

ALDER RESOURCES LTD.

Condensed Interim Consolidated Statements of Cash Flow
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Nine months ended June 30, 2015		2014
Cash provided by (used in) operations:				
Net (loss)		$ 36,392		$ (36,005)
Items not involving cash:				
Share-based payments	10	406		36,242
Deferred income tax (recovery)		(8,985)		-
Gain on settlement of debt		(259,132)		(22,917)
Unrealized (loss) gain on foreign exchange		340		(17)
Working capital adjustments:				
Change in receivables		(1,035)		8,338
Change in prepaid expenses and deposits		5,700		5,553
Change in accounts payable and accrued liabilities		170,677		(194,098)
Net cash used by operating activities		$ (55,638)		$ (202,904)
Investing activities				
Investment in exploration and evaluation assets		$ (115,432)		$ (173,269)
Net cash used in the investing activities		$ (115,432)		$ (173,269)
Financing activities				
Loans payable		$ 120,500		$ -
Proceeds from issuance of private placements				290,000
Share issue costs		-		(3,036)
Net cash provided by financing activities		$ 120,500		$ 286,964
Effect of exchange rate changes on cash and cash equivalents		$ (340)		$ 17
Change in cash and cash equivalents		$ (50,909)		$ (89,192)
Cash and cash equivalents, beginning of the year		94,653		285,718
Cash and cash equivalents, end of the period		$ 43,744		$ 196,526
Cash and cash equivalents are comprised of:				
Cash in bank		$ 43,745		$ 196,526
Non-cash investing and financing transactions:				
Common shares issued as property payment - Rosita D		$ 3,000		$ 3,000
(Decrease) / increase in accounts payable related to exploration and evaluation		$ 479		$ (7,560)
Share-based payments recored as exploration and evaluation assets		$ -		$ 5,855

See accompanying notes to these Condensed Interim Consolidated Financial Statements

ALDER RESOURCES LTD.

Condensed Interim Consolidated Statement of Changes of Equity

(Expressed in Canadian dollars)

			Share-based payments				
	Number of Shares	Share Capital	Options	Warrants	Reserves	Retained Earnings (Deficit)	Total
Balance, September 30, 2013	81,514,085	$ 11,000,447	$ 1,362,575	$ 562,800	$ 1,925,375	$ (9,711,156)	$ 3,214,666
Shares issued - Rosita property	200,000	3,000	-	-	-	-	3,000
Share based payments	-	-	40,098	-	40,098	-	40,098
Options expired / terminated	-	-	(140,452)	-	(140,452)	140,452	-
Warrants expired	-	-	-	(495,000)	(495,000)	495,000	-
Debt for shares	1,527,760	53,472	-	-	-	-	53,472
Private placement	5,800,000	290,000	-	-	-	-	290,000
Fair value of warrants from private placement	-	(58,000)	-	58,000	58,000	-	-
Share issue costs	-	(3,036)	-	-	-	-	(3,036)
Loss for the period	-	-	-	-	-	(36,005)	(36,005)
Balance, June 30, 2014	89,041,845	$ 11,285,883	$ 1,262,221	$ 125,800	$ 1,388,021	$ (9,111,709)	$ 3,562,195
Debt for shares			3,169		3,169		3,169
Options expired					-		-
Warrants expired					-	(65,587)	(65,587)
Fair value of warrants from private placement		(16,274)		16,274	16,274		-
Income for the period					-	(441,065)	(441,065)
Balance, September 30, 2014	89,041,845	11,269,609	1,265,390	142,074	1,407,464	(9,618,361)	3,058,712
Shares issued - Rosita property	200,000	3,000	-	-	-	-	3,000
Share based payments	-	-	406	-	406	-	406
Debt for shares	6,032,906	60,328	-	-	-	-	60,328
Shares issued for services	445,398	4,454			-		4,454
Options expired	-	-	(150,641)	-	(150,641)	141,656	(8,985)
Warrants expired	-	-	-	(67,800)	(67,800)	67,800	-
Income for the period	-	-	-	-	-	36,392	36,392
Balance, June 30, 2015	95,720,149	$11,337,391	$1,115,155	$74,274	$1,189,429	($9,372,513)	$3,154,307

See accompanying notes to these Condensed Interim Consolidated Financial Statements

1. Nature of operations and going concern

Alder Resources Ltd. (the "Company") is a base and precious metals exploration company engaged in the acquisition, exploration and development of properties located in Latin America and Canada. On July 27, 2015, the Company completed a transaction with Rosita Mining Corporation ("Rosita") (note 16), wherein it became a wholly-owned subsidiary of Rosita. On July 27, 2015, the Company ceased trading on the TSX Venture Exchange and on August 25, 2015, it ceased to be a reporting issuer. The Company's head office is located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and/or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its assets on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements.

As at June 30, 2015, the Company had a working capital deficit of $219,031 and has accumulated losses since inception of $9,372,513. The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses and the working capital deficit, 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.

2. Basis of preparation

(a) Basis of presentation

These condensed interim consolidated financial statements of the Company and its subsidiary were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared using accounting policies in accordance with IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations applicable. The policies set out below were consistently applied to all the periods presented unless otherwise note below.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated as their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(b) Approval of the financial statements

These condensed interim consolidated financial statements of the Company were approved for issue by the Board of Directors on October 7, 2015.

(c) New accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods effective beginning October 1, 2014. Updates that are not applicable or are not consequential to the Company have been excluded thereof.

IFRS 2, Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The Company adopted this amendment and there was no impact on the Company's condensed interim consolidated financial statement.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The Company adopted this amendment and there was no impact on the Company's condensed interim consolidated financial statement.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The Company adopted this amendment and there was no impact on the Company's condensed interim consolidated financial statement.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The Company adopted this amendment and there was no impact on the Company's condensed interim consolidated financial statement.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company adopted this amendment and there was no impact on the Company's condensed interim consolidated financial statement.

(d) Future accounting policies

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. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9, Financial Instruments was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. This standard also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not yet determined the impact of this standard on its condensed interim consolidated financial statements.

(e) Currency translation

The Company's functional and presentation currency is the Canadian dollar ("$").

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

(f) Significant accounting judgments, estimates and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the condensed interim consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those 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 6 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.

(Expressed in Canadian dollars unless otherwise noted)

Contingencies

Please refer to Note 15.

3. Receivables

	June 30, 2015	September 30, 2014
HST receivable	$ 9,168	$ 8,133

4. Prepaid expenses and deposit

	June 30, 2015	September 30, 2014
Prepaid insurance	$ 1,900	$ 7,600

5. Property, plant and equipment

	Furniture and fixtures	Mining equip-ment	Computer equipment	Leasehold improve-ments	Vehicles	Total
	$	$	$	$	$	$
Cost at 30-Sept-13	12,572	5,790	10,187	25,373	20,602	74,524
Write-off	-	-	(10,187)	(25,373)	-	(35,580)
Cost at 30-Sept-14 and 30-June-15	12,572	5,790	-	-	20,602	38,964
Accumulated depreciation						
Balance at 30-Sept-13	(4,065)	(2,273)	(7,571)	(25,373)	(5,363)	(44,645)
Charges for the period	(2,510)	(1,057)	(2,616)	-	(4,163)	(10,346)
Write-off	-	-	10,187	25,373	-	35,580
Balance at 30-Sept-14	(6,575)	(3,330)	-	-	(9,526)	(19,431))
Charges for the period	(1,258)	(491)	-	-	(2,060)	(3,809)
Balance at 30-June-15	(7,833	(3,821)	-	-	(11,586)	(23,240)
Net book value at 30-Sept-14	5,997	2,460	-	-	11,076	19,533
Net book value at 30-June-15	4,739	1,989	-	-	9,016	15,724

6. Exploration and evaluation assets

	Rosita D. Nicaragua
	$
Balance at 30-Sept-13	3,396,480
Additions	288,414
Sale of royalty to F&M	(450,000)
Balance at 30-Sept-14	3,234,894
Additions	122,720
Balance at 30-June-15	**3,357,614**

(Expressed in Canadian dollars unless otherwise noted)

7. Accounts payable and accrued liabilities

	June 30, 2015	Sept. 30, 2014
	$	$
Corporate and exploration payables	**133,344**	233,365
Accrued liabilities	**20,000**	72,736
	153,344	306,101

8. Loan payable

	June 30, 2015	Sept. 30, 2014
	$	$
Notes payable	**100,000**	-
Loans payable	**20,500**	-
	120,500	-

On January 30, 2015, the Company entered into a promissory note for $20,000 with Sulliden Mining Capital Inc. 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.

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

9. Share Capital

a) As at June 30, 2015 the Company's authorized number of common shares was unlimited without par value.

b) Issued and outstanding share capital:

	Number of shares	Amount $
Balance at 30-Sept-13	1,514,085	11,000,447
Shares issued for property option payment	200,000	3,000
Issuance of shares for the settlement of debt	1,527,760	53,472
Issuance of shares for cash (net of issuance costs of $3,036)	5,800,000	286,964
Fair value of warrants issued	-	(74,274)
Balance at 30-Sept-14	89,041,845	11,269,609
Shares issued for option property option payment	200,000	3,000
Issuance of shares for the settlement of debt and for services	6,478,304	64,782
Balance at 30-June-15	**95,720,149**	**11,337,391**

10. Share-based payment reserves

	Number of options	Weighted average exercise price	Value of options	Number of warrants	Weighted average exercise price	Value of warrants	Total value
		$	$		$	$	$
Balance at 30-Sept-13	7,115,000	0.21	1,362,575	20,319,519	0.18	582,800	1,925,375
Granted / vested	1,837,000	0.05	43,267	2,900,000	0.07	74,274	117,541
Cancelled / forfeit	(795,000)	0.17	(140,452)	(15,962,019)	0.20	(495,000)	(635,452)
Balance at 30-Sept-14	8,157,000	0.18	1,265,390	7,267,500	0.09	142,074	1,407,464
Granted / vested	-	-	406	-	-	-	406

(Expressed in Canadian dollars unless otherwise noted)

Cancelled / forfeit	(600,000)	0.25	(150,641)	(4,367,500)	0.10	(67,800)	(218,441)
Balance at 30-June-15	7,557,000	0.17	1,115,155	2,900,000	0.09	74,274	1,189,429

Employee share option plan

The Company has an ownership-based compensation scheme for executives and employees. In accordance with the terms of the plan, as approved by shareholders at its most recent annual general meeting, officers, directors and consultants of the Company may be granted options to purchase common shares with the exercise prices determined at the time of grant. The Company has adopted a Floating Stock Option Plan (the "Plan"), whereby the number of common shares reserved for issuance under the Plan is equivalent of up to 10% of the issued and outstanding shares of the Company from time to time.

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the nine months ended June 30, 2015, the Company recorded $406 (2014 - $37,344) of share-based payments, of which $406 (2014 - $36,242) was recorded as share-based payments through the statement of operations and $Nil (2014 - $1,102) was capitalized in exploration and evaluation assets.

Options

Number issued	Number exercisable	Grant date	Expiry date	Exercise price	Grant-date fair value	Grant-date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
				$	$	$			%	%
850,000	850,000	1-Sep-10	1-Sep-15	0.35	278,995	0.35	165	5	0	2.06
300,000	300,000	25-Jan-11	25-Jan-16	0.30	72,000	0.28	127	5	0	2.55
50,000	50,000	25-Apr-11	25-Apr-16	0.13	5,500	0.13	128	5	0	2.70
350,000	350,000	24-Aug-11	24-Aug-16	0.10	28,000	0.09	137	5	0	1.60
700,000	700,000	22-Sep-11	22-Sep-16	0.135	84,000	0.14	142	5	0	1.30
40,000	40,000	26-Oct-11	26-Oct-16	0.135	5,600	0.16	139	5	0	1.60
75,00	75,000	3-Jan-12	3-Jan-17	0.115	7,500	0.12	121	5	0	1.60
3,005,000	3,005,000	31-Jan-12	31-Jan-17	0.22	570,950	0.22	135	5	0	1.25
150,000	150,000	12-Dec-12	12-Dec-17	0.10	7,500	0.06	135	5	0	1.28
200,000	200,000	19-Mar-13	19-Mar18	0.10	8,000	0.05	149	5	0	1.28
400,000	400,000	29-Jan-14	29-Jan-19	0.05	4,000	0.01	133	5	0	1.73
1,437,00	1,437,000	13-Mar-14	13-Mar-18	0.05	43,410	0.04	127	5	0	1.59
7,557,000	7,557,000			0.17	1,115,155					

Warrants

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
2,900,000	2,900,000	30-May-14	30-May-17	$ 0.07	$ 74,274	$ 0.04	137%	3	0%	1.13%
2,900,000	2,900,000				$ 74,274					

The weighted average grant date fair value of the share options granted during the nine months ended June 30, 2015 is $Nil (2014: $0.03). Options were priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non - transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises. The weighted average remaining life of the Company's options is 2.00 years.

(Expressed in Canadian dollars unless otherwise noted)

11. Operating segments

Geographical information

The Company operates in Canada and Nicaragua. The Company's information about its total assets by geographical location is detailed below:

	Current assets	Exploration and evaluation assets	Property, plant and equipment	Total assets
	$	$	$	$
June 30, 2015				
Canada	51,581	-	-	51,581
Nicaragua	3,232	3,357,614	15,727	3,376,570
	54,813	3,357,614	15,724	3,428,151

12. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and are disclosed in Note 3 in the consolidated financial statements for the years ended September 30, 2014 and 2013.

Financial instruments as at June 30, 2015 were as follows:

June 30, 2015	Loans and receivables and other liabilities	Assets / (liabilities) at fair value through profit and loss	Total
	$	$	$
Cash and cash equivalents	43,745	-	43,745
Accounts payable and accrued liabilities	(153,344)	-	(153,344)
Loans payable	(20,500)	-	(20,500)
Notes payable	(100,000)	-	(100,000)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the nine months ended June 30, 2015.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparty related to its cash and cash equivalents carries an investment grade rating as assessed by external rating agencies. The Company maintains all or substantially all of its cash and cash equivalents with a major financial institution domiciled in Canada. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

The Company does not have any financial instruments exposed to credit risk.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at June 30, 2015, the Company had current assets of $54,813 to settle current liabilities of $273,844.

(Expressed in Canadian dollars unless otherwise noted)

Market risk

(a) Interest rate risk

The Company's cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.

Based on cash and cash equivalent balances on hand at June 30, 2015, a 1% charge in interest rates could result in a corresponding change in annual net loss of approximately $31.

(b) 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 $102 for nine months ended June 30, 2015. A $0.01 weakening of the Canadian against the US Dollar would have an equal, but opposite, effect. At June 30, 2015, one Canadian Dollar was equal to 0.8017 US Dollars and one Canadian Dollar was equal to 21.6633 Nicaragua Cordoba.

Balances in non-Canadian dollar currencies are as follows:

	US Dollars	Nicaragua Cordoba
	$	COP$
Cash	-	3,232
Account payable and accrued liabilities	(2,157)	(13,431)
	(2,157)	(10,199)

(c) Price risk

The Company is exposed to price risk with respect to commodity prices, specifically base and precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for base and precious metals, the level of interest rates, the rate of inflation, investment decisions by large holders of base and precious metals and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments.

13. Capital management

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of common shares, warrants and options. 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 to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and development stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

(Expressed in Canadian dollars unless otherwise noted)

There were no significant changes in the Company's approach to capital management during the nine months ended June 30, 2015. The Company is not subject to externally imposed capital requirements.

14. Related party disclosures

The condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, ALR Nicaragua S.A.

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. ("2227929"), an unrelated company.

	Purchases of goods and services For the nine months ended	
	June 30, 2015	June 30, 2014
	$	$
2227929	**103,485**	154,613

The following balances were outstanding as at June 30, 2015:

	June 30, 2015	September 30, 2014
2227929	**-**	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.

On January 30, 2015, the Company entered into a promissory note for $20,000 with Sulliden Mining Capital Inc. 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 key management personnel of the Company

The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

	For the nine months ended	
	June 30, 2015	June 30, 2014
	$	$
Short-term benefits	**32,500**	85,500
Share-based payments	**406**	29,682

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

15. Commitments and contingencies

The Company is party to certain management contracts. These contracts require that additional payments of up to approximately $320,000 be made upon the occurrence of certain events such as a change of control. As the triggering events took place subsequent to period-end (note 15), the contingent payments have not been reflected in these consolidated financial statements. Minimum commitments remaining under these contracts were approximately $130,000, all due within one year.

The Company's mining and exploration activities are subject to various 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.

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 the Company earning 65% interest in the Rosita property. In the event that the Company 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.

16. Subsequent events

On July 27, 2015, the Company completed a transaction through a plan of arrangement (the "Arrangement") with Midlands Minerals Corporation ("Midlands") (now Rosita Mining Corporation ("Rosita")), wherein shareholders of Alder received consideration of 1.81 of a common shares of Midlands (each whole common share, a "Midlands Share") per common share of Alder, calculated on a pre-consolidation basis.

Each holder of a warrant to acquire Alder Shares (each, an "Alder Warrant") outstanding immediately prior to the effective time of the Arrangement (the "Effective Time") will receive on subsequent exercise of such holder's Alder Warrant, in accordance with its terms, for the same aggregate consideration payable on exercise of such warrant, 1.81 of a Midlands Share, calculated on a pre-consolidation basis.

In addition, each holder of an Alder option to acquire Alder Shares (each, an "Alder Option") outstanding immediately prior to the Effective Time will receive on subsequent exercise of such holder's Alder Option, in accordance with its terms, for the same aggregate consideration payable on exercise of such option, 1.81 of a Midlands Share, calculated on a pre-consolidation basis.

Contemporaneously with the closing and in connection with the Arrangement, Midlands consolidated the outstanding Midlands Shares (including the Midlands Shares to be issued to former holders of Alders Shares under the Arrangement) on the basis of one new common share for every 10 existing common shares and changed its name to "Rosita Mining Corporation".