RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

For the Six Months Ended March 31, 2021 and 2020

(Unaudited- Prepared by Management)

RIVERSIDE RESOURCES INC.

Index to Condensed Interim Consolidated Financial Statements

March 31, 2021

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated 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 attached condensed interim consolidated financial statements for the six months ended March 31, 2021 have not been reviewed by the Company’s auditors.

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Consolidated Statements of Financial Position as at,
(Unaudited- Expressed in Canadian Dollars)

	Note	March 31, 2021	September 30, 2020
Assets			
Current assets:			
Cash and cash equivalents	15	$ 4,340,077	$ 4,588,578
Short-term investments	5	1,221,503	1,463,312
Share subscription receivable	12	-	13,750
Receivables	6	913,237	596,452
Prepaid expenses	7	72,003	109,672
		6,546,820	6,771,764
Equipment	8	273,253	232,011
Exploration and evaluation assets	9	5,672,226	5,217,947
		$ 12,492,299	$ 12,221,722
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	$ 668,681	$ 1,635,890
Provision liability	18	1,011,064	990,184
		1,679,745	2,626,074
Government loan	11	33,603	31,970
		1,713,348	2,658,044
Shareholders’ equity:			
Capital stock	12	25,468,861	24,961,986
Reserves	12	3,610,254	3,458,788
Deficit		(15,981,512)	(16,596,443)
Accumulated other comprehensive loss		(2,318,652)	(2,260,653)
		10,778,951	9,563,678
		$ 12,492,299	$ 12,221,722

Nature and continuance of operations (Note 1)
Subsequent events (Note 19)

On behalf of the Board on May 31, 2021

“Walter Henry” Director — Water Henry

“Carol Ellis” Director — Carol Ellis

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited- Expressed in Canadian Dollars)

	Note	3 Month Ended March 31, 2021	3 Month Ended March 31, 2020	6 Month Ended March 31, 2021	6 Month Ended March 31, 2020
Expenses					
Management and consulting fees (recovery)	9, 13	$ (28,562)	$ 67,611	$ (27,152)	$ 129,093
Depreciation	8	18,618	14,076	37,111	27,716
Director fees	13	9,000	9,000	18,000	18,000
Foreign exchange (gain) loss		30,997	(144,592)	120,695	(112,767)
General and administration		23,282	74,226	49,293	91,620
Interest expense	11	826	-	1,633	-
Investor relations	13	66,185	78,919	142,339	137,025
Professional fees		36,989	197,277	74,783	247,071
Property investigation and evaluation (recovery)		(15)	602	2,813	2,301
Rent		20,316	20,316	40,631	39,664
Share-based payments	12,13	76,799	60,564	212,131	90,902
Finance income		(3,731)	(22,748)	(6,211)	(35,403)
Other income	5, 13	(30,964)	(32,557)	(63,871)	(38,557)
Unrealized loss (gain) on short-term investments	5	387,380	354,541	(45,114)	(990,738)
Realized loss (gain) on short-term investments	5	(1,172,012)	-	(1,172,012)	385,114
Net income (loss) for the period		564,892	(677,235)	614,931	8,959
Foreign exchange movements		(320,916)	(986,648)	(57,999)	(842,613)
Comprehensive income (loss) for the period		243,976	(1,663,883)	556,932	(833,654)
Income (Loss) per share – basic and diluted		$ 0.01	$ (0.01)	$ 0.01	$ 0.00
Weighted average number of common shares outstanding – basic and diluted		64,261,060	63,104,924	64,464,219	62,972,336

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended March 31,
(Unaudited- Expressed in Canadian Dollars)

	Note	2021	2020
OPERATING ACTIVITIES			
Income for the period		$ 614,931	$ 8,959
Items not involving cash:			
Depreciation	8	37,111	27,716
Share-based payments	12,13	212,131	90,902
Realized (gain) loss on short-term investments	5	(45,114)	385,114
Unrealized (gain) loss on short-term investments	5	(1,172,012)	(990,738)
Other income	5,13	(63,871)	(38,557)
Accrued interest on government loan	11	1,633	-
Change in non-cash working capital items:			
Prepaid expenses		37,669	135
Receivables		(239,164)	10,471
Accounts payable and accrued liabilities		(89,504)	(117,439)
		(706,190)	(623,437)
INVESTING ACTIVITIES			
Exploration advances – accounts payable and accrued liabilities		(970,868)	(369,379)
Exploration and evaluation assets		(303,578)	(594,083)
Purchase of equipment	8	(70,783)	(33,162)
Sale (Purchase) of short-term investments	5	1,458,934	784,207
		113,705	(212,417)
FINANING ACTIVITIES			
Proceeds from the exercise of warrants	12	366,285	-
Proceeds from the exercise of options	12	79,925	-
Share subscriptions received in advance	12	-	58,000
		446,210	58,000
Effect of foreign exchange on cash and cash equivalents		(102,226)	(213,652)
Increase (decrease) in cash and cash equivalents		(248,501)	(991,506)
Cash and cash equivalents, beginning of the period		4,588,578	3,443,996
Cash and cash equivalents, end of the period		$ 4,340,077	$ 2,452,490

Supplemental disclosures with respect to cash flows (Note 15)

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

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Note	Capital Stock		Share subscriptions received in advance	Reserves	Deficit	Accumulated other comprehensive loss	Total
		Shares	Amount					
Balance at September 30, 2019		62,841,188	$ 27,344,879	$ -	$ 3,292,482	$ (19,227,987)	$ (1,346,728)	$ 10,062,586
Issued for:								
Share issued for mineral property	9,12	400,00	56,000	-	-	-	-	56,000
Share subscription received in advance	12			58,000	-	-	-	58,000
Share-based payments	12	-	-	-	90,902	-	-	90,902
Income for the period		-	-	-	-	8,959	-	8,959
Foreign exchange movements		-	-	-	-	-	(842,613)	(842,613)
Balance at March 31, 2020		63,241,188	27,400,879	58,000	3,383,324	(19,219,028)	(2,189,341)	9,433,834
Balance at September 30, 2020		68,127,131	24,961,986	-	3,458,788	(16,596,443)	(2,260,653)	9,563,678
Issued for:								
Exercise of warrants	12	2,173,000	366,285	-	-	-	-	366,285
Exercise of options	12	717,500	140,590	-	(60,665)	-	-	79,925
Share-based payments	12	-	-	-	212,131	-	-	212,131
Income for the period		-	-	-	-	614,931	-	614,931
Foreign exchange movements		-	-	-	-	-	(57,999)	(57,999)
Balance at March 31, 2021		71,017,631	$ 25,468,861	$ -	$ 3,610,254	$ (15,981,512)	$ (2,318,652)	$ 10,778,951

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

(Unaudited - Expressed in Canadian Dollars)

1. Nature and continuance of operations

Riverside Resources Inc. (the "Company" or "Riverside") is a mineral exploration and evaluation company operating as a prospect generator listed on the TSX Venture Exchange (the "Exchange") under the symbol "RRI" and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets in the Americas including Canada, the United States and Mexico.

The Company's head office address is 550 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company's ability to continue operations is uncertain and is dependent upon the ability of the Company to obtain necessary financing to meet the Company's liabilities and commitments as they become payable, acquiring assets or a business, and the ability to generate future profitable production or operations or sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Management believes that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

2. Plan of Arrangement

On October 30, 2019, the Company incorporated a new subsidiary, Capitan Mining Inc. ("Capitan") and Rios DE Suerte S.A de C.V., another new subsidiary was incorporated on November 29, 2019 in order to facilitate a plan of arrangement ("Arrangement") whereby the Company's 100% interest in the Peñoles Project was spun out to Capitan.

On August 14, 2020, the Company transferred its 100% interest in the Peñoles Project and completed the Arrangement to spin out the shares of Capitan to the shareholders of Riverside. Pursuant to the Arrangement, holders of common shares of Riverside on August 13, 2020 received one new common share of Riverside (each, a "Riverside Share") and 0.2594 of a Capitan share (each, a "Capitan Share") for each common share held.

The carrying value of the net assets transferred to Capitan, pursuant to the Arrangement, consisted of the following assets:

Assets	$
Carrying value of exploration and evaluation assets	**1,082,717**
Fair value of net assets transferred	**3,500,000**
Gain on transfer of spin-out assets	**2,417,283**

In accordance with IFRIC 17, Distribution of Non-cash Assets to Owners, the Company recognized the transfer of net assets to Riverside shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the consolidated statement of comprehensive income (loss). The fair value of net assets transferred was based on the expected market value of a Capitan share of $0.20 per share as per private placement completed on August 24, 2020.

The Arrangement resulted in a reduction of share capital amounting to $3,500,000.

2. Plan of Arrangement (continued)

Under the terms of the Arrangement, each issued and outstanding Riverside option has been adjusted for the assets spun-out. The exercise prices of the Riverside replacement stock options were adjusted based on the proportional market value of the two companies after completion of the Arrangement. See Note 12.

3. Basis of presentation and Statement of compliance

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments as fair value through profit and loss or available for sale, which are stated at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS 34"), "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these interim financial statements comply with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

4. Significant accounting policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Riverside Resources Mexico, S.A. de C.V.	Mexico	100%	Mineral exploration
RRM Exploracion, S.A.P.I. de C.V.	Mexico	100%	Mineral exploration
RRM Minas S DE RL de C.V.	Mexico	100%	Mineral exploration
RRI Exploration Inc.	United States	100%	Mineral exploration
RRI Holdings Limited	Canada	100%	Holding company
Riverside Resources (BC) Inc.	Canada	100%	Mineral exploration

New Accounting Policies Adopted

The following accounting standards were adopted by the Company effective October 1, 2019:

IFRS 16 - *Leases* (new; replaces IAS 17)

On October 1, 2019, the Company adopted IFRS 16, which supersedes IAS 17- Leases ("IAS 17"). The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

(Unaudited - Expressed in Canadian Dollars)

4. Significant accounting policies (continued)

New Accounting Policies Adopted (continued)

IFRS 16 - *Leases* (new; replaces IAS 17) (continued)

IFRS 16 requires lessees to recognize a right of use of asset and a lease obligation at the lease commencement date. The Company has assessed its monthly office rent payments and concluded that it does not meet the definition of a lease in the context of IFRS 16. As such, the adoption of the standard did not have an impact on the Company's consolidated financial statements.

IFRIC 23 - *Uncertainty over Income Tax Treatments*

On October 1, 2019, the Company adopted IFRIC 23, which is a new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

5. Short-term investments

Short-term investments include marketable securities received as a result of property option agreements. Marketable securities comprise common shares in publicly traded and private companies as follows:

	March 31, 2021			September 30, 2020		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	$ 11,020	$ 1,160	29,000	$ 11,020	$ 870
Arizona Metals Corp. (1)	400,000	106,302	880,000	1,500,000	398,632	990,000
Guerrero Exploration Inc.	1,926,000	343,049	-	1,926,000	343,049	-
Carlyle Commodities Corp. (2)	1,500,000	450,000	157,500	1,500,000	450,000	270,000
Sierra Madre Developments Inc.	1,250,322	1,103,791	137,535	1,250,322	1,103,791	162,542
Sinaloa Resources Corp. (3)	1,000,000	100,000	-	1,000,000	100,000	-
First Helium Inc. (4)	154,500	45,308	45,308	77,250	39,900	39,900
Upper Canada Mining Inc. (5)	600,000	-	-	600,000	-	-
		$ 2,159,470	$ 1,221,503		$ 2,446,392	$ 1,463,312

(1) During the year ended September 30, 2020, the Company sold 5,800,000 shares for net proceeds of $1,543,309.

During the period ended March 31, 2021, the Company sold 1,100,000 shares for net proceeds of $1,464,342.

(2) On July 13, 2020, the Company received 1,500,000 shares of Carlyle Commodities Corp. with a fair market value of $450,000, as per the option agreement for the Cecilia property. Please refer to Note 9 (e) for additional details.

(Unaudited - Expressed in Canadian Dollars)

5. Short-term investments (continued)

(3) On February 20, 2019, the Company received 1,000,000 shares of Sinaloa Resources Corp. ("Sinaloa") with a fair market value of $100,000, as per the option agreement for the La Silla property. As at March 31, 2021, the fair market value of the shares was determined to be $nil based on the current status of Sinaloa's financial position. Please refer to Note 9 (c) for additional details.

(4) On November 30, 2019, the Company received 300,000 pre-consolidated shares of First Helium Inc. to settle $21,000 in debt. Please refer to Note 13 (iii) & Note 15 (a) for additional details. On September 8, 2020, the Company acquired an additional 472,500 pre-consolidated shares of First Helium Inc. at $0.04 per share by paying cash of $18,900. On November 9, 2020, the Company acquired the additional 772,500 pre-consolidated shares of First Helium Inc. at $0.007 per share by paying cash of $5,408.

First Helium Inc. completed a 10:1 share consolidation on November 27, 2020. These shares been retroactively restated in the table above.

(5) On September 11, 2020, the Company received 600,000 shares of Upper Canada Mining Inc. ("Upper Canada") with a fair market value of $nil, as per the Letter of Intent for the La Silla property. Please refer to Note 9 (c) for additional details.

6. Receivables

Receivables mainly consist of tax refunds from the Federal Government of Canada and Mexico.

		March 31, 2021		September 30, 2020
GST recoverable amounts in Canada	$	17,147	$	8,713
IVA recoverable amounts in Mexico		875,185		565,165
Land taxes recovery in Mexico		20,905		20,474
Other receivable		-		2,100
	$	913,237	$	596,452

7. Prepaid expenses

The breakdown of prepaid expenses is as follows:

		March 31, 2021		September 30, 2020
Conferences and courses	$	-	$	10,662
Expense advances		42,391		64,201
Insurance		18,776		23,980
Rent		10,836		10,829
	$	72,003	$	109,672

(Unaudited - Expressed in Canadian Dollars)

8. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	TOTAL
Cost					
Balance at September 30, 2019	$ 103,031	$ 123,828	$ 33,611	$ 173,019	$ 433,489
Additions	769	91,107	-	37,964	129,840
Foreign exchange movement	(14,995)	(9,413)	(2,258)	(17,919)	(44,585)
Balance at September 30, 2020	$ 88,805	$ 205,522	$ 31,353	$ 193,064	$ 518,744
Additions	-	-	-	70,783	70,783
Foreign exchange movement	343	4,017	415	4,013	8,788
Balance at March 31, 2021	**$ 89,148**	**$ 209,539**	**$ 31,768**	**$ 267,860**	**$ 598,315**
Accumulated depreciation					
Balance at September 30, 2019	$ (85,072)	$ (102,766)	$ (28,086)	$ (44,315)	$ (260,239)
Depreciation	(7,837)	(9,612)	(1,069)	(40,454)	(58,972)
Foreign exchange movement	13,614	10,005	1,913	6,946	32,478
Balance at September 30, 2020	$ (79,295)	$ (102,373)	$ (27,242)	$ (77,823)	$ (286,733)
Depreciation	(2,228)	(10,757)	(424)	(23,702)	(37,111)
Foreign exchange movement	(110)	(1,686)	(352)	930	(1,218)
Balance at March 31, 2021	**$ (81,633)**	**$ (114,816)**	**$ (28,018)**	**$ (100,595)**	**$ (325,062)**
Net book value					
Balance at September 30, 2020	$ 9,510	$ 103,149	$ 4,111	$ 115,241	$ 232,011
Balance at March 31, 2021	**$ 7,515**	**$ 94,723**	**$ 3,750**	**$ 167,265**	**$ 273,253**

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets

For the period ended March 31, 2021

	Tajitos Mexico	La Silla Mexico	Australia Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Suaqui Verde Mexico	Los Cuarentas Mexico	La Union Mexico	El Valle, Llano del Nogalo & El Pima Mexico	Northwestern Ontario Canada	Total
Acquisition costs	$ 40,241	$ 3,345	$ 457	$ 1,941	$ -	$ 6,343	$ 489	$ 56,870	$ 7,103	$ 1,238	$ 7,050	$ 125,077
Exploration costs:												
Assaying	-	-	-	-	-	-	-	-	-	-	3,467	3,467
Drilling	-	-	-	-	-	-	-	21,757	-	-	-	21,757
Field & camp costs	14,319	9,913	3,124	3,890	-	5,583	-	-	-	-	1,226	38,055
Geological consulting	10,408	12,522	-	2,472	-	-	-	94	-	-	71,740	97,236
Transport & support	13,855	7,583	-	1,715	-	1,687	-		-	-	37,775	62,615
Total current exploration costs	38,582	30,018	3,124	8,077	-	7,270	-	21,851	-	-	114,208	223,130
Professional & other fees:												
Professional consulting	-	9,273	-	-	-	6,000	-	2,440	-	-	23,326	41,039
Legal fees	6,010	300	-	-	-	-	-	-	-	-	-	6,310
Others	1,185	-	-	-	-	-	-	-	-	-	-	1,185
Total current professional & other fees	7,195	9,573	-	-	-	6,000	-	2,440	-	-	23,326	48,534
Total costs incurred during the period	86,018	42,936	3,581	10,018	-	19,613	489	81,161	7,103	1,238	144,584	396,741
Balance, Opening	2,460,312	438,112	33,405	95,192	1,305,696	193,987	23,864	100,264	47,271	2,354	517,490	5,217,947
Foreign exchange movements	35,322	4,235	560	516	11,411	3,385	493	990	605	21	-	57,538
Balance, End of the period	$ 2,581,652	$ 485,283	$ 37,546	$ 105,726	$ 1,317,107	$ 216,985	$ 24,846	$ 182,415	$ 54,979	$ 3,613	$ 662,074	$ 5,672,226
Cumulative costs:												
Acquisition	$ 1,070,746	$ 59,851	$ 3,112	$ 11,176	$ 624,814	$ 73,859	$ 4,383	$ 207,103	$ 24,093	$ 3,188	$ 73,947	$ 2,156,272
Exploration	1,570,259	522,641	24,196	81,154	975,879	128,362	22,562	94,022	31,047	180	422,195	3,872,497
Professional & other fees	320,125	95,012	13,450	16,816	149,119	11,124	-	17,629	3,430	490	165,932	793,127
Recoveries	-	(164,000)	-	-	(500,000)	-	-	(122,519)	-	-	-	(786,519)
Foreign exchange movements	(379,478)	(28,221)	(3,212)	(3,420)	67,295	3,640	(2,099)	(13,820)	(3,591)	(245)	-	(363,151)
	$ 2,581,652	$ 485,283	$ 37,546	$ 105,726	$ 1,317,107	$ 216,985	$ 24,846	$ 182,415	$ 54,979	$ 3,613	$ 662,074	$ 5,672,226

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

For the year ended September 30, 2020

	Penoles Mexico	Tajitos Mexico	La Silla Mexico	Australia Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Suaqui Verde Mexico	Los Cuarentas Mexico	La Union Mexico	El Valle, Llano del Nogalo & El Pima Mexico	Northwestern Ontario Canada	Total
Acquisition costs	$ 33,799	$ 75,354	$ 5,572	$ 928	$ 3,944	$ 197,746	$ 12,890	$ 994	$ 91,156	$ 16,990	$ 1,950	$ 63,356	$ 504,679
Exploration costs:													
Assaying	408	-	-	-	-	-	-	-	3,099	-	-	3,869	7,376
Field & camp costs	12,395	13,451	3,497	4,034	773	327	6,280	1,281	2,189	7,667	-	7,557	59,451
Geological consulting	149,646	19,123	15,738	384	4,804	18,063	4,852	-	41,282	7,968	47	123,892	385,799
Transport & support	35,688	13,162	3,262	2,926	2,561	5,817	2,060	-	15,731	10,690	133	87,624	179,654
Total current exploration costs	198,137	45,736	22,497	7,344	8,138	24,207	13,192	1,281	62,301	26,325	180	222,942	632,280
Professional & other fees:													
Professional consulting	9,000	1,000	24,000	1,541	5,000	7,000	1,000	-	-	-	-	87,500	136,041
Legal fees	5,168	13,661	9,306	11,909	-	2,712	109	-	14,793	-	490	-	58,148
Others	(102,608)	4,228	-	-	1,297	140	2,245	-	396	3,026	-	5,106	(86,170)
Total current professional & other fees	(88,440)	18,889	33,306	13,450	6,297	9,852	3,354	-	15,189	3,026	490	92,606	108,019
Total costs incurred during the year	143,496	139,979	61,375	21,722	18,379	231,805	29,436	2,275	168,646	46,341	2,620	378,904	1,244,978
Balance, Opening	1,360,583	2,520,813	402,843	15,316	80,615	1,636,094	184,406	24,334	68,270	5,079	-	138,586	6,436,939
Recoveries	-	-	-	-	-	(500,000)	-	-	(122,519)	-	-	-	(622,519)
Transferred to Capitan	(1,082,717)	-	-	-	-	-	-	-	-	-	-	-	(1,082,717)
Foreign exchange movements	(421,362)	(200,480)	(26,106)	(3,633)	(3,802)	(62,203)	(19,855)	(2,745)	(14,133)	(4,149)	(266)	-	(758,734)
Balance, End of the year	$ -	$ 2,460,312	$ 438,112	$ 33,405	$ 95,192	$ 1,305,696	$ 193,987	$ 23,864	$ 100,264	$ 47,271	$ 2,354	$ 517,490	$ 5,217,947
Cumulative costs:													
Acquisition	$ 4,014,438	$ 1,030,505	$ 56,506	$ 2,655	$ 9,235	$ 624,814	$ 67,516	$ 3,894	$ 150,233	$ 16,990	$ 1,950	$ 66,897	$ 6,045,633
Exploration	2,124,319	1,531,677	492,623	21,072	73,077	975,879	121,092	22,562	72,171	31,047	180	307,987	5,773,686
Professional & other fees	612,406	312,930	85,439	13,450	16,816	149,119	5,124	-	15,189	3,430	490	142,606	1,356,999
Recoveries	(4,665,613)	-	(164,000)	-	-	(500,000)	-	-	(122,519)	-	-	-	(5,452,132)
Transferred to Capitan	(1,082,717)	-	-	-	-	-	-	-	-	-	-	-	(1,082,717)
Foreign exchange movements	(1,002,833)	(414,800)	(32,456)	(3,772)	(3,936)	55,884	255	(2,592)	(14,810)	(4,196)	(266)	-	(1,423,522)
	$ -	$ 2,460,312	$ 438,112	$ 33,405	$ 95,192	$ 1,305,696	$ 193,987	$ 23,864	$ 100,264	$ 47,271	$ 2,354	$ 517,490	$ 5,217,947

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Mexico and Canada.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

(a) Peñoles, Durango, Mexico

The Company owned 100% of the Peñoles Property, a gold-silver project, subject to a 2% NSR payable to the underlying concession holder.

During the year ended September 30, 2020, the Company received $nil (2019 - $141,213) in cash as land taxes recovery from the Government in Mexico.

On August 14, 2020, the Company completed the Arrangement and transferred its 100% interest of the gold-silver resource at the Peñoles Project to Capitan as previously mentioned in Note 2. In connection with the Arrangement, the Company recognized a gain on spin-out of Peñoles Project of $2,417,283 in consideration for 17,500,000 common shares of Capitan with a value of $3,500,000. There were $1,082,717 historical capitalized costs associated with this project transferred to Capitan.

(b) Tajitos, Sonora, Mexico

The Company has a 100% interest in the Tajitos Property, a gold project.

(c) La Silla, Sinaloa, Mexico

In October 2015, the Company acquired two mining concessions in the La Silla gold-silver district in Sinaloa through a lottery process.

On May 30, 2018, the Company entered into an option agreement, signing a Definitive Agreement on January 30, 2019, with Sinaloa whereby Sinaloa could acquire a 70% interest in the La Silla Property, a silver-gold project, by paying $60,000 in cash, issuing $1,000,000 in common shares, and incurring exploration expenditures of $2,000,000 over a three-year period as follows:

Due date	**Cash**	**Common shares**	**Cumulative exploration expenditures**
May 30, 2018 (signing of LOI)	$ 25,000 (received)(1)	-	-
January 28, 2019	$ 35,000 (received)(2)	$100,000(received)(3)	-
January 28, 2020(4)	-	$100,000	$ 300,000
January 28, 2021	-	$100,000	$ 1,000,000
January 28, 2022	-	$700,000	$ 2,000,000

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(c) La Silla, Sinaloa, Mexico (continued)

(1) Option payments were received in June and July 2018.
(2) Option payment was received on January 25, 2019.
(3) 1,000,000 common shares were received on February 20, 2019.
(4) Option agreement was terminated during the year ended September 30, 2020, please see below paragraph for further details.

The Company did not receive the $100,000 payment in common shares that were due on January 28, 2020 from Sinaloa. Furthermore, Sinaloa did not incur the $300,000 in exploration expenditures due on January 28, 2020. During the year ended September 30, 2020, the Company terminated the option agreement with Sinaloa and therefore, Sinaloa has no further obligation with respect to the project.

On September 11, 2020, the Company entered into a Letter of Intent ("LOI") with Upper Canada Mining Inc. ("Upper Canada") and received 600,000 shares of Upper Canada whereby Upper Canada could acquire up to a 100% interest in the La Silla Property. The shares received from Upper Canada had a fair market value of $nil.

On December 9, 2020, the Company entered into an option agreement, signing a Definitive Agreement with Upper Canada Inc. whereby Upper Canada could acquire up to a 100% undivided interests in the La Silla Property, a silver-gold project, by paying $500,000 in cash, issuing 10,600,000 common shares and incurring exploration expenditures of $20,000,000 over a four-year period as follows:

Due Date	Cash	Common shares	Exploration expenditures	Percentage earned
September 11, 2020 (signing of LOI)		600,000 (received)	-	-
December 9, 2020	*$50,000	5,000,000(received)	-	-
March 9, 2021	$50,000	2,500,000	-	-
June 9, 2021	$75,000	2,500,000	-	-
December 9, 2021	$150,000	-	$5,000,000	51%
December 9, 2022	$100,000	-	$2,500,000	60%
December 9, 2023	$50,000	-	$7,500,000	-
December 9, 2024	$25,000	-	$5,000,000	100%

*As at March 31, 2021, the Company did not receive the $50,000 cash payment that was due on December 9, 2020 from Upper Canada. During the period ended March 31, 2021, the Company terminated the option agreement with Upper Canada and therefore, Upper Canada has no further obligation with respect to the project.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(d) Ariel, Sonora, Mexico

The Company acquired a 100% exploration concession interest in the Ariel Property on June 1, 2017.

(e) Cecilia, Sonora, Mexico

In January 2017, the Company signed letter agreements with Gunpoint Exploration Ltd. ("Gunpoint") and Millrock Resources Inc. ("Millrock") to acquire three La Cecilia Margarita concessions owned by Gunpoint, and to acquire the Violeta concession owned by Millrock into a unified Cecilia Gold Project. The Company could acquire a 100% interest in the La Cecilia Margarita concessions from Gunpoint with the following terms:

Due date	**Cash**	**Common shares**
Upon signing of letter agreement (January 31, 2017)	$ 10,000 (paid)	-
Upon signing of Mexican agreement (June 2017)	$ 15,000 (paid)	100,000 (issued, fair value: $46,000)
January 31, 2018	$ 25,000 (paid)	200,000 (issued, fair value: $54,000)
January 31, 2019	$ 75,000 (paid)	300,000 (issued, fair value: $51,000)
January 31, 2020	$ 125,000 (paid)	400,000 (issued, fair value: $56,000)

In addition to the payments made to Gunpoint above, the Company acquired a 100% interest in the Violeta concession from Millrock during the year ended September 30, 2017 by paying $10,000 and issuing 100,000 common shares with a fair value of $46,000 to Millrock upon completion of property title transfer, subject to 0.5% NSR.

On July 15, 2020, the Company entered into an Definitive Option Agreement with Carlyle Commodities Corp. ("Carlyle") whereby Carlyle could acquire a 100% interest in the Cecilia Property, a silver-gold project, by paying $200,000 in cash, issuing 1,500,000 common shares and 3,000,000 special warrants, and incurring exploration expenditures of $2,500,000 over a three-year period as per below, while retaining a 2.5% NSR.

Due date	**Cash**	**Common shares**	**Special warrants**	**Exploration expenditures**
June 23, 2020 (signing of LOI)	$10,000 (received)(1)	-	-	-
July 15, 2020	$40,000 (received)(2)	1,500,000 (received)(3)	3,000,000 (received) (3)	-
July 15, 2021	$50,000	-	-	$ 750,000
July 15, 2022	$50,000	-	-	$ 500,000
July 15, 2023	$50,000	-	-	$ 1,250,000

9. Exploration and evaluation assets (continued)

(e) Cecilia, Sonora, Mexico (continued)

(1) Option payments were received on June 23, 2020
(2) Option payment was received on July 16, 2020
(3) 1,500,000 common shares and 3,000,000 special warrants were received on July 13, 2020. The special warrants are subject to the following vesting schedule: 500,000 vested 12 months after issuance, 500,000 vested 18 months after issuance, 500,000 vested 24 months after issuance, 500,000 vested 30 months after issuance, and 1,000,000 vested 36 months after issuance. Unless the option agreement expires or is terminated, the special warrants will be converted to common shares in Carlyle with no additional consideration. Upon expiration or termination of the option agreement, any unvested special warrants are terminated. As at March 31, 2021, none of the special warrants are vested.

On August 17, 2020, the Company received $150,000 as exploration advance from Carlyle for generative exploration during the period from July 15 to September 30, 2020. During the period ended March 31, 2021, the Company had spent the overall $150,000 for the generative exploration program.

During the period ended March 31, 2021, the Company received $600,000 in total as exploration advance from Carlyle for generative exploration in 2021.

During the six months ended March 31, 2021, the Company recognized and received $46,643 as the operational fee which was recorded as management fee recovery.

(f) Teco, Sonora, Mexico

Teco Project is made up of two concessions: Teco and Suaqui Grande. The Company acquired a 100% interest in the Suaqui Grande concession on March 24, 2017.

(g) Australia, Sonora, Mexico

Australia Project is made up of two concessions: Sandy and Sandy 2. The Company acquired a 100% interest in the Sandy and Sandy 2 concessions on February 28, 2018 and October 12, 2018, respectively.

(h) Suaqui Verde, Suaqui Grande, Mexico

The Company acquired a 100% interest in Suaqui Verde Property on October 12, 2018.

(i) Palo Fierro, Sonora, Mexico

On May 15, 2019, the Company entered into an exploration financing agreement with BHP Exploration Chile SpA (“BHP”) for funding of generative exploration in the copper producing belt of Mexico (the “Program”). Per the agreement, BHP will fund US$1,000,000 on an annual basis for a minimum of two years for generative grass-roots exploration within northeastern Sonora. On May 29, 2019, the Company received US$1,000,000 as exploration advances for the generative exploration in the first year. During the year ended September 30, 2020, the Company had spent the US$1,000,000 for generative exploration in the first year.

On June 5, 2019, the Company gained a 100% exploration concession interest in the Palo Fierro Property, a copper project, which is a part of the Program with BHP.

On January 29, 2020, the Company received US$195,000 as exploration advances for the refinement exploration from January to March 2020. During the year ended September 30, 2020, the Company had completed and spent the US$195,000 for the refinement exploration program.

9. Exploration and evaluation assets (continued)

(i) Palo Fierro, Sonora, Mexico

On June 12, 2020, the Company received US$720,000 as the first part of exploration advances for the generative exploration during the period from July 1, 2020 to December 31, 2020 in the second year. During the period ended March 31, 2021, the Company had spent the $720,000 for the first part of generative exploration in the second year.

On September 2, 2020, the Company received US$134,635 as exploration advance for the additional gravity survey project under the first High Value Work Program ("HVWP") for the exploration expenditures incurred from September to November 2020. During the period ended March 31, 2021, the Company had completed and spent the US$134,635 for the gravity survey project.

On December 16, 2020, the Company received US$340,855 as exploration advance for the additional MT survey project under the second HVWP for the exploration expenditures incurred from December 2020 to March 2021. During the period ended March 31, 2021, the Company had completed and spent the US$340,855 for the MT survey project.

On April 8, 2021, the Company received US$546,708 as the second part of exploration advances for the generative exploration during the period from January 1 to May 15, 2021 in the second year.

During the six months ended March 31, 2021, the Company recognized and received $120,307 as the operational fee which was recorded as management fee recovery.

(j) Los Cuarentas, Sonora, Mexico

On June 24, 2019, the Company entered into a binding letter agreement ("Letter Agreement") with Millrock to acquire a 100% undivided right, title, and interest in five projects, including Los Cuarentas, La Union, El Valle, Llano del Nogalo and El Pima, at a purchase price of $35,000 cash (paid) and 150,000 common shares (issued at a fair market value of $24,000). During the period ended March 31, 2021, the Company has officially obtained ownership of the properties of Llano del Nogalo and EI Valle.

On June 17, 2020, the Company entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned Los Cuarentas Gold-Silver Project (the "Project").

<u>Details of the Agreement:</u>

- Phase I Earn-in Option: Hochschild can earn-in an undivided 51% by incurring US$8,000,000 in exploration expenditures over five (5) years.

  On July 20, 2020, the Company received US$90,467 on signing the Agreement and to reimburse the Company for prepaid maintenance fees.

  Hochschild to incur expenditures as listed in the table below totaling at least US$8,000,000 of qualifying exploration expenditures before the fifth anniversary of the effective date of the executed Agreement.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(j) Los Cuarentas, Sonora, Mexico (continued)

Due date	Cumulative exploration expenditures
June 17, 2021 (1st anniversary of the effective date)	US$700,000
June 17, 2022	US$1,700,000
June 17, 2023	US$2,700,000
June 17, 2024	US$5,000,000
June 17, 2025	US$8,000,000

Upon completion of Phase I obligations, Hochschild can elect to form a 51:49 joint venture.

- Phase II Earn-in Option: Hochschild can elect to earn an additional 24% by incurring a further US$3,000,000 in qualifying exploration expenditures and delivering a completed feasibility study.

Due date	Cumulative exploration expenditures
June 17, 2026	US$9,000,000
June 17, 2027	US$10,000,000
June 17, 2028	US$11,000,000

Upon Hochschild's completion of the Phase II Earn-in and Riverside's acceptance, the parties can form a Joint Venture with Riverside having a 25% interest, and Hochschild having 75% interest. Riverside will have the option to sell its interest in the project to Hochschild for US$20,000,000, while retaining a 1% Net Smelter Royalty (NSR).

On July 27, 2020, the Company received US$312,614 as exploration advances for the generative exploration for the period from July 1, 2020 to September 30, 2020. During the period ended March 31, 2021, the Company had spent the US$312,614 for generative exploration in the first year.

On November 9, 2020, the Company received US$228,699 as exploration advance for the generative exploration for the period from October 1, 2020 to December 31, 2020. During the period ended March 31, 2021, the Company had spent the US$228,699 for generative exploration in the first year.

During the six months ended March 31, 2021, the Company recognized and received $75,664 as the operational fee which was recorded as management fee recovery.

As of May 31, 2021, the Company received US$244,721 in total as the recoveries of exploration expenditures for the generative exploration during the period from October 2020 to February 2021. Additionally, the Company received US$23,793 as exploration advance for the reclamation costs on May 14, 2021.

(k) La Union, Sonora, Mexico

The La Union Property is a part of the Letter Agreement with Millrock. As a result, the Company gained a 100% exploration concession interest in the La Union Property on June 24, 2019.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

(l) Northwestern Ontario, Canada

In April 2019, the Company acquired a 100% interest in the Oakes, Longrose, Pichette and Vincent projects in Northwestern Ontario, Canada. In July 2020, the Company expanded and acquired a 100% interest in the High Lake (Kenora) project in Western Ontario, Canada. As at March 31, 2021, the Company owned 1,282 claims for these projects (September 31, 2020 – 1,282).

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to vendors and exploration advances from alliance partners. The breakdowns of accounts payable and accrued liabilities are as follows:

		March 31, 2021		September 30, 2020
Payables to vendors	$	161,826	$	158,167
*Exploration advances		506,855		1,477,723
	$	668,681	$	1,635,890

*Exploration advances is in connection to the BHP, Carlyle and Hochschild projects during the period ended March 31, 2021. Refer to Note 9 (e), (i) and (j) for further details.

11. Government loan

In May 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

Terms of the CEBA loan:

- The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,
- If there is a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 2-year interest-free term loan effective January 1st, 2021,
- If $30,000 is repaid by December 31, 2022, $10,000 of the loan will be forgiven,
- On December 31, 2022, the term loan will be automatically extended for another 3 years at the rate of 5% per annum on any balance remaining.

The Company has estimated the initial carrying value of the CEBA loan at $30,927, using a discount rate of 10%, which was the estimated rate for a similar loan without the interest-free component. The difference of $9,073 will be accredited to the loan liability over the term of the CEBA loan and offset to other income on the statements of income (loss) and comprehensive income (loss).

The details of the CEBA loan is as follows:

		March 31, 2021		**September 30, 2020**
Opening balance	$	31,970	$	-
Addition		-		30,927
Interest expense		1,633		1,043
Ending balance	**$**	**33,603**	**$**	**31,970**

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves

The authorized capital stock of the Company consists of an unlimited number of common and preferred voting shares without nominal or par value.

Issued and outstanding

Shares issued for the period ended March 31, 2021

(a) During the period ended March 31, 2021, the Company issued 2,173,000 common shares for the exercise of warrants for net proceeds of $366,285.

(b) During the period ended March 31, 2021, the Company issued 717,500 common shares for the exercise of options for net proceeds of $79,925, and the Company transferred $60,665 from reserves to share capital.

Shares issued for the year ended September 30, 2020

(c) On January 31, 2020, the Company issued 400,000 common shares with a fair value of $56,000 to Gunpoint in accordance with the letter agreements for the Cecilia property (Note 9 (e)).

(d) During the year ended September 30, 2020, the Company issued 4,218,943 common shares for the exercise of warrants for proceeds of $898,112. As at September 30, 2020, there was $13,750 in share subscription receivable for the exercise of warrants.

(e) During the year ended September 30, 2020, the Company issued 667,000 common shares for the exercise of options for proceeds of $100,561.

Share purchase and finders' warrants

	Number of warrants	Weighted average exercise price
Outstanding warrants, September 30, 2019	17,516,875	$ 0.22
Exercised as of August 14, 2020	(3,555,343)	0.22
Exercised as of September 30, 2020	(663,600)	0.22
Outstanding warrants, September 30, 2020	13,297,932	0.22
Exercised as of March 19, 2021	(2,173,000)	0.22
Expired as of March 19, 2021	(11,124,932)	0.22
Outstanding warrants, March 31, 2021	-	$ -

Capitan is liable to issue shares pursuant to the Arrangement, whereby a holder exercises a Riverside warrant they will be entitled to receive one new Riverside common share and 0.2594 of a Capitan common share. The exercise price of the Riverside warrants will remain the same; however, Riverside will need to compensate Capitan for each Capitan common share that is issued on exercise of a Riverside warrant. During the period ended March 31, 2021, 2,173,000 of Riverside's warrants were exercised, as a result, Capitan issued 563,676 common shares and Riverside compensated Capitan for $108,650.

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves (continued)

Share purchase and finders' warrants (continued)

The incremental fair value of 22,000 finders' warrants repriced during the year ended September 30, 2020, as result of the Arrangement, was estimated to be $768 on the modification date using the Black-Scholes option pricing model with the following weighted average assumptions: Risk-free interest rate – 0.27%, Expected life – 0.59 year, expected volatility - 114.05%, Expected dividend yield – Nil, Weighted average fair value per warrant - $0.30.

On March 19, 2021, the 22,000 finder's warrants unexercised and expired.

Bonus share plan

The Company has a bonus share plan ("Bonus Plan") that enables the directors to approve the issuance of bonus shares to employees, officers, directors and consultants of the Company. The Bonus Plan puts the number of bonus shares that may be issued under the Bonus Plan to be 400,000 common shares per year. During the period ended March 31, 2021, nil (September 30, 2020 - nil) bonus shares were issued under this plan.

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis) less that portion of the 400,000 that may be issued as bonus shares that have not been so issued as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors, vest in the amount of 33% every six months from the date of grant; and options issued to officers and/or consultants vest between 12 and 24 months depending on date of grant and nature of service. The exercise price of each option equals the market price, minimum price, or discounted market price of the Company's shares as calculated on the date of grant.

Share-based payments relating to options vested during the period ended March 31, 2021, using the Black-Scholes option pricing model was $212,131 (September 30, 2020 - $228,800), of which $93,455 was associated with the incremental fair value of stock options repriced as a result of the Arrangement. The associated share-based payment expense for the options granted during the year was calculated based on the following weighted average assumptions:

Stock options (continued)

	2021	2020
Forfeiture rate	0.00%	0.00%
Estimated risk-free rate	1.16 %	1.32 %
Expected volatility	89.30%	84.38%
Estimated annual dividend yield	0.00 %	0.00 %
Expected life of options	5.00 years	5.00 years
Fair value per option granted	$ 0.19	$ 0.09

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves (continued)

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	Weighted average exercise price
Outstanding options, September 30, 2019	3,845,500	$ 0.26
Expired	(723,000)	$ 0.27
Granted	1,415,000	$ 0.14
Exercised	(667,000)	$ 0.15
Outstanding options, September 30, 2020	3,870,500	$ 0.18
Expired	(15,000)	$ 0.11
Granted	1,330,000	$ 0.30
Exercised	(717,500)	$ 0.11
Outstanding options, March 31, 2021	4,468,000	$ 0.19

During the year ended September 30, 2020, 723,000 stock options expired unexercised.

During the year ended September 30, 2020, 667,000 stock options were exercised.

During the period ended March 31, 2020, 717,500 stock options were exercised and 15,000 stock options expired unexercised.

On November 15, 2019, the Company granted 1,265,000 incentive stock options (the "Options") to certain directors, officers and consultants of the Company. The Options are exercisable at $0.135 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

On March 27, 2020, the Company granted 150,000 incentive stock option (the "Options") to certain consultants of the Company. The Options are exercisable at $0.16 per share for a period of five years from the date of grant. Options granted to consultants vest in four equal installments over 12 months.

On October 19, 2020, the Company granted 1,330,000 incentive stock options (the "Options") to certain directors, officers and consultants of the Company. The Options are exercisable at $0.30 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director vest in three equal installments over 18 months and Options granted to officers and consultants vest in four equal installments over 12 months.

(Unaudited - Expressed in Canadian Dollars)

12. Capital stock and reserves (continued)

Stock options (continued)

As at March 31, 2021, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	*Exercise price	Number of options exercisable
12/16/2021	935,000	0.71	$ 0.32	935,000
11/03/2022	688,000	1.59	$ 0.21	688,000
01/08/2024	560,000	2.78	$ 0.13	560,000
11/15/2024	855,000	3.63	$ 0.11	855,000
03/27/2025	100,000	3.99	$ 0.12	100,000
10/19/2025	1,330,000	4.56	$ 0.30	270,000
	4,468,000			3,408,000

*According to the Arrangement with Capitan on August 14, 2020, each Riverside Option were exchanged for one Riverside Replacement Option to acquire one New Riverside Share and one Capitan Option to acquire 0.2594 of a Capitan Share. As a result, the above exercise prices have been properly reflected to the new Riverside Replacement Option prices.

13. Related party transactions

The Company entered into the following transactions with related parties:

Payee / Payer	Nature of transactions	Period ending March 31,	Fees (Income) ($)	Shares ($)	Amount payable (receivable) at period end ($)
Arriva Management Inc.	Management and consulting fees (i)	2021 2020	116,400 116,400	Nil Nil	Nil Nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2021 2020	48,000 48,000	Nil Nil	Nil Nil
Alberto Orozco	Consulting fees (i)	2021 2020	479 82,500	Nil Nil	Nil Nil
Omni Resource Consulting Ltd.	Consulting fees (i)	2021 2020	49,000 30,000	Nil Nil	Nil Nil
Brian Groves	Director fees(ii)	2021 2020	6,000 6,000	Nil Nil	Nil Nil
James Clare	Director fees(ii)	2021 2020	Nil Nil	Nil Nil	Nil Nil
Carol Ellis	Director fees(ii)	2021 2020	6,000 6,000	Nil Nil	Nil Nil
Walter Henry	Director fees(ii)	2021 2020	6,000 6,000	Nil Nil	Nil Nil
First Helium Inc.	Rent (iii)	2021 2020	(12,000) (12,000)	Nil Nil	Nil (8,400)

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the period ended March 31, 2021 and 2020 are as follows:

(Unaudited - Expressed in Canadian Dollars)

13. Related party transactions (continued)

		2021		2020
Directors' fees (ii)	$	18,000	$	18,000
Management and consulting fees (i)		213,879		276,900
Share-based payments		94,770		53,221
	$	326,649	$	348,121

(i) Management and consulting fees of the key management personnel for the year were allocated as follows: $54,000 (2020 - $54,000) expensed to consulting fees, $61,000 (2020 - $222,900) capitalized to exploration and evaluation assets and $98,879 (2020 - $nil) capitalized to exploration work performed for alliances that will be reimbursed.

(ii) Starting from January 1, 2019, James Clare, director, agreed not to receive director fees from the Company and waived $26,846 in amounts owed to him from the Company. As a result, the Company recognized a gain on debt settlement of $26,846 during the year ended September 30, 2019.

(iii) Starting from February 2019, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the period ended March 31, 2021, the Company recognized rental recovery of $12,000 (2020 - $12,000) from First Helium, which was recorded in other income.

On November 30, 2019, the Company received 300,000 pre-consolidated shares of First Helium Inc. to settle $21,000 in debt. On September 8, 2020, the Company acquired an additional 472,500 pre-consolidated shares of First Helium Inc. at $0.04 per share by paying cash of $18,900. On November 9, 2020, the Company acquired the additional 772,500 pre-consolidated shares of First Helium Inc. at $0.007 per share by paying cash of $5,408. Please refer to Note 5 & Note 15 (a) for additional details.

14. Segmented information

The Company operates in one business segment, the exploration of exploration and evaluation assets and prospect generation. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. Geographical information is as follows:

		March 31, 2021		September 30, 2020
Equipment				
Canada	$	4,980	$	5,628
Mexico		268,273		226,383
		273,253		232,011
Exploration and evaluation assets				
Canada		2,420,457		2,238,866
Mexico		3,251,769		2,979,081
		5,672,226		5,217,947
Total	$	5,945,479	$	5,449,958

(Unaudited - Expressed in Canadian Dollars)

15. Supplemental disclosure with respect to cash flows

	March 31, 2021	September 30, 2020
Cash	$ 4,204,962	$ 4,453,401
Cash equivalents	135,115	135,177
	4,340,077	4,588,578

The significant non-cash transactions for the year ended September 30, 2020 were as follows:

a) The Company received 300,000 pre-consolidated First Helium Inc. shares at a value of $21,000 as settlement of debts for the previous rental recovery from February to November 2019, which was recorded as other income. (Note 5(4))
b) The Company issued 400,000 common shares at $56,000 for the Cecilia Project (Note 9(e)).
c) The Company received 1,500,000 Carlyle Commodities Corp. ("Carlyle") shares valued at $450,000 as exploration and evaluation assets recoveries (Note 9 (e)).
d) Included in accounts payable was $26,756 in exploration and evaluation asset expenditures.

16. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. 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 stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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.

There were no changes in the Company's approach to capital management during the period ended March 31, 2021.

The Company is not currently subject to externally imposed capital requirements.

17. Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company's receivables, accounts payable and accrued liabilities and government loan approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's cash and cash equivalents and public company short-term investments, under the fair value hierarchy are based on level 1 quoted prices in active markets for identical assets and liabilities. Financial instruments valued at level 2 inputs consist of the Company's private company short-term investments. The key assumptions driving the valuation of the private company short-term investments include, but are not limited to the value of completed financings by the investee.

17. Financial instruments (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs, and land tax recovery. The Company believes its credit risk is equal to the carrying value of this balance.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had cash and cash equivalents of $4,340,077 to settle current liabilities of $1,679,745. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of March 31, 2021, the Company had investments in short-term deposit certificates of $23,000.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities (Note 5). There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. A simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect loss for the period by $331,014.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. A simultaneous 15% fluctuation in share prices would affect short-term investments and profit or loss for the year by approximately $176,429.

18. Mexico tax liability

During the year ended September 30, 2019, the Company received a final verdict of a lawsuit against the Government of Mexico. The funds provided by the Company to its wholly-owned subsidiary Riverside Resources Mexico S.A. de C.V. ("RRM") in fiscal 2010 were deemed to be income. The Mexican tax authority passed a decision to impose a lien on RRM's assets and a tax penalty of $1,131,026 on RMM. Accordingly, the Company recorded a tax penalty totaling $1,131,026. The Mexican tax authority has not enforced the lien and the lien does not impede RRM's ability to carry out its business operations.

As at March 31, 2021, the Company recognized $1,011,064 (September 30, 2020, $990,184) as provision liability as a result of the foreign exchange movement. The Company is currently negotiating with the tax authority on a settlement.

19. Subsequent events

On February 10, 2021, the Company announced the sales of Oakes, Pichette and Longrose projects in northwestern Ontario for 8,000,000 common shares and a one-time bonus $500,000 in cash or share consideration for drill results of 100 g/m gold intercept at any of the three properties sold by the Company to iMetal Resources Inc.("iMetal"), as well as the Company retaining a 2.5% Net Smelter Royalty (NSR) on each project. As of May 31, 2021, the Company is actively under negotiation with iMetal to ensure the sales are still in good standing.

RIVERSIDE RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED MARCH 31, 2021

INTRODUCTION

The management discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Riverside Resources Inc. (the "Company" or "Riverside") for the six months ended March 31, 2021. In order to better understand the MD&A, it should be read in conjunction with the unaudited financial statements and related notes for the six months ended March 31, 2021 and audited financial statements and related notes for the year ended September 30, 2020. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to May 31, 2021 and in Canadian dollars unless otherwise stated.

Additional information relating to the Company, including its Information Circular for the financial year ended September 30, 2020, is available under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

CORPORATE OVERVIEW

The Company is a mineral exploration and evaluation company listed on the TSX Venture Exchange under the symbol "RRI" and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets in the Americas including Canada, the United States and Mexico where the technical team collectively has more than 100 years of exploration experience and has been part of more than five discoveries that have gone into production.

The Company combines the experience of mine discoverer John-Mark Staude (President, CEO, Director), Freeman Smith (Vice President Exploration), and Alberto Orozco (VP Corporate Development) with the finance and business management expertise of Rob Scott (CFO), Brian Groves (Director), James Clare (Director), Walter Henry (Director) and Carol Ellis (Director). Management has experience in developing significant shareholder value and they have assembled a team that can build a valuable and successful organization.

HIGHLIGHTS OF EVENTS OCCURING DURING AND SUBSEQUENT TO MARCH 31, 2021

Plan of Arrangement

On October 30, 2019, the Company incorporated a new subsidiary, Capitan Mining Inc. ("Capitan") and Rios DE Suerte S.A de C.V., another new subsidiary was incorporated on November 29, 2019 in order to facilitate a plan of arrangement ("Arrangement") whereby the Company's 100% interest in the Peñoles Project was spun out to Capitan.

On August 14, 2020, the Company transferred its 100% interest in the Peñoles Project and completed the Arrangement to spin out the shares of Capitan to the shareholders of Riverside. Pursuant to the Arrangement, holders of common shares of Riverside on August 13, 2020 received one new common share of Riverside (each, a "Riverside Share") and 0.2594 of a Capitan share (each, a "Capitan Share") for each common share held.

The carrying value of the net assets transferred to Capitan, pursuant to the Arrangement, consisted of the following assets:

Assets	$
Carrying value of exploration and evaluation assets	**1,082,717**
Fair value of net assets transferred	**3,500,000**
Gain on transfer of spin-out assets	**2,417,283**

In accordance with IFRIC 17, Distribution of Non-cash Assets to Owners, the Company recognized the distribution of net assets to Riverside shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the consolidated statement of comprehensive income (loss).

The Arrangement resulted in a reduction of share capital amounting to $3,500,000.

Under the terms of the Arrangement, each issued and outstanding Riverside option and warrant has been adjusted to compensate the option and warrant holders for the assets spun-out. The exercise prices of the Riverside replacement stock options and warrants were adjusted based on the proportional market value of the two companies after completion of the Arrangement.

Sale of short-term investments

On January 5, 2021, the Company sold 700,000 shares of Arizona Metals Corp. for net proceeds of $712,053. Subsequently, the Company sold another 400,000 shares of Arizona Metal Corp. for net proceeds of $752,289 on March 25, 2021.

Sale of mineral claims

On February 10, 2021, the Company announced the sales of Oakes, Pichette and Longrose projects in northwestern Ontario for 8,000,000 common shares and a one-time bonus $500,000 in cash or share consideration for drill results of 100 g/m gold intercept at any of the three properties sold by the Company to iMetal Resources Inc., as well as the Company retaining a 2.5% Net Smelter Royalty (NSR) on each project. Please refer to the section of "OPERATIONS" for details.

Option payments and exploration advances

Los Cuarentas, Sonora, Mexico

On June 17, 2020, the Company entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned Los Cuarentas Gold-Silver Project (the "Project"). On July 20, 2020, the Company received US$90,467 on signing the Agreement and to reimburse the Company for prepaid maintenance fees. Subsequently, the Company received US$312,614 as exploration advances for the period from July to September 2020 generation exploration on July 27, 2020. During the period ended March 31, 2021, the Company had spent the US$312,614 for generative exploration in the first year.

On November 9, 2020, the Company received US$228,699 as exploration advances for generation exploration during the period from October to November 2020. During the period ended March 31, 2021, the Company had spent the US$228,699 for generative exploration in the first year.

As of May 31, 2021, the Company received US$244,721 in total as the recoveries of exploration expenditures for the generative exploration during the period from October 2020 to February 2021. Additionally, the Company received US$23,793 as exploration advance for the reclamation costs on May 14, 2021. Please refer to the section of “OPERATIONS” for details.

Cecilia, Sonora, Mexico

On July 15, 2020, the Company entered into a Definitive Option Agreement with Carlyle Commodities Corp. (“Carlyle”) whereby Carlyle could acquire a 100% interest in the Cecilia Property, a silver-gold project, by paying $200,000 in cash, issuing 1,500,000 common shares and 3,000,000 special warrants, and incurring exploration expenditures of $2,500,000 over a three-year period while retaining a 2.5% Net Smelter Royalty (NSR).

On June 23, 2020, the Company received $10,000 on signing of LOI. Subsequently, the Company received 1,500,000 common shares and 3,000,000 special warrants on July 13, 2020 as well as received $40,000 as per Option Agreement on July 16, 2020.

On August 17, 2020, the Company received $150,000 as exploration advance for the general exploration during the period from July 15 to September 30, 2020. On November 24, 2020, the Company received $200,000 as exploration advance for the general exploration during the period from October to December 2020. During the period ended March 31, 2021, the Company had spent the overall $350,000 for the generative exploration program.

On December 31, 2020, the company received $400,000 as exploration advance for the general exploration during the period from January to April 2021. Please refer to the section of “OPERATIONS” for details.

La Silla, Sinaloa, Mexico

On December 9, 2020, the Company entered into an option agreement, signing a Definitive Agreement with Upper Canada Inc. (“Upper Canada”) whereby Upper Canada could acquire up to 100% undivided interests in the La Silla Property, a silver-gold project, by paying $500,000 in cash, issuing 10,600,000 common shares and incurring exploration expenditures of $20,000,000 over a four-year period. On September 11, 2020, the Company received 600,000 shares of Upper Canada with a fair market value of $nil. On December 9, 2020, the Company received additional 5,000,000 common shares as per option agreement. As at March 31, 2021, the Company did not receive the $50,000 cash payment that was due on December 9, 2020 from Upper Canada. As a result, the Company terminated the option agreement with Upper Canada and therefore, Upper Canada has no further obligation with respect to the project. Please refer to the section of “OPERATIONS” for details.

Options and warrants exercise

As of May 31, 2021, the Company issued 2,173,000 common shares for the exercise of warrants for net proceeds of $366,285.

As of May 31, 2021, the Company issued 717,500 common shares for the exercise of options for net proceed of $79,925.

CAPITAL STOCK

As at March 31, 2021, the Company had $25,468,861 in capital stock and 71,017,631 common shares outstanding.

Options

Stock option activity for the period ended March 31, 2021 included the following:

(a) 1,330,000 options were granted, exercisable at a price of $0.30 per common share for a period of 5 years.

(b) 717,500 options were exercised for net proceed of $79,925

(c) 15,000 options expired unexercised

Stock option activity for the year ended September 30, 2020 included the following:

(d) 723,000 stock options expired unexercised

(e) 1,265,000 options were granted, exercisable at a price of $0.135 per common share for a period of 5 years.

(f) 150,000 options were granted, exercisable at a price of $0.16 per common share for a period of 5 years.

(g) 667,000 options were exercised for net proceed of $100,561

Warrants

During the period ended March 31, 2021, the Company issued 2,173,000 common shares for the exercise of warrants for proceeds of $366,285.

There were nil share purchase warrants outstanding as March 31, 2021 (September 30, 2020 – 13,297,932).

OPERATIONS

The Company's exploration team remains active in Mexico and Canada. The Company has added four gold projects in Ontario, Canada continuing to cost-effectively build a strong asset portfolio of gold, silver and copper exploration projects. The Company continues to focus on northern and central Mexico where it has exploration partners funding programs that focus on gold, silver and copper. The Company is also seeking new partnerships in Ontario, Canada where the company has added projects in the Beardmore Geraldton Greenstone Gold Belt and Kenora region.

Strategic Funding Agreement with BHP in Sonora, Mexico

On May 16, 2019, the Company signed of a two-year, US$2,000,000 Exploration Financing Agreement with BHP Exploration Chile SpA ("BHP") for the funding of generative exploration in the copper producing belt of Mexico (the "Program"). The Program focuses on identifying and developing exploration opportunities for new large copper discoveries within an Area of Interest ("AOI") using Riverside's technical knowledge base of copper systems and strong generative exploration team strategically based in Hermosillo, Sonora. BHP and Riverside pool their data, including decades of historical work into an integrated database. Riverside leverages geophysical, geochemical and geological technical platforms into a new targeting synthesis to complete tenure acquisitions and this program continues.

BHP will fund US$1,000,000 on an annual basis for a minimum of two (2) years for generative grass-roots exploration within northeastern Sonora in the region of many copper deposits and some very large copper operations. The exploration area being explored is in the central part of the Laramide Copper Belt that continues northward into Arizona and New Mexico, hosting numerous large, Tier 1 copper deposits. For example, the third largest copper mine in the world, the Buenavista del Cobre Operations in Cananea, is located within the AOI.

Properties that are identified and deemed to be of interest will become Defined Projects ("DPs"), which will move to a second phase of the Program whereby BHP would fund up to an additional US$5,000,000 of exploration work and make success fee payments to Riverside on a per project basis (see "Exploration Funding Agreement" summarized in the FY2020 Audited Annual Financial Report).

Operational Details

On January 29, 2020, the Company received an additional US$195,000 as exploration advances for the refinement exploration from January to March 2020. During the year ended September 30, 2020, the Company had spent the overall US$195,000 for the refinement exploration program.

On June 22, 2020 Riverside announced the continuation of the Exploration Agreement with BHP Exploration Chile SpA ("BHP") for the funding of generative copper exploration in the copper producing belt of Sonora, Mexico (the "Program"). An increase of funding for the next six months from BHP to the level of providing to Riverside US$720,000 to commence the first part of the second year of the Program to continue to grow the portfolio of copper projects. This is an increase of US$220,000 from the initial plan and better captures the interest to progress toward a Defined Project. During the period ended March 31, 2021, the Company had spent the $720,000 for the first part of generative exploration in the second year.

On September 2, 2020, the Company received US$134,635 as exploration advance for the additional gravity survey project under the first High Value Work Program ("HVWP") for the exploration expenditures incurred from September to November 2020. During the period ended March 31, 2021, the Company had spent the overall US$134,635 for the gravity survey project.

On December 16, 2020, the Company received US$340,855 as exploration advance for the additional MT survey project under the second HVWP for the exploration expenditures incurred from December 2020 to March 2021 on the Chuin Project. During the period ended March 31, 2021, the Company had completed and spent the US$340,855 for the MT survey project.

On April 8, 2021, the Company received US$546,708 as second part of exploration advances for the generative exploration during the period from January 1 to May 15, 2021 in the second year.

Canada

As of the year ended September 30, 2020, the Company held 100% interest in the High Lake, Longrose, Oakes, Pichette, and Vincent projects in northwestern Ontario, Canada.

High Lake Greenstone Belt, Kenora, Ontario

On August 17, 2020 Riverside announced it had staked the High Lake Greenstone Gold Project which extends from the Manitoba-Ontario border eastward toward Clearwater Bay and the town of Kenora, Ontario. The property comprises about 21,660 hectares. These mineral claims are owned 100% by Riverside Resources Inc. with no underlying royalties or option agreements. The project area lies within the Wabigoon Subprovince a major, east striking subdivision of the Superior Province which hosts several significant mines. The metavolcanic-metasedimentary belt is composed of submarine and subaerial, mafic to felsic, tholeiitic to calc-alkaline to marginally alkaline, volcanic rocks and associated clastic and chemical sedimentary rocks. Marginal batholiths have been recognized to both intrude and act as feeders for more felsic parts of the volcanic terrain. The granitic rocks at High Lake underlain primarily by granodiorite and quartz-feldspar porphyry with felsic dykes and sills.

The focus of past exploration work was in the 1980s when dozens of exploration companies held the ground now held 100% by Riverside. While vein style orogenic type deposits have been explored for, as at the Dupont deposit, stratigraphically controlled deposits like at the Rainy River deposit which hosts 4.6M ounces in reserves and resources has not been applied to this region.

The bedrock near High Lake comprises sericite altered, quartz and feldspar porphyry suggesting intrusive hosted mineralization which has the potential to host large deposits. The area near High Lake was first explored in the 1960s by Selco Exploration and the main showing is know as the Selco-Alcock Occurrence. Selco Exploration reported chalcopyrite and minor bornite mineralization occurs in thin massive veins of pyrite and pyrrhotite in fractures in the porphyry and as disseminations in the porphyry. The length of the zone is about 91.4 m, the average width 1.8 m, with a strike of N70E and a steep dip to the south. A sample of the zone assayed in excess of 1% Cu, 0.03 opt Au and 0.4 opt Ag. This original work was followed up with several drill campaigns in the 1990s. Past drilling in this area included drilling in 1989 by Calnor Exploration which focussed on the gold potential and drilled two holes on RRI claims (Cel-07 and Cel-08). Following this work a small historic gold resource was reported on the High Lake mineral lease (internal to the project) now held by Canadian Star Minerals Ltd. The terrain north of High Lake was explored by Hudson's Bay Exploration and Teck; both companies drilled several hundred meters targeting base metal mineralization.

Riverside spent four weeks in the fall of 2020 field checking areas of past work and exploring a number of areas with potential to host gold mineralization. Riverside also logged and sampled several holes from the High Lake area. These core samples were part of a diamond drilling program from 1989 and the core is stored in the core library in Kenora managed by the MNDM. The core sampling suggests gold is hosted in larger shears within the intrusive. Several larger 20m long intervals returned subeconomic grades of about 0.5 g/t with narrower intercepts of less than one meter returning up to 9 g/t gold. Surface sampling from these areas also shows copper and silver is present. Subsequent fieldwork with focus on further evaluating the porphyry hosted shears and wider sericite altered bedrock. Fieldwork in 2021 will also focus on specific terranes that process the potential to host Rainy River type deposits.

Oakes Gold Project, Northwestern Ontario

On July 29, 2019, the Company released news on staking and acquiring the Oakes Gold Project located in northwestern Ontario. Riverside's surface sampling at the Oakes Project has returned several high-grade gold samples. Through this work and the integration of previous surveys the Company has developed a series of drill ready targets the Oakes project. The project is road accessible and located near Trans Canada Highway 17 in the Oakes Township approximately 2 km north of the town of Long Lac, Ontario.

Riverside's Exploration Work

Riverside's first phase of work included 29 rock samples taken from both outcrops and old trenches. The 2019/2020 work confirmed three previously identified areas and three additional target zones. There are two predominant target orientations one which trends east-west and is associated with contact zones that have been delineated by VLF (Very Low-Frequency) and IP (Induced Polarization) chargeability geophysical surveys; and a second target zones trend at 340 degrees north-west that is defined by linear magnetic lows, field geology and soil geochemistry. The past magnetic surveys conducted by previous operators is also helpful in outlining diabase dikes and geological contacts where overburden masks the underlying bedrock. Most of the old drill collars could not be located in the field, but sampling of silicified and mineralized outcrop in the general area of the old drill collars returned anomalous (0.5-1.0 g/t) results for gold, suggesting the right geological environment and rationale for the historical drilling. Riverside's sampling program focused on the area of the soil anomalies and trenches conducted by Golden Chalice Resources in 2010-12.

Historical geophysical work appears to show a direct correlation with the WNW trend of the high-grade gold samples taken to date. VLF (Very Low-Frequency) work conducted in the 1990s was used to delineate linear features and outlined geological contacts, faults, and mineralized veins. At Oakes, the VLF anomalies trend east-west at about 100 degrees subparallel to geological contacts. This recent work appears to show that one of two holes drilled in 1993 intercepted the HG zone at a depth of 117 m below the surface showing. Hole (GL-93-2) drilled by Greater Lenora Resources Corp (GLR) in 1993 was located to test a soil geochem anomaly of 880 ppb Au. The hole was collared at dip -45 degrees at an azimuth of 180 degrees and drilled to a total depth of 154.9 m. This hole intersected a semi massive pod (approx. 8.2 m in core length) of pyrrhotite and pyrite (trace chalcopyrite) within a greater volume of quartz veins and silicification with 9 g/t gold assayed over 1.5 m within this 8.2 m interval.

The induced polarization (IP) work was conducted in 2010 following the soil sampling and drilling from the 1990s. The IP work produced a similar geophysical trend to the earlier VLF survey showing a 900 m long chargeability anomaly that aligns with Riverside's surface rock sampling. The geophysical survey work shows that the mineralization may extend both east and west along strike from Trench #1 to Trench #3 and further eastward.
HG Target

Trench #1 in particular showed several shears, the largest being 3 m wide and exposed over an 80 m long strike within the trench. Two quartz-carbonate shears were sampled by Riverside in Trench #1. These shears are within mafic volcanic bedrock with sulphide mineralization primarily pyrrhotite and pyrite. Two of the five samples taken from this trench returned 19.7 and 31.9 g/t gold. Another sample 30 m to the east returned 6.9 g/t gold and an additional sample 275 m along trend returned 1 g/t gold. These Riverside samples are on trend with drill hole GL-93-2, drilled by Greater Lenora Resources Corp. in 1993 which returned >3 g/t gold within sheared metavolcanics rocks. Riverside believes this drill intercept and the trench samples demonstrate a 400 m strike length for the HG Target that could extend, based on interpretation of geology and geophysics for 2 km in total strike length, which will be confirmed with follow up field exploration studies. Subsequent mapping and sampling in 2020 indicate that the gold mineralization in Trench #1 likely continues along strike to the east to Trench #3, 600^{+}m to the east. This conclusion is supported through coinciding anomalies in both VLF and IP geophysical surveys.

Brinklow Target

Similar parallel targets were delineated to the south of the more defined HG Target. These zones are oriented roughly east-west and coincident with VLF, IP chargeability and soil geochemistry anomalies. The Brinklow zone may align with the historical hole DDH50-01 which intersected anomalous gold (>3 g/t) within mafic volcanics at only 7.6 m downhole. Bedrock mapping in 2020 indicates that these anomalies coincide with a mostly covered shear within metavolcanic rocks.

Crib Target

The southernmost target roughly parallels the main access Crib Road closer to the southern boundary to the project. This largely geophysical anomaly coincides roughly with the geological boundary between metavolcanic and metasedimentary rocks and partially with a gold-in-soil anomaly. Bedrock mapping in this area in 2020 indicates the structural geology in this area is very complex being juxtaposed to the Croll Lake Stock and older ultramafic rocks. The contacts between the metavolcanic, metasedimentary, ultramafic, and granitic rocks show strong but limited alteration with silicification extending over a larger area.

Two other N-NW trending targets were also identified. One of these targets is identified by historical drill holes #1, #3 and #4, which all returned anomalous gold intercepts >3 g/t gold (OGS, website). One grab sample by Riverside south and on trend from these holes returned anomalous gold (0.7 g/t) and may define another target area. The trend of this zone is the same as another zone identified near the eastern boundary. This ‘eastern structure’ target is delineated by a strong linear magnetic low, interpreted as a fault, and a large, coincident north-south trending gold in soil anomaly. The bulk of this area is covered by thick organic and swampy ground.

The Third Phase of Oakes Work Reported February 2020:

On February 27, 2020 Riverside reported that the Company has doubled the land tenure at its Oakes Project and that it had reprocessed the geophysical IP data and completed an inversion study. The 2010 IP survey was followed by a trenching campaign that identified three mineralized shears coincident with VLF geophysical anomalies. Bedrock mapping in 2020 focused on traversing along the geophysical anomalies to ascertain the nature and possible reason (source) of the anomalies. In the case of the most defined target, the HG target, fieldwork indicates the IP/VLF anomaly is located on a large shear hosting quartz carbonate veins along the contact between metavolcanic and gabbroic rocks. Similarly, the Brinklow and Crib targets are located within shears at/along major geological contacts, part of the central panel of the Beardmore-Geraldton Greenstone Belt.

Longrose Gold Project, Northwestern Ontario

In February 2020 Riverside integrated the surface geochemistry with structural geology of the known mineralized structures and completed targeting work at the Project. The main shear zones are associated with anticlinal and synclinal hinges and axial planes similar to the near by former mine operations. At Longrose and elsewhere in the district the interbeds of banded iron formation provide a reductant trap for ore fluids and gold where structures cut the banded iron formation. Riverside’s mapping at Longrose has been compiled and integrated into GIS which shows that folding is a key control and provides targets for near term drilling. Mineralization on surface is delineated through mapping and tracing within the subsurface through past drilling in the area along. Fold zones show silicification within the metasedimentary rock similar to that found at the Leitch Mine and more generally in the Greenstone Belts of Ontario.

Integration of historical geophysics indicates a trend of structures subparallel to the strike of geological units generally southwest-northeast which fit regional controls in the belt. Geophysical magnetic lows parallel strong magnetic highs which is mapped as the southern iron formation and provides a target that can be tracked downward to illuminate folding controls. As well, a north-northwest trending low that intersects the magnetic high of the iron formation and another linear magnetic-low features that extend westward from the Leitch Mine provides another drill target on Longrose. Parts of the Longrose area are covered by swampy topographic lows and are believed to be associated with a recessive shear structure, part of the Beardmore Syncline. The drill targets at Longrose focus on the anticlinal hinges, cross structures and larger nonmineralized shears.

At Longrose, mineralized shear zones that host gold comprise sulfides and silicification zones that could be readily identified by a modern IP survey. IP geophysics data could be used in conjunction with the regional and detailed magnetic survey to define the four types of conceptual drilling targets developed by Riverside: (1) Strike-slip fault along which right-lateral displacement has disrupted thick iron formation units; inferred fault follows a regional volcanic-sedimentary contact, a prospective conduit for gold mineralization; (2) Trace of axial plane of westward-closing fold; possible site of shear fault that could host high-grade Au-quartz veining; (3) Trace of inferred shear structure that has evidently caused asymmetric ‘drag-fold’ defined by iron formation; and (4) Trace of possible shear structure denoted by ‘kink’ fold in iron formation

Pichette Gold Project, Northwestern Ontario

November 26, 2019, Riverside announced the progression of the Company’s Canadian business growth model with the acquisition of the Pichette Gold Project (the “Project”) near Jellicoe, part of the Beardmore-Geraldton Greenstone Gold Belt in northwestern Ontario. Pichette marks the third high-grade orogenic gold prospect generated by Riverside in 2019. Fieldwork at Pichette included prospecting, mapping and surface sampling of target regions traceable from regional aeromagnetic data and outcrop mapping. Pichette is located to the east of the former producing Hardrock Gold Mine (“Hardrock”).

The Pichette Project is located in the Vincent Township at Nezah and Canadian National Highway 11 about 60 km west of the mining town of Geraldton, Ontario. The Project covers part of the well-endowed Beardmore-Geraldton Greenstone Belt region. The Vincent Township is 28 kilometers east of the Beardmore and the Leitch Mine which produced 850,000 ounces of gold at an average grade of about one ounce per ton[1].

Riverside’s first phase of work included reviewing the historical core and old gold workings in addition to prospecting, mapping and sampling. The recent work confirmed two previously identified gold mineralized areas in addition to new mineralized zones. There are two predominant target orientations on the project one which trends east-west and is associated with large shears related to banded iron formation and contact zones; and a second target trend that strikes at 030 degrees northeast and is defined by cross-cutting faults and/or dikes. Past magnetic surveys have been helpful in outlining banded iron formation, diabase dikes and geological contacts where overburden masks the underlying bedrock. Several of the old drill collars were located and the core from a 1983 diamond drilling campaign was reviewed at the Ministry of Northern Development and Mines core warehouse in Thunder Bay which is available for future review and sampling.

Pichette Targets Updated:

In 2020, additional work on Pichette by Riverside refined the two main areas of gold mineralization along the contact with metasedimentary rocks and banded iron formation. There are several 3m wide shear zones defined by strongly foliated (phyllitic) material which is undrilled and provides immediate targets. The Pichette project is located within the southern panel one of three geological panels that make up the BGGB. At Pichette gold is typically associated with westward plunging folds. The limbs of these folds dip steeply to the south similar to the mineralization noted at the Hardrock Deposit in Geraldton. This similar structural setting at Pichette makes the Hardrock deposit a good analog for target modelling and for further studies.

On February 10, 2021, the Company announced the sale of the Company's Oakes, Pichette and Longrose Projects in northwestern Ontario to iMetal Resources Inc.("iMetal").

[1] *Ontario Geological Survey – Open File Report 5823*

Details of the transaction

iMetal will issue 8 million shares from treasury upon TSX Venture Exchange approval to Riverside to complete the transaction of buying Oakes, Longrose, Pichette and Vincent projects. There are no work commitments. Riverside is entitled to a one-time bonus payment of $500,000 in cash or shares at iMetal's option in the event a drill intersection in excess of 100-gram-metres is reported. Riverside will retain a 2.5% Net Smelter Return (NSR) Royalty on materials other than Cu, Pb, Zn which will be a 1.5% NSR. iMetal will have the option to purchase 1.5% (60%) of the NSR within 5 years of closing of the transaction as follows: first 0.5% for $500,000, second 0.5% for $2,000,000, third 0.5% for $5,000,000. As of May 31, 2021, the Company is actively under negotiation with iMetal to ensure the sales are still in good standing.

Mexico

Millrock Property Package, Sonora

On June 26, 2019, Riverside announced it had entered into a binding Letter Agreement, to purchase a 100% undivided right, title and interest in five (5) projects from Millrock Resources Inc. Los Cuarentas, La Union, El Valle, Llano de Nogal and El Pima were acquired by Riverside. Of these the priority project initially is Los Cuarentas which was then explored by Riverside and progressed toward a joint-venture spending partnership.

Los Cuarentas Gold-Silver Project

The Los Cuarentas Project is located 170 km northeast of Hermosillo and nearby Silver Crest Metal's Las Chispas Project and Premier Gold's Mercedes mine. Los Cuarentas is a low sulfidation epithermal Au and Ag target characterized by strong argillic and phyllic alteration surrounding low sulfidation epithermal veins that host gold and silver mineralization. Several target zones have been identified and most are ready for drilling such as: Santa Rosalia, Santa Rosalia Sur, El Sombrero and El Chapo.

La Union Gold Project

La Union in western Sonora is part of the orogenic gold belt and has chemistry and geology indicative of high potential new discoveries. The old mining areas have not been drill explored and the broader structures are wide open for further expansion. There are high grade structure for gold and base metals and the district has seen previous mining in this region of western Sonora, Mexico.

El Valle Gold-Silver Project

El Valle is north of Riverside's Ariel porphyry Cu project and is a volcanic related Au-Ag vein system with a large 28-metre-wide quartz vein mined during the 1940s (small inlier claim). El Valle is located in northeastern Sonora, 26 km east of the La Caridad Mine operation complex which is Mexico's second largest copper operation and has been producing for over 100 years. This acquisition grows Riverside's tenure and progresses the Company's plan to consolidate the highest quality mineral districts to present to partners for joint venture.

Llano del Nogal Copper Project

Llano del Nogal is a series of claims that fit within an area where other companies are active. The porphyry Cu prospecting and nearby drilling has intersected geologically permissive rocks and Riverside will look to form a partnership to consolidate the district following this acquisition by Riverside from Millrock in 2019.

El Pima

El Pima is a concession inside of the Agnico Eagle owned Santa Gertrudis Mining Complex. Riverside will look to partner or sell the claim. El Pima contains mineralization on the tenement and requires further exploration around the sediment hosted gold mine and many open pits of Agnico Eagle.

Los Cuarentas Gold Project, Sonora, Mexico

On September 11, 2019 Riverside announced that the Millrock acquisition has been completed and summary of recent compilations and new work on the Los Cuarentas Project. Work at Los Cuarentas Project could be expanded from the previous results.

On June 17, 2020, the Company entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned Los Cuarentas Gold-Silver Project (the "Project"). (please see full transaction details below after the targets summary)

Targets:

Santa Rosalia

The Santa Rosalia target is a mineralized structural zone extending for approximately 1 km (see press release January 20, 2020) and part of the uplifted northern block. The Santa Rosalia "vein zone" is defined as multiple sub-parallel mineralized silica-infilled fractures leading to formation of well-developed veins. Those veins can be seen in well-developed structural zones which could be as large as 8 m wide. The latest sampling program highlighted high-grade samples returning 18 g/t Au in a single 0.5 m wide vein, 2.3 g/t Au in quartz vein floats and 0.5 g/t Au along a 1 m channel sample across the entrance of an adit. Additional observation at Santa Rosalia show shallow, hydrothermal textures such as chalcedony quartz, suggesting most of the system has been preserved and likely extends to depth.

Santa Rosalia Sur

Similar to the Santa Rosalia target, the Santa Rosalia Sur target is part of the uplifted northern block. The latest mapping and sampling program highlighted and confirmed the presence of high-grade gold up to 14.8 g/t Au in hydrothermal breccia that extends 200 meters along strike. Laterally, the stockwork bordering the hydrothermal breccia returned 3 g/t Au. As previously described in the press release of January 20, 2020, the mineralized zone is affected by post-mineral faulting to the north, west and south. Although the mineralized bedrock has been dropped-down to the south, the alteration and lower grade gold (1-3 g/t) mineralization can still be traced for an additional 800 meters to the south along the trend.

El Sombrero

El Sombrero target can be defined as a northwest oriented zone of hydrothermally altered of volcanic package. High temperature alteration mineralogy as well as extensive silicification are primarily located along the El Sombrero structure and extend approximately 10 meters on each side of the fault. This observation makes El Sombrero a priority for deeper testing as it is identified as a possible feeder structure.

El Sombrero Norte

El Sombrero target is mostly covered by post-mineral andesite (see Figure 1 above), however windows of hydrothermal alteration as well as silicified rhyolite dikes indicate that historical samples have been taken along a structural feature, defined now as a new target. This structure is defined as a parallel splay of the Mine fault, which is the main host for the Santa Rosalia high-grade mineralization. Historical samples from Millrock 2017 sampling program returned the highest grade on the property 29.4 g/t Au and another 8.6 g/t Au.

El Sombrerito

El Sombrerito is a new discovery that includes old workings. Historical samples taken by Millrock in 2018 returned up to 16.5 g/t Au and 11 g/t Au from 0.5 m wide stacked veinlets. Mapping identified rhyolite dikes within a thick cover of post-mineral unit. Riverside's geologists defined the area as a new structural target, which shows potential as a parallel splay in between Santa Rosalia Sur and El Sombrero.

Santa Rosalia Norte

Approximately 450 meters to the north of Santa Rosalia additional old workings were discovered. Outcrops show steam-heated alteration mineralogy and the presence of silicified rhyolitic dikes. This area warrants more work to expand the size of the identified mineralized zone.

On January 20, 2020, **Riverside** reported on rock sampling and field work from the Project. Riverside rock samples from the Santa Rosalia Mine area s returned high grade gold grading greater than 5 g/t Au and up to 25.7 g/t Au and 119.7 g/t Ag (see **Table 1**). Riverside's exploration team mapped and sampled known historical work areas to validate the accuracy of the high-grade samples collected in the past and to confirm two of the primary targets at Santa Rosalia and Santa Rosalia Sur.

Table 1: Six Best Gold Assay Results from Riverside's Selective Sampling at Los Cuarentas

Sample #	Au (ppm)	Ag (ppm)	Target	Type	Rock
RRI-5779	25.7	4.5	Santa Rosalia	dump	breccia
RRI-5782	10.2	9	Santa Rosalia	select	andesite/veinlets
RRI-5789	6.8	65.1	Santa Rosalia Sur	1-m channel	sheeted vein
RRI-5784	6.27	119.7	Santa Rosalia	float	vein/breccia
RRI-5780	5.3	5.6	Santa Rosalia	rock chip	stockwork
RRI-5790	5.1	75	Santa Rosalia Sur	rock chip	sheeted vein

On April 21, 2020, Riverside report results from the spring 2020 program of rock-chip sampling and target mapping at the Project. Riverside collected channel samples along the primary targets and developed a better understanding of the structural setting identifying two additional vein systems and finding surface exposures with high-grade gold.

The Company also completed permitting for drilling and obtained local access agreements with the surface ranch owners enabling the project to move ahead in a positive way in the coming months. The new assay results show continuity along the principal mineralized zones and included five high-grades gold.

Table 1: Top Five of 31 Gold Assay Results from Riverside's Second Sampling Program

Sample ID	Au (g/t)	Target Zone	Sample Type	Rock Type
RRI-6023	18.00	Santa Rosalia	rock chip	vein
RRI-6010	12.30	Santa Rosalia Sur	float	vein/breccia
RRI-6014	7.19	Santa Rosalia Sur	rock chip	breccia/vein
RRI-6012	2.99	Santa Rosalia Sur	rock chip	andesite/stockwork
RRI-6019	2.29	Santa Rosalia	float	vein/andesite

Los Cuarentas Option Agreement with Hochschild Mining

On June 24, 2020 Riverside announced that it had entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for Riverside's 100% owned Los Cuarentas Gold-Silver Project (the "Project"). This Agreement enables the Project to immediately move ahead with a robust exploration program and reflects the belief, by both parties, of the potential for rapid discovery of new gold-silver deposits.

The intention for the program is to move rapidly toward drill testing and build upon the targeting work that Riverside has completed to-date. Los Cuarentas hosts historical mine workings and multiple know veins, multi-gram gold sampling at surface with no known drilling.

Riverside will act as the project operator during at least the first two years of the Agreement, with the option to extend for an additional year at Hochschild's request. As operator, Riverside will be entitled to collect administration fees of 10% on contracts of less than US$100k and 5% on contracts or more than $100k and will manage the exploration program.

Transaction Details:

Phase I Earn-In Option:

- Hochschild paid Riverside US$90,467 on signing the Agreement and to reimburse Riverside for prepaid maintenance fees;
- Hochschild to incur expenditures as listed on the table below totaling at least US$8,000,000 of qualifying exploration expenditures before the fifth anniversary of the effective date of the executed Agreement.

Table 1: Phase I Earn-In Option (Qualifying Expenditures)

By June 17, 2021 1st anniversary of the Effective Date	Expenditure of US$700,000
By June 17, 2022	Expenditure of US$1,000,000
By June 17, 2023	Expenditure of US$1,000,000
By June 17, 2024	Expenditure of US$2,300,000
By June 17, 2025	Expenditure of US$3,000,000

Phase II Earn-In Option:

In order to exercise the Phase II Earn-in Option, Hochschild shall pay for all Qualifying Expenditures incurred during the Phase 1 Earn-In periods and incur an additional US$3,000,000 plus costs necessary to prepare a Feasibility Study (FS) in accordance with CIM standards before the eighth anniversary of the Effective Date.

Table 2: Phase II Earn-In Option (Qualifying Expenditures)

June 2025 – June 2026	Expenditure of US$1,000,000
June 2026 – June 2027	Expenditure of US$1,000,000
June 2027 – June 2028	Expenditure of US$1,000,000
Feasibility Study (FS)	Undefined Expenditure Amount

Upon Hochschild's completion of the Phase II Earn-In and Riverside's acceptance, the parties can form a Joint Venture with Riverside having a 25% interest, and Hochschild having 75% interest. Riverside will have the option to sell its interest in the Project to Hochschild for US$20,000,000, while retaining a 1% Net Smelter Royalty (NSR).

On October 8, 2020- Riverside announced results from the Cuarentas work program of high grade channel sampling and progressing toward drilling which would start later in October. The channel sampling was highlighted with 3.4m of 9 g/t Au at the Santa Rosalia target area. The Santa Rosalia will be the first and main initial focus for drilling at Cuarentas.

On October 27, 2020- Riverside announced the commencement of a drill program with Hochschild Mining fully funding the testing with 10 initial holes at the Santa Rosalia former mine area. The geology with complex fault structure would be tested with drill centers roughly 100m apart along 400m strike length of the Santa Rosalia vein system and Testarazo Shear Zone which is post-mineral and bounds some of the mineralization.

On December 7, 2020 trenching results were announced and summarized with high grade intercepts and complex fault structures exposed as drilling was continuing at the Cuarentas project.

On January 12, 2021- Riverside announced drill results and published these on the Company website with maps, cross sections and interpretations. Drilling intersected 3.44m of 1.04 g/t Au and 57.8 g Ag among other intercepts on the Santa Rosalia structural target which is one of 4 high priority targets for further drill testing.

Cecilia Gold Project, Sonora

The Cecilia project is located 40 km southwest of the Mexico-U.S.A. border town of Agua Prieta in Sonora, Mexico and is easily accessed by paved highway and dirt roads. The project is a low sulphidation epithermal Au-Ag rhyolite flow dome complex and is 6,897 ha (69 km^2) in size. Riverside geologic team has completed mapping of targets on the main claim areas, worked on structural geology targeting for the high grade gold zones and integrated data from the as an on-going effort to complete updated cross sections, systematic targeting and three dimensional modeling.

Option Agreement with Carlyle Commodities

On July 15, 2020 Riverside announced that it has entered into a Definitive Option Agreement (the “Agreement”) with Carlyle Commodities Corp (“Carlyle”), for Riverside’s 100% owned Cecilia Gold-Silver Project (the “Project”). The Agreement grants Carlyle 100% undivided right, title, and ownership to the Cecilia Project for an aggressive work program, cash payments, shares and special warrants over-time and a 2.5% NSR with Riverside managing as operator. Riverside developed several targets after consolidating claims and expanding the Project further through the Mexican lottery to grow to a consolidated ~80km² full tenure package.

<u>Transaction Details with Carlyle Commodities Corp</u>

Table 1: Option Payment Schedule

Payment Date	Cash Payment ($C)	Shares	Special Warrants	Cumulative exploration Expenditures
Upon execution of the LOI	$10,000 (Received)	-	-	-
Upon Closing	$40,000 (Received)	1,500,000(received)	3,000,000(received)	
12 months from Closing	$50,000	-	-	$750,000
24 months from Closing	$50,000	-	-	$500,000
36 months from Closing	$50,000	-		$1,250,000
TOTAL:	**$200,000**	**1,500,000**	**3,000,000**	**$2,500,000**

At Cerro Magallanes, one of the largest and central mineralized centers of the project work defines four main target areas with assay intervals with channel sampling including 305 samples ranging from <0.05 to 19.00 g/t Au. Sampling shows consistent gold from the top of Cerro Magallanes at the San Jose Target northeast along the Agua Prieta-North Breccia Target and through the Central and East Target areas.

San Jose (West Area)

The west area of Cerro Magallanes is bisected by a large northwest trending structural zone of up to 60 m wide and hosts more than half a dozen old gold mine workings. Mineralized structures show predominantly silica alteration and commonly dip steeply to the NE with widths of 10-30 m. Sampling by Cambior (1995) within the workings returned 47m @ 1.12 g/t Au along the structural zone, while sampling across the structure by Riverside returned 8m @ 1.50 g/t Au in cross cut #26. The San Jose Target strikes more than 700 m in length and has not yet been drilled, however, historical sampling by Cambior along the structure on surface returned 3 to 9 g/t gold in 2m chip channel samples. These veins show classic epithermal multigenerational opening and filling typical of feeder zones like those at the San Julian Mine in Chihuahua also of the same mid-Tertiary age.

North Breccia

The North Breccia is a wide breccia zone formed along the north margin of the main composite rhyolite dome with historic drill intercepts (Cambior DDH 138-95-08) of 30.4 m @ 1.41 g/t Au). Rock channel sampling by Riverside’s returned 10m @ 3.34 g/t Au (both ends remain open).

The North Breccia extends upslope to the southwest more than 600 m merging with the Agua Prieta Zone and intersecting the San Jose NW trending Target Zone at the topographic peak of the dome complex. The North Breccia was historically rock chip channel sampled, returning good gold grades. The intersection of the North Breccia and the San Jose structure remain a top priority for drill testing. At the North Breccia and elsewhere on Cecilia the rhyolite dome is the main host unit where gold mineralization has been predominantly found in the breccia matrix. The North Breccia target is typical of dome margin breccias and is like deposits found in Peru, Bolivia, and Colorado where gold is largely hosted in the matrix. These deposit types are favorable hosts for bulk mining scenarios.

Agua Prieta Target (striking NE)

The Agua Prieta and North Breccia form a somewhat continuous zone of gold-bearing silicified breccia that extends northwest, downslope from its intersection with the San Jose target to mid-slope of Cerro Magallanes. Sampling on the dome margin here shows anomalous values and frequent higher-grade gold zones in silicified and brecciated rhyolitic rock. The new channel sampling has delineated the drill target that lies above the North Breccia. This target begins near surface and extends downward toward the subvolcanic conglomerate and sediments outcropping near the base of Cerro Magallanes. Cerro Magallanes overall appears analogous to the Pitarilla deposit in Durango, Mexico. Pitarilla hosts >500M Oz Ag grading approximately 100 g/t silver. Pitarilla was discovered by the exploration team at Silver Standard (now SSR Mining Inc.), which included Ron Burk, Technical Advisor to Riverside Resources.

The Agua Prieta target has potential to host high-grade structural gold mineralization along the margins of the dome feeder zones and is supported by sampling at the North Breccia Target which returned: 10m @ 3.34 g/t Au and 5m @ 4.04 g/t Au.

Central Target area

The Central Target has undergone small-scale open pit and focused underground mining. Historical underground rock-chip channel sampling by Cambior (1995) in this area returned: 14m @ 2.44 g/t Au. Riverside surface channel sampling on the Central Target returned 3.5m @ 2.7 g/t Au and 11m @ 0.84 g/t Au. Geochemistry sampling by Riverside where prior work largely did not assay for trace elements shows elevated values in Te, As, F, Pb and Mo which is typical within highly magmatically evolved rhyolite domes. This geochemistry is similar to mining camps in Fresnillo, Zacatecas, and Guanajuato in the Mesa Central and Sierra Madre Occidental dome fields.

Old workings on the northern slopes of Cerro Magallanes from the 1950-60s chased near surface high-grade structures but did not explore at depth. These old workings drifted-in along several different orientations near one another suggesting possible bulk tonnage targeting scenarios may exist. Riverside will be working to assess this scenario following the positive results of the rock channel sampling.

East Target area

The East Target comprises high-grade, fault-controlled, Ag-rich veins along the margin of the Puma Dome located east of Cerro Magallanes dome. Gold in chip channel samples by Riverside along the trace of a portion of the fault structures returned 11.5m @ 1.57 g/t Au. Grab samples from dump material in this area returned silver values of up to 200 g/t Ag.
The East Target is 200 m lower in elevation than Cerro Magallanes peak and might be showing vertical zoning from gold high on Cerro Magallanes to silver lower down closer to the underlying Cretaceous sedimentary rocks.

Casa de Piedra target

The Casa de Piedra target is east of Cerro Magallanes on the recently added Riverside concession, Cecilia 1. The target zone comprises a 2 km long shear fault vein with abundant epithermal mineralization and textures. Casa de Piedra has not seen any exploration making it a high-profile drill target. This target was first identified through soil geochemistry in June 2018 where anomalous Pb, Cu, Te and Hg were noted. In the field the Casa de Piedra target is defined by a 30 m wide N-NE trending structural corridor of altered Cretaceous clastic sedimentary bedrock. Within the main mineralized structure, widespread sericitic, silica and kaolinitic alteration is common including buddingtonite alteration; buddingtonite being a clay often found in proximity to precious metal veins. The structural zone is infilled with quartz veining, quartz veinlets and stockwork and in some areas banded quartz, vuggy quartz and grey calcite. Textures in outcrop are dominated by intact-banded veins and silicified zones and only minor vein breccias. Transport of the clasts appears to be rotated but with minor displacement; anastomosing breccia veins are common in outcrop.

Later carbonates are noted, and some carbonate appears to be leached from the matrix surrounding the quartz, leaving a stringy, net texture with residue of the Mn-oxides and crustiform quartz. This mineralized structure is cross-cut by northwest-trending rhyolitic dikes that do not appear to influence mineralization. Rock sampling (24) in this area returned one sample that assayed 0.9 g/t Au and also included other elements typical of the upper parts of hydrothermal veins. This shear vein is not unique, a second large vein system, Los Llanos described below.

Los Llanos target

The Los Llanos target is located east of the Casa de Piedra vein shear structure east of the Cerro Magallanes peak. The Los Llanos target was first defined by reconnaissance and soil geochemistry where anomalous Pb, Cu and Zn were noted. In the field the Los Llanos target is defined by a 20-30 m wide structural corridor of altered sandstone presently mapped as being 1 km in strike length and trending northeast. Gold mineralization is found in narrow anastomosing veins sometimes as stockwork but primarily as a silicified zone marked by reddish-brown iron oxides. This corridor also hosts rhyolite dikes which are sometimes parallel to the mineralized zone but also cut the zone. To the best of our understanding no exploration work has been done in this area thus making it a newly discovered vein zone. Some evidence of placer mining was noted in the area suggesting gold may have come from this vein; further exploration work is warranted on the Llanos target.

Cruz Target

The Cruz target lies within a large structural corridor northeast of Cerro Magallanes within horst and graben structural terrain. This large northwest trending regional structure extends tens of kilometers and comes across the northeast portion of the Project, is visible on satellite images, and forms a major structural topographic feature in northeastern Sonora. At the outcrop level, mineralization is noted in veins and stockwork alteration zones of up to 100 meters wide. These zones comprise anastomosing quartz veins with breccia that generally strike N-NE (020) and dip vertical to steeply to the west. Within this 100 m wide zone stockwork show syntaxial and druzzy textures. Gold mineralization is associated with pervasive, widespread sericitic and silica alteration; sulphides are rare but noted in this area. Where these veins cut conglomerate bedrock wide areas of silicified material is noted, two out of seven samples taken from this area returned gold grades of 1.6 g/t and 2.3 g/t Au. These veins continue through the conglomerate into the adjacent granitic bedrock. Geochemistry in this area shows high Pb, Zn and Cu indicating mineralization in the northern portion of the concession may be lower down in a epithermal system.

Cruz II Target

The Cruz II Target is located in the eastern portion of the Cecilia 1 concession. This target is also a structural corridor of silicification and veining currently mapped at about 2 km in strike length. The structure/vein strikes N-NE (020-030) and cuts through several sedimentary geological units varying in width from several meters to 20 m. Mineralized areas include anastomosing, stockwork or parallel veins with breccias; breccia is sometimes rounded but often angular. Terraspec analysis of altered rock shows pervasive silica and sericite alteration with illite in some areas. In hand sample the alteration is dominated by silicification and Fe-oxides. Individual veinlets are up to 30 cm wide with 3 to 5 parallel veins within a larger 20 m corridor. Stockwork veining, where present, is typically orthogonal and made more obvious by the hematitzation of rare pyrite, sphalerite and galena. Two of eleven samples from Riversides first pass of this area returned gold values of 0.5 g/t Au. Rock geochemistry also shows elements typical of a low-sulphidation epithermal system.

On Sept 21, 2020- Riverside provided an update of high-grade gold mineralization and exploration work that is filed on SEDAR and was published on the company website and distributed. These results raised the profile of the San Jose zone as a priority with high grade gold near surface and in old workings.

On November 5, 2020- Riverside updated investors and filed information on SEDAR and website about new geophysical induced polarity and drone magnetic airborne survey that was completed on the Cecilia project. This work refined the structural geology and provided insights for potential drill targeting in spring of 2021.

On November 18, 2020 – Riverside updated investors on the results from channel sampling at the San Jose target area which followed up from the geophysical work announced earlier in the month. With these efforts during the later part of 2020, Riverside poised the project to move ahead with drilling during 2021 with exploration partner Carlyle Commodities Corp providing funding and Riverside being a shareholder of Carlyle.

During early 2021, an initial drill program of 7 holes for a total of 881m was completed by Riverside with funding partner Carlyle Commodities Corporation. The drill results were announced in April, 2021.

On April 15, 2021 – Riverside updated investors on the assay results from the first five holes at Cecelia with the best intercept being 24.2 m of 1.51 g/t Au starting from only 2.30 m downhole at the North Breccia Target (CED21-005). A further 8.9 m of 0.64 g/t Au intercept was cut near end-of-hole starting from only 40.35 m.

On April 27th Riverside released the assay results from the last two hole, holes 6 and 7 the best results are tabulated below.

Summary of intercepts for hole CED21-006 and CED21-007

Hole_ID	From (m)	To (m)	Down hole width (m)	Grade (g/t Au)
CED21-006	34.50	40.15	5.65	0.39
including	34.50	36.50	2	0.78
CED21-006	47.50	49.00	1.5	0.60
CED21-006	70.20	70.70	0.5	0.20
CED21-006	106.70	110.00	3.3 (True width)	3.70
including	106.70	108.00	1.3 (True width)	8.82
CED21-007	35.35	37.65	2.3	0.19
CED21-007	45.75	48.90	3.15	0.31
CED21-007	60.75	63.80	3.05 (True width)	0.67
including	62.3	63.8	1.5 (True width)	1.18

Tajitos Gold Project, Sonora

Located in north-western Sonora State, Mexico, the Tajitos Gold Project consists of two concession block areas. The core Tajitos claim group and the easterly lying El Tejo group of concessions make up the Project. The Project is strategically situated in the *Caborca Orogenic Gold Province* which includes the major gold mines at La Herradura, Noche Buena, Chinate and San Francisco Mines among other producers. The core claim at Tajitos covers a number of northwesterly striking gold-bearing quartz veins and shear faults that were exploited by small underground mines, now abandoned but still accessible. Riverside geologists conducted field work on the structural control of gold mineralization recently and the adjacent to the east Mexican gold producer.

The gold mineralization intersected in Riverside drill-holes occurs in fault zones and along lithologic contacts like major mines in the area. Due to the wide spacing of the drill-holes a reliable definition of the strike and dip orientations of the mineralized zones could not be refined yet and further drilling is warranted to better determine the extent and tenor of gold mineralization on the Tajitos property.

In addition to the eight boreholes drilled by Riverside on the Tajitos claim group, a program of reverse circulation drilling on the El Tejo claim group was also completed with partners. Twelve RC holes, totaling 1,728 meters, were drilled at Tejo to probe the bedrock lying beneath an extensive and thick cover of alluvial gravels. This work sets the project on a good position going forward to progress and build upon the geology and geochemistry developed previously. Tajitos in 2020 has seen field work, mapping, Leapfrog modeling, 3D mineralization model study, geochemistry, target work with the geophysics and discussions with parties for the project to progress.

La Silla Gold-Silver Project, Sinaloa

The La Silla Project east of Mazatlan in Sinaloa Mexico is a former mining operating district with high grade silver and gold mineralization on Riverside mineral tenure concessions. The project currently 100% owned and controlled by Riverside has had recent field work and mapping, sampling, targeting completed. Two adjoining concessions totaling 1,031.5 hectares are controlled by Riverside. In addition, another two concessions totaling 1,039.3 hectares make up a second target rich area for the project that Riverside controls. Veins on both concession blocks have been progressed at the Project and can move moved ahead with trenching and then drilling.

At the Ciruela and El Roble prospects rock-chip samples have delivered high grade metals and work in the field continues at these target areas. Riverside conducted data integration, review of geology, geochemistry and considerations for strategic steps during the year. The project continues to have interesting growth target potential.
The Company terminated in January 2020 the previously signed Definitive Agreement from a year earlier January 30, 2019, with Sinaloa Resources Corp. ("Sinaloa") whereby Sinaloa could acquire a 70% interest in the La Silla Property as Riverside had not received payment or required work on the project and the option was ended. Riverside took back control of the project and conducted its own exploration efforts during the year.

On December 9, 2020, the Company entered into an option agreement, signing a Definitive Agreement with Upper Canada Inc. ("Upper Canada") whereby Upper Canada could acquire up to 100% undivided interests in the La Silla Property, a silver-gold project, by paying $500,000 in cash, issuing 10,600,000 common shares and incurring exploration expenditures of $20,000,000 over a four-year period as follows:

Due Date	Cash	Common shares	Cumulative exploration expenditures	Percentage Earned
September 11, 2020 (signing of LOI)		600,000 (received)	-	-
December 9, 2020	*$50,000	5,000,000(received)	-	-
March 9, 2021	$50,000	2,500,000	-	-
June 9, 2021	$75,000	2,500,000	-	-
December 9, 2021	$150,000	-	$ 5,000,000	51%
December 9, 2022	$100,000	-	$2,000,000	60%
December 9, 2023	$50,000	-	$7,500,000	-
December 9, 2024	$25,000	-	$5,000,000	100%

* As at March 31, 2021, the Company did not receive the $50,000 cash payment that was due on December 9, 2020 from Upper Canada. During the period ended March 31, 2021, the Company terminated the option agreement with Upper Canada and therefore, Upper Canada has no further obligation with respect to the project.

Australia (Sandy) Gold Project, Sonora

The Sandy Gold Project is located in NW Sonora, Mexico within the prolific Sonora Megashear Gold Belt.

On March 21, 2019, the Company reported initial results from the Company's first-phase exploration program at the recently staked Sandy Project.

Riverside geologists completed surface sampling, mapping and geophysic interpretation work at the project. The project has potential for gold exploration and is in the prolific mineral belt south of gold mines operated by Fresnillo including the >5Moz Au producer, La Herradura Mine. Sample from old workings returned 38.8 g/t Au. Chip channel samples of 1.5 meter in length returned gold results of 9.3 g/t, 4.7 g/t and 3.7 g/t Au. A total of 71 samples have been analyzed so far and further work at Sandy is anticipated to continue to define the structural nature and intrusion association to the gold.

Higher gold grades appear to be associated with intersecting structures within strongly foliated granitic intrusive bedrock. Primary structures strike NW-SE and dip between 40 and 70 degrees to the east in a general structural character with similar orientation and style to some of the shear zone gold mines in the region. Other smaller faults are noted striking roughly north south and dipping steeply to the east which cut the main shear zone and could possibly hide extensive expansions of the gold system under shallow cover. The cross structures have been intruded by mafic dikes that show pervasive propylitic alteration indicating potential deeper intrusion related gold mineralization. The highest-grade gold material was found associated with a set of variously dipping felsic dikes which could be associated with the intrusive system. Silicification and minor quartz veining is noted associated with the structures and with through-going vein mineralization. The wall rock associated with these structures often shows sericites and silica alteration.

Of note while visiting the property are the vast placer-gold workings immediately north of the project area. The source of the placer gold has not been determined and may be derived from intrusive bedrock within the Sandy project.

Suaqui Verde and Suaqui Grande, Sonora

Riverside developed copper targets on both the Suaqui Verde and Suaqui Grande properties which are near each other and both have copper potential in the copper belt of central Sonora, Mexico. The Company conducted site work and progressed discussions for the district play. Copper growth areas were reviewed, and further work progressed.

The scientific and technical data contained in the property descriptions pertaining to the Company's portfolio were reviewed by Freeman Smith, P.Geo. who is responsible for ensuring that the geologic information provided in this section of the Management Discussion and Analysis is accurate and acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Project.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated information of the Company at September 30, 2020 and for each of the prior two fiscal years prepared in accordance with IFRS. The selected consolidated financial information should be read in conjunction with the audited consolidated financial statements of the Company.

Canadian Dollars	2020	2019	2018
Finance, property and other income	$ 108,871	$ 1,348,584	$ 176,702
Net income (loss)	2,631,544	(1,310,831)	(1,462,695)
Net income (loss) per share, basic and fully diluted	0.04	(0.02)	(0.03)
Cash and cash equivalent and short-term investments	6,051,890	5,143,379	2,868,824
Total assets	12,211,722	12,341,457	8,869,608

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-month period ended March 31, 2021

For the three months ended March 31, 2021, the Company had a net income of $564,892, resulting in an earning per share of $0.01. The income was mainly related to a realized gain on short-term investments of $1,172,012 as a result of the sales of Arizona Metal Corp shares, which are partially offset by investor relations, professional fees, general and administration and share-based compensation and the unrealized loss on short-term investments. The decreases (recoveries) in the management and consulting fees, professional fees were mainly contributed to the recoveries of administration services on BHP, Carlyle and Hochschild alliance programs as well as the cost saving initiatives.

Six-month period ended March 31, 2021

For the six months ended March 31, 2021, the Company had a net income of $614,931, resulting in an income per share of $0.01. The gain was related to finance income of $6,211, other income of $63,871 and the unrealized gain on short-term investment of $45,114 and the realized gain on short-term investment of $1,172,012 mainly due to a significant increase on

Arizona Metals Corp. (“Arizona Metals”) fair market value during the period ended March 31, 2021 and the Company completed the sales of 1,100,000 Arizona Metals shares for net proceed of $1,464,342. The net income also was partially offset by the operating expense of $672,277.

Three-month period ended March 31, 2020

For the three months ended March 31, 2020, the Company had a net loss of $677,235, resulting in a loss per share of $0.01. The loss was related to an unrealized loss on short-term investments of $354,541 and an increase in professional fees of $197,277, which were partially offset by the gains on finance income of $22,748, other income $32,557 and a foreign exchange gain of $144,592.

Six-month period ended March 31, 2020

For the six months ended March 31, 2020, the Company had a net income of $8,959, resulting in an income per share of $0.00. The gain was related to finance income of $35,403, other income of $38,557 and the unrealized gain on short-term investment of $990,738 mainly due to a significant increase on Arizona Metals Corp. fair market value as at March 31, 2020. Accordingly, the Company sold 4,400,000 common shares from Arizona Metal Corp. for net proceeds $784,207 yet recognized a realized loss on short-term investment of $385,114 on Arizona Metal Inc’s shares at the trading date. The net income also was partially offset by the operating expense of $670,625.

Exploration and evaluation assets

Six months ended March 31, 2021

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the six months ended March 31, 2020, the Company recorded $396,741 in acquisition and exploration of its properties as follows:

- Mexico
  - Tajitos $ 86,018
  - La Silla $ 42,936
  - Australia $ 3,581
  - Ariel $ 10,018
  - Teco $ 19,613
  - Suaqui Verde $ 489
  - Cuarentas $ 81,161
  - La Union $ 7,103
  - El Valle, Llano & Pima $ 1,238

- Canada
  - Northwestern Ontario $ 144,584

The Company acquired a 100% interest in the Oakes, Longnose, Vincent projects in northwestern Ontario, Canada on April 1, 2019. Subsequently, the Company acquired a 100% interest in Kenora project in northwestern Ontario, Canada in July 2020.

Six months ended March 31, 2020

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the six months ended March 31, 2020, the Company recorded $735,510 in acquisition and exploration of its properties as follows:

- Mexico
  - Peñoles $135,503
  - Tajitos $ 58,487
  - La Silla $ 21,978
  - Australia $ 17,928
  - Ariel $ 6,149
  - Cecilia $214,694
  - Teco $ 16,949
  - Suaqui Verde $ 1,793
  - Cuarentas $ 83,114
  - La Union $ 36,166
  - El Valle, Llano & Pima $ 1,850

- Canada
  - Northwestern Ontario $ 140,899

As at December 31, 2019, the Company has officially acquired a 100% interest in Los Cuarentas, La Union, El Valle, Llano del Nogalo and El Pima.

Full particulars of the deferred exploration costs are shown in Note 9 to the Condensed Interim Consolidate Financial Statements.

Recoveries and Other Income

Six months ended March 31, 2021

Starting from February 2019, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the period ended March 31, 2021 the Company recognized rental recovery of $12,000 from First Helium, which was recorded in other income. As well, the Company recognized the exploration equipment and vehicle rentals recovery of $51,871 from the BHP alliance program in other income. Finance income and other income for the period ended March 31, 2021 were $6,211 and $63,871, respectively.

Six months ended March 31, 2020

Starting from February 2019, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the six months ended March 31, 2020 the Company recognized rental recovery of $12,000 from First Helium, which was recorded in other income. As well, the Company recognized the exploration equipment and vehicle rentals recovery of $26,557 from the BHP alliance program.

Other income consists of revenue from receiving option payment by common shares, exploration equipment and vehicle rentals to the alliance and work programs.

Expenses

Six months ended March 31, 2021

During the six months ended March 31, 2021, the Company incurred $37,111 in depreciation, $27,152 in recovery of consulting fees, $18,000 in directors' fees, $142,339 in investor relations fees, $74,783 in professional fees, $212,131 in share-based compensation, and $49,293 in general and administrative expenses. In addition, the Company incurred $40,631 in rent. The Company earned $6,211 in finance income, $63,871 in other income, and $45,114 in unrealized gain on changes of short-term investments as well as $1,172,012 realized gain on the sales of short-term investments.

Six months ended March 31, 2020

During the six months ended March 31, 2020, the Company incurred $27,716 in depreciation, $129,093 in consulting fees, $18,000 in directors' fees, $137,025 in investor relations fees, $247,071 in professional fees, $90,902 in share-based compensation, and $91,620 in general and administrative expenses. In addition, the Company incurred $39,664 in rent. The Company earned $35,403 in finance income, $38,557 in other income, and $990,738 unrealized gain on short-term investment, offset by $385,114 realized loss on sale of short-term investments.

Compared to the same period in previous year, increases in net income in 2021 was primarily due to an increase in realized gain on short-term investment by $1,172,012 by completing the sales of Arizona Metal's shares and the unrealized gain on short-term investment $45,114 by recognizing the fair market value of Arizona Metals common shares as per IFRS 9 Financial Instrument's requirement with less numbers of AMC shares on hand. Partially offset by an increase in share-based compensation by $212,131. Decreases in professional fees by $172,288 and general and administration by $42,327 with respect that there is no such plan of rearrangement transaction incurred during the period ended March 31, 2021. There were no significant variations in other operating expenses over the comparative period.

General and administrative expenses consist of filing fees, director's fees, rent, general office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations. Rent and general office expenses decreased compared to the same period in the prior year as the Company spent less funds on promotional and marketing activities, financial advisory and investor relations services and the Company entered into a new contract of rental agreement of Canadian office, resulting in reduced costs in rent.

Share-based payments increased as a result of more share option grants. During the period ended March 31, 2021, the Company recorded share-based payments of $212,131 (2020 - $90,902) for the vested portion of the options granted and during the period. Share-based payments expense recorded in the comparative period of the previous fiscal year was higher as there were more options granted during that period.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Property Risks

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Canada, Mexico and the United States.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.
The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

Risks Related to COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company continues to closely monitor developments in the novel coronavirus ("COVID-19") pandemic, including the potential impact on the Company's operations.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars.

Quarter end	Finance income	Property and other income	Unrealized gain/(loss) on short-term investments	Net income (loss)	Earnings (Loss) per share (basic & fully diluted)
31-Mar-21	3,731	30,964	(387,380)	564,892	0.01
31-Dec-20	2,480	32,907	432,494	50,039	0.00
30-Sep-20	2,195	19,987	(385,851)	2,338,398	0.03
30-Jun-20	1,652	11,077	561,520	284,187	0.01
31-Mar-20	22,748	32,557	(354,541)	(677,235)	(0.01)
31-Dec-19	12,655	6,000	1,345,279	686,194	0.01
30-Sep-19	15,927	331,391	(339,689)	(1,625,043)	(0.03)
30-Jun-19	16,273	439,666	(78,323)	80,672	0.00

During the three months ended March 31, 2021, the net income was primarily due to the realized gain on short-term investment of $1,172,012 and unrealized loss on short-term investment of $45,114 in connection with the sales of Arizona Metal shares for net proceed of $1,464,342 and changes in fair market value marketable securities. Please refer to the unaudited financial statements and related notes for the six months ended March 31, 2021, Note 5, Short-term investments for details. Also, the decrease in consulting fees by $96,173 was mainly contributed to the recoveries of administration services on BHP, Carlyle and Hochschild alliance programs.

During the three months ended December 31, 2020, the net income was primarily due to the unrealized gain on short-term investment of $432,494 and the decrease in consulting fees by $60,072 was mainly contributed to the recoveries of administration services on BHP, Carlyle and Hochschild alliance programs.

During the three months ended September 30, 2020, the net income was primarily due to the Company recognized a gain on spin-out of Penoles of $2,417,283 in consideration for 17,500,000 common shares of Capitan with a value of $3,500,000. As well, the sales of 500,000 Arizona Metals Corp's common shares and 1,000,000 Silver Viper Minerals Corp's common shares for recognizing a realized gain on short-term investment of $365,449.

During the three months ended June 30, 2020, the net income was primarily due to the Company recognized an unrealized gain on short-term investments of $561,520 that was mainly triggered by a significant increase in the fair market value of Arizona Metals Corp's common shares as at June 30, 2020. As well, the sale of 4,400,000 Arizona Metals Corp's common shares for recognizing a realized gain on short-term investment of $210,820.

During the three months ended March 31, 2020, the net loss was primarily due to the Company recognized a realized loss on short-term investments of $354,541 that was mainly triggered by a significant decrease in the fair market value of Arizona Metals Corp's common shares as at March 31, 2020. As well, an increase in the professional fee of $197,277 as a result of the Company incurred additional legal, accounting and compliance services with respects to the strategic reorganization of its exploration business. Subsequent to the period ended March 31, 2020, the Company billed and received all the related spin out costs in connection with the strategic reorganization was completed on August 14, 2020.

During the three months ended December 31, 2019, the net income was primarily due to the Company recognized an unrealized gain on short-term investments of $1,345,279 that was mainly triggered by a significant increase on the fair market value of Arizona Metals Corp's common shares as at December 31, 2019.

During the three months ended September 30, 2019, the increase in net loss was primarily due to the Company recognized the provision tax penalty of $1,131,026 in connection with the lawsuit against with the Government of Mexico. Also, the Company sold all 55,087 shares of E3 Metals Corp for net proceeds $23,363 and recorded the unrealized loss on short-term investments of $339,689.

During the three months ended June 30, 2019, the increase in property and other income was primarily due to the Company received additional 2,000,000 common shares of Arizona Metals, for a fair market value of $433,340 as a result of certain provisions in the previous agreement with the Company in 2016.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on equity financings and exploration alliances for its working capital requirements and to fund its planned exploration and development activities. Management ensures the Company has sufficient cash in its treasury to maintain underlying option payments and keep claims in good standing. Decrease in cash and cash equivalents for the period ended March 31, 2021 was $248,501. Working capital as at March 31, 2021 was $4,867,075. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

Decrease in cash and cash equivalents for the six months ended March 31, 2020 was $991,506. Working capital as at March 31, 2020 was $2,828,246. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements or off-balance sheet financing structures in place.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are recorded at their exchange amount which is the price agreed to between the Company and the directors and officers.

The Company entered into the following transactions with related parties:

Payee / Payer	Nature of transactions	Period ending March 31,	Fees (Income) ($)	Shares ($)	Amount payable (receivable) at period end ($)
Arriva Management Inc.	Management and consulting fees (i)	2021 2020	116,400 116,400	Nil Nil	Nil Nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2021 2020	48,000 48,000	Nil Nil	Nil Nil
Alberto Orozco	Consulting fees (i)	2021 2020	479 82,500	Nil Nil	Nil Nil
Omni Resource Consulting Ltd.	Consulting fees (i)	2021 2020	49,000 30,000	Nil Nil	Nil Nil
Brian Groves	Director fees(ii)	2021 2020	6,000 6,000	Nil Nil	Nil Nil
James Clare	Director fees(ii)	2021 2020	Nil Nil	Nil Nil	Nil Nil
Carol Ellis	Director fees(ii)	2021 2020	6,000 6,000	Nil Nil	Nil Nil
Walter Henry	Director fees(ii)	2021 2020	6,000 6,000	Nil Nil	Nil Nil
First Helium Inc.	Rent (iii)	2021 2020	(12,000) (12,000)	Nil Nil	Nil (8,400)

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the period ended March 31, 2021 and 2020 are as follows:

	2021	2020
Directors' fees (ii)	$ 18,000	$ 18,000
Management and consulting fees (i)	213,879	276,900
Share-based payments	94,770	53,221
	$ 326,649	$ 348,121

(i) Management and consulting fees of the key management personnel for the year were allocated as follows: $54,000 (2020 - $54,000) expensed to consulting fees, $61,000 (2020 - $222,900) capitalized to exploration and evaluation assets and $98,879 (2020 - $nil) capitalized to exploration work performed for alliances that will be reimbursed.

(ii) Starting from January 1, 2019, James Clare, director, agreed not to receive director fees from the Company and waived $26,846 in amounts owed to him from the Company. As a result, the Company recognized a gain on debt settlement of $26,846 during the year ended September 30, 2019.

(iii) Starting from February 2019, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the period ended March 31, 2021, the Company recognized rental recovery of $12,000 (2020 - $12,000) from First Helium, which was recorded in other income.

On November 30, 2019, the Company received 300,000 pre-consolidated shares of First Helium Inc. to settle $21,000 in debt. On September 8, 2020, the Company acquired an additional 472,500 pre-consolidated shares of First Helium Inc. at $0.04 per share by paying cash of $18,900. On November 9, 2020, the Company acquired the additional 772,500 pre-consolidated shares of First Helium Inc. at $0.007 per share by paying cash of $5,408. Please refer to Note 5 & Note 15 (a) for additional details.

PROPOSED TRANSACTIONS

At the present time, there are no proposed transactions that should be disclosed.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 4 to the consolidated financial statements for the year ended September 30, 2020. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The following table shows the classification of the Company's financial assets and liabilities:

Financial asset or liability	IFRS 9 Classification
Cash and cash equivalents	FVTPL
Short-term investments	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Government loan	Amortized cost

New Accounting Policies Adopted

IFRS 16 - *Leases* (new; replaces IAS 17)

On October 1, 2019, the Company adopted IFRS 16, which supersedes IAS 17- Leases ("IAS 17"). The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 requires lessees to recognize a right of use of asset and a lease obligation at the lease commencement date. The Company has assessed its monthly office rent payments and concluded that it does not meet the definition of a lease in the context of IFRS 16. As such, the adoption of the standard did not have an impact on the Company's consolidated financial statements.

IFRIC 23 - *Uncertainty over Income Tax Treatments*

On October 1, 2019, the Company adopted IFRIC 23, which is a new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company's receivables, accounts payable, accrued liabilities and government loan approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's other financial instruments, cash and cash equivalents and short-term investments, under the fair value hierarchy are based on level 1 quoted prices in active markets for identical assets and liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs, and land tax recovery. The Company believes its credit risk is equal to the carrying value of this balance.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had cash and cash equivalents of $4,340,077 to settle current liabilities of $1,679,745. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of March 31, 2021, the Company had investments in short-term deposit certificates of $23,000.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. During the period ended March 31, 2021, a simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect loss for the year by $331,014.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. During the period ended March 31, 2021, a simultaneous 15% fluctuation in share prices would affect short-term investments and profit or loss for the year by approximately $176,429.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. No preferred shares have been issued to date. An aggregate of 71,017,631 common shares were issued and outstanding as of the date of this MD&A.

The Company has nil share purchase warrants outstanding as of the date of this MD&A.

The following summarizes information about the stock options outstanding as of the date of this MD&A:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
12/16/2021	935,000	0.71	$ 0.32	935,000
11/03/2022	688,000	1.59	$ 0.21	688,000
01/08/2024	560,000	2.78	$ 0.13	560,000
11/15/2024	855,000	3.63	$ 0.11	855,000
03/27/2025	100,000	3.99	$ 0.12	100,000
10/19/2025	1,330,000	4.56	$ 0.30	270,000
	4,468,000	2.88		3,408,000