RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

December 31, 2017

(Unaudited)

Index

Notice of non-review of condensed interim consolidated financial statements

The attached condensed interim consolidated financial statements for the three month period ended December 31, 2017 have not been reviewed by the Company's auditors.

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Financial Position as at
(Unaudited - Expressed in Canadian Dollars)

	Note	December 31, 2017	September 30, 2017
Assets			
Current assets:			
Cash and cash equivalents	14	$ 3,528,257	$ 3,918,999
Short-term investments	5	1,162,205	1,105,292
Receivables	6	485,254	457,511
Prepaid expenses	7	68,257	72,770
		5,243,973	5,554,572
Deposit		25,525	25,525
Equipment	8	75,375	86,104
Exploration and evaluation assets	9	4,332,591	4,403,658
		$ 9,677,464	$ 10,069,859
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	$ 236,478	$ 181,576
Shareholders' equity:			
Capital stock	11	24,536,428	24,472,028
Reserves	11	3,082,077	3,046,457
Deficit		(16,603,559)	(16,454,461)
Accumulated other comprehensive loss		(1,573,960)	(1,175,741)
		9,440,986	9,888,283
		$ 9,677,464	$ 10,069,859

Nature and continuance of operations (Note 1)
Commitment and contingency (Note 17)

On behalf of the Board on February 28, 2018

"Walter Henry"	Director	*"Carol Ellis"*	Director
Water Henry		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 Operations and Comprehensive Loss for the three months ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Note	2017	2016
Expenses			
Consulting fees	12	$ 60,283	$ (5,967)
Depreciation	8	5,824	5,772
Directors' fees	12	12,000	15,000
Foreign exchange loss		58,394	5,840
General and administration		24,154	17,428
Investor relations	12	50,942	49,853
Professional fees		26,197	19,143
Property investigation and evaluation	12	29,578	45,681
Rent		41,625	38,192
Share-based payments	11	35,620	6,248
Finance income		(6,214)	(1,041)
Other income		(7,590)	(37,829)
Realized and unrealized (gain) loss on short-term investments	5	(56,913)	14,714
Recovery on exploration and evaluation assets	9 (b)(g)(k)(l)	(124,802)	-
Net loss for the period		(149,098)	(173,034)
Foreign exchange movements		(398,222)	(182,099)
Comprehensive loss for the period		(547,320)	(355,133)
Loss per share – basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		44,324,313	37,409,778

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 three months ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Note	2017	2016
OPERATING ACTIVITIES			
Net loss for the period		$ (149,098)	$ (173,034)
Items not involving cash			
Depreciation	8	5,824	5,772
Performance bonus shares	11	64,400	-
Share-based payments	11	35,620	6,248
Unrealized gain on short-term investments		(56,913)	14,714
Recovery on exploration and evaluation assets		(124,802)	-
Change in non-cash working capital items:			
Prepaid expenses		4,513	6,713
Receivables		(27,743)	(51,951)
Accounts payable and accrued liabilities		37,882	(23,499)
		(210,317)	(215,037)
INVESTING ACTIVITIES			
Purchase of equipment	8	-	(34,290)
Exploration advances – accounts payable and accrued liabilities		141,822	(151,068)
Exploration and evaluation assets		71,067	(256,884)
Short-term investments		-	650,000
		212,889	207,758
Effect of foreign exchange on cash and cash equivalents		(393,314)	4,884
Increase in cash and cash equivalents		(390,742)	(2,395)
Cash and cash equivalents, beginning of the period		3,918,999	3,690,714
Cash and cash equivalents, end of the period		$ 3,528,257	$ 3,688,319

Supplemental disclosures with respect to cash flows (Note 14)

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)

		Capital Stock					
	Note	Shares	Amount	Reserves	Deficit	Accumulated other comprehensive loss	Total
Balance at September 30, 2016		37,409,778	$ 20,980,091	$ 2,780,005	$ (15,770,270)	$ (1,083,353)	$ 6,906,473
Issued for:							
Performance bonus shares	11	55,000	24,475	-	-	-	24,475
Private placement	11	6,257,367	3,441,552	-	-	-	3,441,552
Stock option exercise	11	105,000	32,931	(10,831)	-	-	22,100
Units issued for finders' fee	11	152,168	83,692	-	-	-	83,692
Share issuance costs		-	(182,713)	-	-	-	(182,713)
Shares issued for property	9(h)	200,000	92,000	-	-	-	92,000
Share-based payments	11	-	-	277,283	-	-	277,283
Income for the year		-	-	-	(684,191)	-	(684,191)
Foreign exchange movements		-	-	-	-	(92,388)	(92,388)
Balance at September 30, 2017		44,179,313	24,472,028	3,046,457	(16,454,461)	(1,175,741)	$ 9,888,283
Issued for:							
Performance bonus shares	11	230,000	64,400	-	-	-	64,400
Share-based payments	11	-	-	35,620	-	-	35,620
Loss for the period		-	-	-	(149,098)	-	(149,098)
Foreign exchange movements		-	-	-	-	(398,219)	(398,219)
Balance at December 31, 2017		44,409,313	$ 24,536,428	$ 3,082,077	$ (16,603,559)	$ (1,573,960)	$ 9,440,986

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

1. Nature and continuance of operations

Riverside Resources Inc. (the "Company") is a mineral exploration and evaluation company operating as a prospect generator 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.

The Company's head office address is 550 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 1J8. The Company's registered and records office address is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7.

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.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - *Interim Financial Reporting*. In addition, the condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2017. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended September 30, 2018.

2. Basis of presentation

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.

3. Statement of compliance

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".

(Unaudited - Expressed in Canadian Dollars)

4. Significant accounting policies

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
RRI Exploration Inc.	United States	100%	Mineral exploration
RRI Holdings Limited	Canada	100%	Holding company
Riverside Resources (BC) Inc.	Canada	100%	Mineral exploration

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

- IFRS 15: New standard that replaces existing revenue requirements IAS 11, IAS 18, IFRIC 13, IFRIC 18 and SIC 31 for measurement, recognition, and disclosure of revenues; effective for annual periods beginning on or after January 1, 2018.

- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

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:

	December 31, 2017			September 30, 2017		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	$ 11,020	$ 2,030	29,000	$ 11,020	$ 3,915
Croesus Gold Corp.(1)	3,000,000	300,000	650,000	3,000,000	300,000	650,000
Guerrero Exploration Inc.	1,926,000	343,049	-	1,926,000	343,049	-
Viridium Pacific Group Ltd.(2)	242,350	763,030	312,631	242,350	763,030	130,995
E3 Metals Corp.(3)	55,087	160,667	27,544	55,087	160,667	20,382
Sierra Madre Developments Inc.(4)	12,503,218	1,103,791	-	12,503,218	1,103,791	-
Silver Viper Minerals Corp.	1,000,000	250,000	170,000	1,000,000	250,000	300,000
		$ 2,931,557	$ 1,162,205		$ 2,931,557	$ 1,105,292

(Unaudited - Expressed in Canadian Dollars)

5. Short-term investments (cont'd…)

(1) During the year ended September 30, 2017, the Company sold 3,000,000 shares of Croesus Gold Corp., a private company, for $650,000, which provided the basis of the fair value measurement of Croesus Gold Corp. shares as at September 30, 2017.

(2) Viridium Pacific Group Ltd. (formerly Morro Bay Resources Ltd.) had a 10:1 share consolidation on May 15, 2017 and a 3.603457:1 share consolidation on September 22, 2017.

(3) E3 Metals Corp. was formerly named Savannah Gold Corp. and consolidated its common shares on the basis of five old shares for one new share on March 3, 2017.

(4) The Company holds approximately 23.2% of the issued and outstanding shares of Sierra Madre Developments Inc. ("Sierra Madre"). The presumption that the Company has significant influence by holding 20% or more of the voting power through its common share holdings in Sierra Madre is overcome due to the fact that the Company has no representation on the board of directors, and is not involved in policy-making processes, there is no interchange of managerial personnel, and there is no provision of essential technical information. As a result, the investment is carried on the statement of financial position at fair value with changes in fair value recognized in the profit or loss. The common shares of Sierra Madre are suspended from trading.

6. Receivables

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

	December 31, 2017	September 30, 2017
GST recoverable amounts in Canada	$ 19,637	$ 20,794
IVA recoverable amounts in Mexico	443,963	413,407
Land taxes recovery in Mexico	21,654	23,310
	$ 485,254	$ 457,511

7. Prepaid expenses

The breakdown of prepaid expenses is as follows:

	December 31, 2017	September 30, 2017
Conferences and courses	$ 18,269	$ 19,394
Expense advances	32,447	29,696
Insurance	15,646	21,640
Rent	1,895	2,040
	$ 68,257	$ 72,770

(Unaudited - Expressed in Canadian Dollars)

8. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	TOTAL
Cost					
Balance at September 30, 2016	$ 82,168	$ 124,963	$ 34,302	$ 92,308	$ 333,741
Additions	3,619	-	-	34,290	37,909
Disposals	-	-	(462)	-	(462)
Foreign exchange movement	168	1,394	281	1,801	3,644
Balance at September 30, 2017	$ 85,955	$ 126,357	$ 34,121	$ 128,399	$ 374,832
Foreign exchange movement	(933)	(7,912)	(1,595)	(9,124)	(19,584)
Balance at December 31, 2017	**$ 85,002**	**$ 118,445**	**$ 32,526**	**$ 119,275**	**$ 335,248**
Accumulated depreciation					
Balance at September 30, 2016	$ (79,144)	$ (83,482)	$ (23,430)	$ (76,576)	$ (262,632)
Depreciation	(2,182)	(8,397)	(2,196)	(11,541)	(24,316)
Disposals	-	-	462	-	462
Foreign exchange movement	(155)	(960)	(187)	(940)	(2,242)
Balance at September 30, 2017	$ (81,481)	$ (92,839)	$ (25,351)	$ (89,057)	$ (288,728)
Depreciation	(502)	(1,645)	(432)	(3,246)	(5,825)
Foreign exchange movement	927	6,085	1,181	6,486	14,680
Balance at December 31, 2017	**$ (81,056)**	**$ (88,399)**	**$ (24,602)**	**$ (85,817)**	**$ (279,873)**
Net book value					
Balance at September 30, 2017	$ 4,474	$ 33,518	$ 8,770	$ 39,342	$ 86,104
Balance at December 31, 2017	**$ 3,946**	**$ 30,046**	**$ 7,924**	**$ 33,458**	**$ 75,375**

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets

For the period ended December 31, 2017

	Penoles Mexico	Tajitos Mexico	Clemente Mexico	La Silla Mexico	Glor Mexico	Bacoachi Mexico	Thor Mexico	Cecilia Mexico	Teco Mexico	Flute Canada	Lennac Canada	Total
Acquisition costs	$ 14,629	$ 6,349	$ -	$ 14,679	$ -	$ 503	$ -	$ -	$ -	$ -	$ -	$ 36,160
Exploration costs:												
Access	55	-	-	-	-	597	-	-	-	-	-	652
Assaying	-	-	-	-	-	-	-	-	-	-	-	-
Field & camp costs	6,996	303	100	1,931	-	2,013	-	-	-	-	-	11,343
Geological consulting	85,675	14,747	-	23,601	49,845	12,570	-	-	-	-	-	186,438
Transport & support	13,396	3,256	448	3,377	3,169	4,358	-	-	-	-	-	28,004
Total current exploration costs	106,122	18,306	548	28,909	53,014	19,538	-	-	-	-	-	226,437
Professional & other fees:												
Professional consulting	11,824	3,230	-	3,694	3,000	2,190	-	-	-	-	-	23,938
Legal fees	3,689	7,397	-	-	-	435	-	-	-	-	-	11,521
Others	606	629	-	598	34	-	-	-	-	-	-	1,867
Total current professional & other fees	16,119	11,256	-	4,292	3,034	2,625	-	-	-	-	-	37,326
Total costs incurred during the period	136,870	35,911	548	47,880	56,048	22,666	-	-	-	-	-	299,923
Balance, Opening	1,015,386	2,054,953	277,916	232,406	206,074	6,216	9,766	513,020	71,985	6,677	9,259	4,403,658
Recoveries	(64,430)	-	(50,000)	-	-	-	-	-	-	-	-	(114,430)
Foreign exchange movements	(254,016)	(105,387)	(21,284)	(7,736)	(3,792)	(1,352)	2,814	117,318	16,875	-	-	(256,560)
Balance, End of the period	$ 833,810	$ 1,985,477	$ 207,180	$ 272,550	$ 258,330	$ 27,530	$ 12,580	$ 630,338	$ 88,860	$ 6,677	$ 9,259	$ 4,332,591
Cumulative costs:												
Acquisition	$ 3,850,283	$ 814,619	$ 197,917	$ 44,674	$ 52,203	$ 4,551	$ -	$ 128,959	$ 31,227	$ -	$ -	$ 5,124,433
Exploration	1,458,608	1,198,704	367,718	215,266	164,241	21,751	6,831	322,330	40,103	4,300	7,507	3,807,359
Professional & other fees	658,984	251,273	142,900	23,462	45,274	2,625	3,095	67,459	1,024	2,377	1,752	1,200,225
Recoveries	(4,383,467)	-	(444,473)	-	-	-	-	-	-	-	-	(4,827,940)
Foreign exchange movements	(750,598)	(279,119)	(56,882)	(10,852)	(3,388)	(1,397)	2,654	111,590	16,506	-	-	(971,486)
	$ 833,810	$ 1,985,477	$ 207,180	$ 272,550	$ 258,330	$ 27,530	$ 12,580	$ 630,338	$ 88,860	$ 6,677	$ 9,259	$ 4,332,591

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

For the year ended September 30, 2017

	Penoles Mexico	Tajitos Mexico	Clemente Mexico	La Silla Mexico	Glor Mexico	Bacoachi Mexico	Thor Mexico	Cecilia Mexico	Teco Mexico	Flute Canada	Lennac Canada	Total
Acquisition costs	$ 377,817	$ 43,976	$ 92,838	$ 2,171	$ 34,598	$ -	$ -	$ 128,959	$ 31,227	$ -	$ -	$ 711,586
Exploration costs:												
Access	-	6,930	-	-	-	-	6,327	21,491	-	-	-	34,748
Assaying	938	5,704	575	1,543	-	-	-	13,938	-	-	-	22,698
Field & camp costs	28,818	25,009	76	5,050	-	-	-	20,729	13,965	-	-	93,647
Geological consulting	188,232	206,907	14,200	79,848	62,253	1,061	504	212,730	12,702	3,600	7,350	789,387
Transport & support	58,840	63,071	1,262	24,263	18,122	-	-	53,442	13,436	-	-	232,436
Total current exploration costs	276,828	307,621	16,113	110,704	80,375	1,061	6,831	322,330	40,103	3,600	7,350	1,172,916
Professional & other fees:												
Professional consulting	95,709	23,388	24,500	12,571	33,000	-	3,095	55,585	1,024	-	-	248,872
Legal fees	10,611	22,874	11,967	-	-	-	-	8,853	-	-	-	54,305
Others	23,264	2,009	-	692	2,714	-	-	3,021	-	252	1,752	33,704
Total current professional & other fees	129,584	48,271	36,467	13,263	35,714	-	3,095	67,459	1,024	252	1,752	336,881
Total costs incurred during the year	784,229	399,868	145,418	126,138	150,687	1,061	9,926	518,748	72,354	3,852	9,102	2,221,383
Balance, Opening	186,761	1,639,659	499,535	106,188	54,526	5,071	-	-	-	2,825	157	2,494,722
Recoveries	-	-	(371,416)	-	-	-	-	-	-	-	-	(371,416)
Foreign exchange movements	44,396	15,426	4,379	80	861	84	(160)	(5,728)	(369)	-	-	58,969
Balance, End of the year	$ 1,015,386	$ 2,054,953	$ 277,916	$ 232,406	$ 206,074	$ 6,216	$ 9,766	$ 513,020	$ 71,985	$ 6,677	$ 9,259	$ 4,403,658
Cumulative costs:												
Acquisition	$ 3,835,654	$ 808,270	$ 197,917	$ 29,995	$ 52,203	$ 4,048	$ -	$ 128,959	$ 31,227	$ -	$ -	$ 5,088,273
Exploration	1,352,486	1,180,398	367,170	186,357	111,227	2,213	6,831	322,330	40,103	4,300	7,507	3,580,922
Professional & other fees	642,865	240,017	142,900	19,170	42,240	-	3,095	67,459	1,024	2,377	1,752	1,162,899
Recoveries	(4,319,037)	-	(394,473)	-	-	-	-	-	-	-	-	(4,713,510)
Foreign exchange movements	(496,582)	(173,732)	(35,598)	(3,116)	404	(45)	(160)	(5,728)	(369)	-	-	(714,926)
	$ 1,015,386	$ 2,054,953	$ 277,916	$ 232,406	$ 206,074	$ 6,216	$ 9,766	$ 513,020	$ 71,985	$ 6,677	$ 9,259	$ 4,403,658

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

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, the United States, 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 owns 100% of the Peñoles Property, a gold-silver project, subject to a 2% NSR payable to the underlying concession holder.

During the years ended September 30, 2015 and 2014, the Company entered into an agreement to option a proportionate interest in the project to Morro Bay Resources Ltd. ("Morro Bay") which was successfully exercised by Morro Bay who earned a 51% interest in the Property, subject to certain future work commitments.

Per the terms of the option agreement, as of May 1, 2016, Morro Bay had failed to meet the minimum required annual exploration expenditures of $750,000. As a result, on June 13, 2016, the Company elected to take back 100% ownership of the Project by returning 80% of the Morro Bay shares received over the course of the option agreement, being a total of 20,108,108 Morro Bay shares with a fair value of $201,081, recorded within acquisition costs (received during the year ended September 30, 2017). At no time while owning Morro Bay shares, was the Company considered to have significant influence over Morro Bay.

(b) Tajitos, Sonora, Mexico

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

(c) Clemente, Sonora, Mexico

On December 2, 2016, the Company entered into an option agreement with Silver Viper Minerals Corp. ("Silver Viper") whereby Silver Viper could acquire a 100% interest in the Clemente Property, a silver-gold project, by paying $796,500 in cash, issuing 2,000,000 common shares, and incurring exploration expenditures of $4,000,000 over five years as follows:

Due Date	Cash	Common shares	Cumulative exploration expenditures
August 23, 2016 (signing of LOI)	$ 15,000 (received)	-	-
December 2, 2016	$ 71,500 (received)	1,000,000 (received)	-
December 2, 2017	$ 50,000 (received)(1)	-	$ 350,000 (incurred)
December 2, 2018	$ 75,000	-	$ 850,000
December 2, 2019	$ 100,000	-	$ 1,600,000
December 2, 2020	$ 150,000	250,000	$ 2,600,000
December 2, 2021	$ 335,000	750,000	$ 4,000,000

(1) Option payments were received on December 4, 2017

On February 2, 2017, the Company received $15,822 in cash from Silver Viper for reimbursement of Clemente mining taxes from January to September 2017.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

(d) 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.

(e) Glor, Sonora, Mexico

In April 2016, the Company assumed an option agreement with Argonaut Gold Inc. ("Argonaut") to acquire 100% interest in the Glor Gold Project subject to a 1.0% NSR to Argonaut by paying US$100,000 in cash and US$62,500 in cash or shares at the Company's election, and incurring US$2,500,000 in exploration expenditures over a five-year period as follows:

Due Date	Cash (USD)	Common shares (USD)	Cumulative exploration expenditures (USD)
November 24, 2014	$ 12,500 (paid)	-	-
November 24, 2015	-	-	$ 125,000 (incurred)
November 24, 2016	$ 25,000 (paid)	-	$ 425,000 (incurred)
November 24, 2017	-	-	$ 925,000 (incurred)
November 24, 2018	$ 12,500	$12,500 (cash or shares)	-
November 24, 2019	$ 50,000	$50,000 (cash or shares)	$ 2,500,000

The Company can reduce the NSR to 0.5% at any time by paying $1,250,000 to Argonaut. No acquisition costs are capitalized as they were paid through the exploration alliance before the Company assumed the interest.

On July 25, 2016, the Company entered into an option agreement with Minera Centerra S.A. de C.V. ("Minera Centerra") whereby Minera Centerra can acquire a 70% interest in the Company's Glor Project by funding USD $3,500,000 in aggregate exploration expenditures due by November 24, 2020.

(f) Bacoachi, Sonora, Mexico

On July 22, 2016, the Company staked and acquired a 100% exploration concession interest in the Bacoachi Property. The Property is in northeastern Sonora, Mexico.

(g) Thor Project under Antofagasta Exploration Alliance, Sonora, Mexico

Thor is a porphyry copper project, located in Sonora, Mexico. Antofagasta Investment Company Limited ("Antofagasta") agreed to fund up to US $500,000 for a phase I exploration program on the project. Management fees are earned on exploration programs where the Company acts as the operator. During the year ended September 30, 2017, $54,773 (2016 - $48,652) of management fees were earned in relation to the Thor Project and recorded as a reduction in consulting fees.

On June 1, 2017, Antofagasta elected not to complete the $5,000,000 in exploration expenditures required to earn a 65% interest in the Thor Project. As a result, the Company regained a 100% interest in the Thor Copper Project.

(h) 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:

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

(h) Cecilia, Sonora, Mexico (cont'd)

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	200,000
January 31, 2019	$ 75,000	300,000
January 31, 2020	$ 125,000	400,000

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.

(i) 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.

(j) Antofagasta Exploration Alliance, British Columbia, Canada

Flute and Lennac Projects

The Company assumed the interest in the Flute and Lennac copper-gold Projects when the historical Strategic Exploration Alliance ("SEA") with Antofagasta Minerals S.A. ("AMSA") expired. No acquisition costs were capitalized as they were paid through the exploration alliance before the Company assumed the interest.

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:

	December 31, 2017	September 30, 2017
Payables to vendors	$ 129,825	$ 91,943
Exploration advances	106,653	89,633
	$ 236,478	$ 181,576

(Unaudited - Expressed in Canadian Dollars)

11. 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 three months ended December 31, 2017

On November 3, 2017, the Company issued 230,000 bonus shares at fair value of $64,400 to certain executive officers and consultants of the Company in accordance with the Company's shareholder approved bonus share plan.

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Shares issued for the year ended September 30, 2017

(a) On January 30, 2017, 105,000 options were exercised for gross proceeds of $22,100.

(b) On January 30, 2017, the Company issued 55,000 bonus shares at a fair value of $24,475 to certain executive officers and consultants of the Company in accordance with the Company's shareholder approved bonus share plan.

(c) On March 15, 2017, the Company completed a non-brokered private placement consisting of 6,257,367 units at a price of $0.55 per unit for gross proceeds of $3,441,552. As part of the financing, the Company issued 152,168 additional units as finders' fees with a fair value of $83,692 recorded as the share issuance costs, with 149,168 units issued on April 24, 2017. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.85 per share. The term of the warrants is subject to an accelerated exercise provision.

(d) On May 3, 2017, the Company issued 200,000 shares valued at $92,000 for the Cecilia Project (Note 9(h)).

Share purchase and finders' warrants

	Number of warrants	Weighted average exercise price
Outstanding warrants, September 30, 2017	3,204,767	$ 0.85
Issued	-	-
Outstanding warrants, December 31, 2017	3,204,767	$ 0.85

As at December 31, 2017, the following share purchase warrants were outstanding and exercisable:

Expiry date (mm/dd/yyyy)	Number of warrants outstanding	Weighted average remaining life in years	Exercise price
03/15/2019	3,130,183	1.20	$ 0.85
04/24/2019	74,584	1.31	$ 0.85
	3,204,767	1.46	$ 0.85

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 existing Bonus Plan which was approved during the year ended September 30, 2017, replaces the preceding plan, and the number of bonus shares that may be issued under the Bonus Plan is 400,000 common shares. During the three months ended December 31, 2017, 230,000 (September 30, 2017 - 55,000) bonus shares were issued under this plan.

(Unaudited - Expressed in Canadian Dollars)

11. Capital stock and reserves (cont'd…)

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 three months ended December 31, 2017, using the Black-Scholes option pricing model was $35,620 (September 31, 2017 - $277,283), which was recorded as reserves on the statements of financial position and as share-based payment expense in profit or loss. The associated share-based payment expense for the options granted during the year was calculated based on the following weighted average assumptions:

	2017	2016
Forfeiture rate	4.67 %	14 %
Estimated risk-free rate	1.21 %	0.66 %
Expected volatility	80.37 %	72.77 %
Estimated annual dividend yield	0.00 %	0.00 %
Expected life of options	5.00 years	5.00 years
Fair value per option granted	$ 0.30	$ 0.09

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, 2016	2,191,000	$ 0.32
Forfeited	(160,000)	$ 0.45
Exercised	(105,000)	$ 0.21
Granted	1,070,000	$ 0.42
Outstanding options, September 30, 2017	2,996,000	$ 0.36
Forfeited	(525,000)	$ 0.65
Granted	760,000	$ 0.28
Outstanding options, December 31, 2017	3,231,000	$ 0.22

(Unaudited - Expressed in Canadian Dollars)

11. Capital stock and reserves (cont'd…)

Stock options (cont'd…)

On November 3, 2017, the Company granted 760,000 incentive stock options (the "Options") to certain Directors, Officers and Consultants of the Company. The Options are exercisable at $0.28 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 December 14, 2017, 525,000 stock options, expired unexercised.

As at December 31, 2017, 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
11/14/2019	761,000	1.87	$ 0.27	761,000
01/07/2021	725,000	3.02	$ 0.15	725,000
12/16/2021	985,000	3.96	$ 0.42	885,000
11/03/2022	760,000	4.84	$ 0.28	-
	3,231,000	2.33		2,371,000

12. Related party transactions

The Company entered into the following transactions with related parties:

Payee	Nature of transactions	Period ending December 31	Fees ($)	Shares ($)	Amount payable at December 31 ($)
Arriva Management Inc.	Management and consulting fees (i)	2017 2016	50,370 47,400	Nil Nil	20,370 13,740
GSBC Financial Management Inc.	Management and consulting fees (i)	2017 2016	24,000 42,501	Nil Nil	Nil Nil
Ronald Burk	Consulting fees (i)	2017 2016	29,204 45,000	Nil Nil	Nil Nil
English Bay Capital	Consulting fees (i)	2017 2016	11,500 50,000	Nil Nil	3,413 Nil
Michael Doggett*	Director fees	2017 2016	Nil 3,000	Nil Nil	Nil 3,000
Brian Groves	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil Nil
James Clare	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil 3,000
Carol Ellis	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil Nil
Walter Henry	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil Nil

*Michael Doggett did not stand for re-election at the Company's AGM on March 2, 2017.

(Unaudited - Expressed in Canadian Dollars)

12. Related party transactions (cont'd…)

At December 31, 2017, the amount payable to a company controlled by an officer of the Company was $nil (September 31, 2017 - $541) for expense reimbursements.

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 three months ended December 31, 2017 and 2016 are as follows:

	2017	2016
Directors' fees	$ 12,000	$ 15,000
Management and consulting fees (i)	120,574	184,901
Performance bonus shares	63,000	-
Share-based payments	212,593	5,759
	$ 408,167	$ 205,660

(i) Management and consulting fees of the key management personnel for the period were allocated as follows: $32,500 (2016 - $40,000) expensed to consulting fees, $11,500 ($2016 - $7,000) expensed to investor relations, $76,574 (2016 - $115,101) capitalized to exploration and evaluation assets, $nil (2016 - $12,000) expensed to property investigation and evaluation, and $nil (2016 - $10,800) capitalized to exploration work performed for alliances that will be reimbursed.

13. 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. The Company's operations therefore are segmented on a geographic basis.

	December 31, 2017	September 30, 2017
Equipment		
Canada	$ 12,795	$ 13,737
Mexico	62,580	72,367
	75,375	86,104
Exploration and evaluation assets		
Canada	15,936	15,936
Mexico	4,316,655	4,387,722
	4,332,591	4,403,658
Total	$ 4,407,966	$ 4,489,762

(Unaudited - Expressed in Canadian Dollars)

14. Supplemental disclosure with respect to cash flows

	December 31, 2017	September 30, 2017
Cash	$ 2,455,377	$ 2,851,255
Cash equivalents	1,072,880	1,067,744
	3,528,257	3,918,999

The significant non-cash transactions for the three months ended December 31, 2017 were as follows:

a) The Company issued 230,000 common shares at a value of $64,400 to certain executive officers and consultants in accordance with the Company's bonus share plan. The amount was capitalized to exploration and evaluation assets.

b) Included in accounts payable was $19,400 (September 30, 2017 - $8,650) in exploration and evaluation asset expenditures.

The significant non-cash transactions for the year ended September 30, 2017 were as follows:

a) The Company issued 55,000 common shares at a value of $24,475 to certain executive officers and consultants in accordance with the Company's bonus share plan. The amount was capitalized to exploration and evaluation assets.

b) Included in accounts payable was $8,650 (September 30, 2016 - $1,465) in exploration and evaluation asset expenditures.

c) The Company received 1,000,000 Silver Viper shares valued at $250,000 as exploration and evaluation asset recoveries (Note 9(c)).

d) The Company issued 200,000 shares valued at $92,000 for Cecilia Project (Note 9(h)).

e) The Company issued 55,000 common shares at a value of $24,475 to certain executive officers and consultants in accordance with the Company's bonus share plan. The amount was capitalized to exploration and evaluation assets.

f) Included in accounts payable was $8,650 (September 30, 2016 - $1,465) in exploration and evaluation asset expenditures.

g) The Company issued 152,168 finders' units issued with a fair value of $83,692 as share issuance costs.

15. 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, exploration and development 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 three months ended December 31, 2017. The Company is not currently subject to externally imposed capital requirements.

16. 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 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 December 31, 2017, the Company had a cash and cash equivalents of $3,528,257 to settle current liabilities of $236,478. 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 December 31, 2017, the Company had investments in short-term deposit certificates of $1,162,205.

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.

16. Financial instruments (cont'd…)

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, 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 accumulated other comprehensive loss for the year by $542,473.

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 $76,831.

17. Commitment and Contingency

Commitment

The Company entered into an office lease agreement with a third party for the office in Vancouver, Canada for a 5-year term from March 1, 2013 to February 28, 2018. Total remaining office lease commitments is $74,987 in 2018.

Contingency

During the three months ended December 31, 2017, the Company initiated a lawsuit against the Government of Mexico, regarding an assessment made by the Mexican tax authorities that deemed funds provided by the Company to its wholly-owned subsidiary Riverside Resources Mexico S.A. de C.V. in previous fiscal year to be income. The position of the Mexican tax authority is that there are income taxes and value added taxes payable in that year. The Company believes this position is completely without merit. The Company has not accrued any amount associated with the position of the Mexican tax authority as its subsidiary has approximately 10 years of unused tax losses and it is unclear what the tax payable position would be, if any, in the event the proceedings are concluded against the Company's favor.

RIVERSIDE RESOURCES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2017

INTRODUCTION

The management's discussion and analysis of the 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 three months ended December 31, 2017. In order to better understand the MD&A it should be read in conjunction with the unaudited financial statements and related notes for the three months ended December 31, 2017 and the audited financial statements and related notes for the year ended September 30, 2017. 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 February 28, 2018 and in Canadian dollars unless otherwise stated.

Additional information relating to the Company, including its Information Circular for the financial year ended September 30, 2017, 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 development company listed on the TSX Venture Exchange under the symbol "RRI" and is engaged in the acquisition, exploration and development 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 found mineral resources and gone into production.

The Company combines the experience of mine discoverer John-Mark Staude (President, CEO, Director), and Ron Burk (Vice President Exploration) 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.

CAPITAL STOCK

As at December 31, 2017, the Company had $24,536,428 in capital stock and 44,409,313 common shares outstanding.

Private Placement

On March 15, 2017, the Company completed a non-brokered private placement consisting of 6,257,367 units at a price of $0.55 per unit for gross proceeds of $3,441,552. As part of the financing, the Company issued 152,168 additional units as finders' fees, where 149,168 units were issued on April 24, 2017. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.85 per share. The term of the warrants is subject to an accelerated exercise provision.

Options and Performance Bonus Shares

Stock option and performance bonus share activity for the three months ended December 31, 2017 included the following:

(a) 760,000 options were granted, exercisable at a price of $0.28 per common share for a period of 5 years.

(b) 525,000 options were forfeited.

(c) 230,000 bonus shares were issued at a value of $64,400 to certain executive officers and consultants of the Company.

Stock option and performance bonus share activity for the year ended September 30, 2017 included the following:

(a) 1,070,000 options were granted, exercisable at a price of $0.42 per common share for a period of 5 years.

(b) 105,000 options were exercised for gross proceeds of $22,100.

(c) 160,000 options were forfeited.

(d) 55,000 bonus shares were issued at a value of $24,475 to certain executive officers and consultants of the Company.

Warrants

There were 3,204,767 share purchase warrants outstanding as December 31, 2017 (September 30, 2017 – 3,204,767).

OPERATIONS

The Company's exploration team remains active in Mexico and continues 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 multiple exploration partners funding programs currently focused on gold and silver.

<u>Cecilia Gold Project, Sonora, Mexico</u>

In January 2017, the Company signed letter agreements with Gunpoint Exploration Ltd. ("Gunpoint") and Millrock Resources Inc. ("Millrock") to consolidate the former company's three Cecilia-Margarita concessions with the Violeta concession into a unified Cecilia Project. The Cecilia Project, located in northeastern Sonora, Mexico, is targeting epithermal gold-silver mineralization associated with a felsic flow-dome complex which is similar in age and composition to volcanic structures associated with the large La Pitarrilla and San Julian silver deposits found in the State of Durango, Mexico. The epithermal gold-silver mineralisation at Cecilia is hosted by silicified breccias and quartz-fluorite veinlets hosted by massive, porphyritic and locally flow-banded rhyolite rocks

The main 778.3-hectare Cecilia-Margarita concession covers four gold-silver target zones. Previous exploration programs focused on only a portion of the Project within an area of less than one square kilometre where some thirty underground workings and twenty-three diamond drill-holes have tested predominantly gold-bearing quartz veinlet stockworks and hydrothermal breccias hosted by siliceous volcanic rocks. Previous exploration completed by the predecessor to the Geologic Survey of Mexico and Cambior Explorations consisted of geological mapping, extensive surface and underground rock-chip sampling and two diamond drilling programs, one comprising 19 holes drilled in 1995 and an earlier campaign of four drill-holes. Highlights of exploration results reported by the previous operators include:

- 137 of 683 (20%) surface rock-chip samples assaying greater than 0.5 grams gold/tonne (g/t Au), with 72 of the 683 samples (approx.11%) having assays of greater than 1 g/t Au.
- A semi-continuous series of surface chip-channel rock samples across 119 metres (m) of altered volcanic rock that average 0.86 g/t Au, including 25 m grading 2.19 g/t Au. This sampling tested the North Breccia gold target.
- A drill-hole intersection of the North Breccia zone that averaged 1.41 g/t Au across 30.0 metres starting at 4.0 m in Cambior drill-hole 138-95-08 is one of the better intercepts of mineralization. A second intersection of the North Breccia zone averaged 0.39 g/t Au across 20.0 m starting at 48.0 m in hole 138-95-19.

The Company completed the first phase of self-funded exploration at the project in July of 2017. The sampling done to date has been concentrated at the North Breccia and Central zones, two high-priority gold targets which are ready to progress with further drilling.

A key component of the Company's exploration program at the Cecilia project was to confirm the existence of multiple zones of gold-bearing hydrothermal breccia and quartz stockwork veining that had been sampled decades ago by other groups, including Chesapeake Gold Corp., Cambior Explorations and the Consejo de Recursos Minerales, the predecessor to Mexico's geological survey, *Servicio Geologico Mexicano*. Riverside accomplished this by collecting and analyzing a total of 406 rock samples from the Project's four main gold zones, the North Breccia, Central, West and East Zones. Bedrock exposures in areas surrounding the four prospects were also sampled with the objective of expanding the known zones of gold mineralization. In addition to its own rock sampling, Riverside's geologists compiled and reviewed geological and geochemical data sets that had been generated over a 35-year history of modern exploration at Cecilia.

Results of Riverside's sampling program show clusters of samples with gold concentrations greater than 0.3 g/t Au which clearly confirm the presence of the above-mentioned gold zones. Importantly, gold mineralization at Cecilia is seen to be widespread, occurring over an area that is roughly 1,200 metres by 400 metres, and it is also found over an elevation range of more than 400 metres.

Highlights of the exploration results reported from the first-phase exploration program by the Company include:

- Thirty-three (33) of the 91 samples collected at Cecilia (approximately 36% of the total) yielded gold assays greater than 0.5 g/t gold (Au), with five samples assaying greater than 3 g/t Au.
- 8.0 and 9.7-metre-wide zones of gold mineralization at the North Breccia Zone that averaged 3.90 g/t Au and 1.18 g/t Au, respectively (as reported in the Company's news release dated July 25, 2017)
- A 3.0 m wide zone of altered fault breccia located 400 m southwest of the North Breccia averaged 5.45 g/t Au
- High-grade mineralization was found in quartz vein boulders found at the entrances to underground workings in the Central Zone; two samples yielded assays of 133.7 g/t Au with 87.8 g/t Ag and 58 g/t Au with 288 g/t Ag
- Nineteen (19) of the 91 samples have silver contents greater than 100 g/t Ag; six of these samples yielded assays that were greater than 200 g/t Ag, with the maximum silver assay being 310 g/t Ag.
- The silver-to-gold ratio of the epithermal mineralization increases as mineralized structures are sampled at progressively lower elevations, which is characteristic of some of the major epithermal Au-Ag mineral systems of Mexico.

The Company's 2017 exploration program was successful in confirming the presence of multiple zones of gold mineralization at the Cecilia project, and its sampling results has enabled it to define specific drilling targets. Moreover, the selection of Riverside's drill targets was guided by gold assay data for surface and underground rock samples that were viewed in the context of a geological and exploration model developed for the Cerro Magallanes volcanic flow-dome complex. This model is based on other flow-dome complexes in Mexico where economically important ore systems are found (eg. La Pitarrilla, San Julian). Riverside's planned drill-holes have been designed to test the North Breccia, Central and East gold zones using borehole orientations that in most cases will be at least 90° to the azimuth directions of the historic drill-holes, i.e. the planned holes will be directed to the south or southwest instead of to the northwest. Many of the boreholes drilled in 1995 are interpreted to have been oriented subparallel to the main mineralized structures, consequently missing their targets. Some of Riverside's proposed drill-holes are

designed to test deeper levels of the volcanic complex to explore for feeder structures that may control large epithermal quartz veins containing high-grade gold-silver mineralization such as was found in Central Zone boulders of epithermal quartz.
A work permit application for a 20-borehole drilling program was submitted to Mexico's environmental agency, SEMARNAT. The permit application was approved by the agency in early October of 2017. Existing drill roads, with minor upgrading, will facilitate future drilling.

Glor Gold Project

The Company's Glor Project is located in western Sonora, Mexico, and was initially acquired through an exploration-focused strategic alliance that the Company's had with Hochschild Mining in 2014 and 2015. The Project is situated approximately 8 km west of Alamos Gold's El Chanate Mine and is considered to cover a geological setting similar to that hosting the El Chanate orogenic gold deposit.

On July 25, 2016, the Company announced that it had entered into an option agreement with Minera Centerra S.A. de C.V. ("Minera Centerra"). Minera Centerra will have the opportunity to earn a 70-per-cent interest in the Project by funding $3.5-million (U.S.) in exploration work over a four-year period.

In June of 2017 the Company completed an initial nine-hole, 1,942 metres, diamond drilling program at the 4 km² Pitaya Target situated in the northeastern sector of the 36 km² Glor property. Prior to the drilling campaign, the Pitaya target area was systematically explored with geological mapping and rock sampling, induced polarization geophysical surveying and a program of mechanical trenching and channel sampling. Eighteen trenches with a combined length of 3,757 meters were excavated, from which 1,019 chip-channel rock samples were collected and analyzed. All of these work programs were entirely funded by Minera Centerra. The Pitaya target area had been originally identified by Au- and As-in-soil anomalies outlined by a partner-funded soil geochemistry survey that was completed in 2016, covering the eastern half of the Glor property.

The longest hole of the Pitaya drill program was 285 metres. Drill-hole GL17-002D yielded the best intersection of gold mineralization of the campaign: 11.0 metres averaging 0.591 grams gold per tonne (g/t Au) starting at 122 metres down the inclined drill-hole and hosted by andesite volcanic rock showing iron carbonate and white mica (sericite) alteration. The highest gold value included in this assay interval is 1.415 g/t Au over 1.0 metre of core. The other eight drill-holes intersected sporadic thin zones of gold mineralization that generally graded less than 0.4 g/t Au across 1.0 metre, with the best of these intercepts being a 2.0 metre interval in GL17-004D that averaged 0.466 g/t Au.

Beginning in June of 2017, partner-funded exploration at the Glor project was focused in the Puerto El Alamo target area situated in the central part of the Glor mineral concession. Programs of geological mapping, bedrock outcrop sampling and a detailed soil geochemistry survey were completed with the objective of defining specific drilling targets. The area of the 850-sample soil survey was also covered with a ground magnetometer survey of 45 line-kilometres and an induced polarization survey comprising 14.1 line-kilometres.

In July 2017, the mining agency of Mexico, the *Subdirección de Minas*, made available for claiming mineral lands located a few kilometres west of the El Chanate gold mine and east of the Company's Glor concession. The Company submitted a number of title applications to claim the available ground and ended up being awarded two non-contiguous concessions that cover a combined area of approximately 440 hectares. The plan is to incorporate the newly acquired concessions into the Glor project which continues to be funded by Minera Centerra. Early in February of this year, geological mapping and a stream sediment geochemical survey were initiated on these claims.

On February 15, 2018, subsequent to the period end, the Company announced the competition of a partner-funded diamond drilling campaign. The exploration and drilling work was funded by partner, Minera Centerra as part of their option to earn a 70% interest and was focused on the Puerto El Alamo Target located in the central part of the Project, which had been defined by a recent detailed soil geochemistry survey and geological mapping.

The program consisted of seven boreholes totaling 1,212 metres in length (see the Company's news release, dated February 15, 2018). All of the drill-holes passed through the targeted Mesozoic stratigraphy and low-angle shear structures with multiple narrow intervals (1.0–4.7 metres) of low-grade gold (0.25–0.345 g/t Au) mineralization. On surface in the target area, gold-bearing shear zones were found within an andesitic volcanic flow unit as well as close to its upper and lower contacts with clastic sedimentary rocks. Zones of iron carbonate +/- sericite alteration and minor quartz veining several meters wide were intersected in each of the drill-holes. Similar lithologies, structures and hydrothermal alteration the target of the earlier diamond drilling program completed at the Pitaya Target in the north-eastern sector of the Project (see the press release dated June 19, 2017).

Peñoles Project, Durango, Mexico

The Peñoles Project, 100% owned by the Company, comprises a large land package of approximately 6,862 hectares located in north-central Durango State within the globally important Central Mexico Silver Belt. Peñoles is an advanced project having been tested for economic gold and silver mineralization with 86 drill-holes (approx. 11,500 metres total). These drill-holes have delineated N.I.43-101 compliant Inferred Resources for the Capitan gold deposit and the nearby Jesus Maria silver deposit. The reader is referred to the Company's website and SEDAR filings for detailed information on the resource estimates and on the various exploration programs that have been completed on the Project.

During the second quarter of 2017, Company geologists re-examined the exploration potential at the core of the project area. A majority of the drill-holes that tested the Jesus Maria silver deposit were re-logged and a detailed analysis was made of existing drill core geochemical data which resulted in an improved understanding of the types of silver mineralization found at Jesus Maria. More importantly, the re-examination of the Jesus Maria database has given the Company a better idea of where the best potential lies to increase the Project's silver resource.

The Peñoles project has been presented to a number of mining companies as an opportunity for a joint venture or outright purchase. No agreements were completed with these parties in 2017, and consequently the project is currently available as an exploration and development opportunity for gold and/or silver.

Tajitos Gold Project, Sonora, Mexico

Located in north-western Sonora State, Mexico, the Tajitos Gold Project consists of two concession blocks, the core Tajitos claim group and the easterly lying El Tejo group of concessions. The Project is strategically well situated in the *Caborca Orogenic Gold Province* which includes the major gold mines at La Herradura and San Francisco among other producers. The core claim at Tajitos covers a number of northwesterly striking gold-bearing quartz veins that were exploited by small underground mines, now abandoned. About two kilometers to the northeast, Mexican gold producer Fresnillo plc is advancing its Tajitos gold project where a 300,000-ounce gold deposit has been reported to exist.

In October of 2015, the Company signed an option to purchase agreement with Centerra Gold Inc. ("Centerra") for the Tajitos Project (refer to the Company's news release dated October 02, 2015). Early in 2016 Centerra funded a diamond drilling program which tested the prospective trend of gold-bearing Mesozoic volcano-sedimentary rocks that trend across the Tajitos claim group and presumably extend southeastwards onto the El Tejo concession beneath alluvial cover. On May 17, 2016, the Company announced results from eight (8) diamond core holes that have a combined length of 1,832 metres. Highlighted intercepts from this drilling program are noted below.

- T16-001D: 3.00 metres @ 1.14 g/t gold starting at 297.00 metres depth (hole ended in mineralization);
- T16-002D: 11.10 metres @ 0.78 g/t gold starting at 185.90 metres depth;
- T16-005D: 3.00 metres @ 6.12 g/t gold starting at 48.00 metres depth;
- T16-008D: 1.50 metres @ 6.03 g/t gold starting at 42.00 metres depth;

Gold mineralization intersected in the Tajitos drill-holes generally occurs in fault zones and along lithologic contacts. However, the wide spacing of the drill-holes prevents the reliable definition of the strike and dip orientations of the mineralized zones. Further drilling is required to better determine the extent and tenor of gold mineralization on the Tajitos property.

In addition to the eight boreholes drilled by Centerra on the Tajitos claim group, a program of reverse circulation drilling on the El Tejo block was also completed in 2016. Twelve RC holes, totaling 1,728 meters, were drilled to probe bedrock lying beneath an extensive and thick deposit of alluvial gravels. While a few of the RC holes managed to penetrate through the gravel cover and into bedrock composed of prospective Jurassic-age volcano-sedimentary rocks, a number of the holes had to be abandoned because of excessively thick cover (>150m). These results, in particular, prompted Centerra to terminate its option on the Tajitos-El Tejo property package following the completion of the 2016 drilling campaign.

The Tajitos Project is owned 100% by Riverside and is currently available for joint venture or an outright sale.

Clemente Silver-Gold Project

The Company's Clemente Project is an early-stage exploration property located in western Sonora, Mexico. On August 23, 2016, the Company signed a Letter of Intent ("LOI") with Silver Viper Minerals Corp. ("Silver Viper") whereby Silver Viper would have the option to acquire a 100% interest in the Clemente property. On December 2, 2016, the Company entered into a Definitive Agreement with Silver Viper whereby Silver Viper will need to pay in cash a total of $796,500 ($86,500 received to date), issue a total of 2,000,000 common shares to the Company (1,000,000 common shares received), and incur $4,000,000 in aggregate exploration expenditures within five years of signing the Definitive Agreement.

On September 27, 2017 Silver Viper completed the process of its initial public offering ("IPO") for listing on the TSX Venture Exchange and a few days later its shares were trading on this stock exchange. In early October of 2017 a planned 2,000-metre diamond drilling campaign was started to test the El Mundo and Nuevo Mundo silver targets which had been identified and partially outlined by outcrop rock sampling done by Riverside geologists under an exploration alliance the Company had in 2014-2015 with South American miner, Hochschild Mining. The two targeted silver prospects consist of northerly trending massive and brecciated quartz veins controlled by shear faults.

By the middle of November about half of the planned drilling program was completed. Nine HQ-size diamond boreholes were drilled for a total length of 1,062 meters, with two of the drill-holes intersecting old mine workings and consequently being abandoned. The best mineralized intersection was made by hole CL-17-006; a 0.7 metre long interval that averaged 827 g/t silver, 0.23 g/t gold and a combined 2.09 per cent lead-zinc**.**

As of the end of February 2018, subsequent to the period end, drilling at Clemente had not yet resumed. Besides the El Mundo and Nuevo Mundo vein prospects, another drill-ready target exists at the Santa Elena artisanal mine workings located in the south-eastern sector of the Clemente property and approximately 7 kilometres northwest of a former producing gold mine, Cerro Colorado.

<u>La Silla Gold-Silver Project</u>

On November 17, 2015, the Company announced that it had won the right to claim four concessions in the Ollitas gold and silver mining district in southern Sinaloa, Mexico. Two adjoining concessions totaling 1,031.5 hectares were claimed to cover an easterly trending vein structure, the Ciruela target, where historical rock-chip sampling yielded assays of 24.4 g/t and 16.6 g/t gold. Another two concessions totaling 1,039.3 hectares, but not contiguous with the other concessions, were claimed to cover the El Roble gold prospect. El Roble had been previously investigated with shallow trenching and the drilling of six boreholes totaling 451 meters. The best result obtained by this short drilling program came from borehole ER-001 which intersected 15.2 meters grading 6.59 g/t Au, starting at surface. A follow-up hole at this site, ER-004, intersected 9.1 meters averaging 2.06 g/t Au.

In April of 2016, prospecting work done by Riverside at the Ciruela and El Roble prospects produced four rock-chip samples from Ciruela and 20 samples from El Roble. The best assay results obtained for these samples included 9.43 g/t Au and 196 g/t Ag for a sample collected from an old working at Ciruela along with two samples collected at El Roble that returned gold values of 1.73 and 2.21 g/t Au.

In June of 2017 the Company completed reconnaissance soil geochemistry surveys on the two group of concessions in an attempt to trace out the strike continuations of the Ciruela and El Roble mineralized structures. Since then, the Company has been presenting the Project to parties potentially interested in acquiring the concessions from Riverside through an option-to-purchase agreement.

<u>Thor Copper Project, Sonora, Mexico</u>

In June of 2017, Riverside regained 100% interest in the Thor Copper Project, as the Company's joint-venture partner, a subsidiary of Antofagasta plc ("Antofagasta"), elected not to complete the C$5 million in exploration expenditure required for it to earn a 65% interest in the Project. The Thor project is located in south-central Sonora, Mexico and covers a geological setting that is prospective for a 'blind' porphyry copper deposit of the same geologic age as the other major copper deposits being mined in Sonora, including at Cananea and La Caridad. Riverside and Antofagasta completed an initial proof-of-concept drilling program that tested for a Laramide-age porphyry system. The four drill holes, the only ones ever drilled at Thor, confirmed the presence of porphyry-style alteration and quartz-sulphide veining, with three of the drill-holes intersecting a well-developed quartz-sericite-pyrite stockwork system. While the Antofagasta drill-holes did not return significant copper assays, they did provide valuable sub-surface geological information that has enabled the Company to define additional high-potential drill targets which can quickly be tested since the required work permit remains in effect. Recently, the Company has been presenting the Thor project along with other copper targets it is acquiring in Sonora to a number of copper miners who are interested in investing in exploration projects in 'mining-friendly' Mexico.

The scientific and technical data contained in the property descriptions pertaining to the Company's Mexico portfolio were reviewed by Ron Burk, P. Eng., 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 Projects.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated information of the Company at September 30, 2017 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		2017		2016		2015
Finance, property and other income	$	90,770	$	20,529	$	60,934
Net income (loss)		(684,191)		762,558		(2,861,752)
Net earnings (loss) per share, basic and fully diluted		(0.02)		0.02		(0.08)
Cash and short-term investments		5,024,291		5,061,198		4,259,230
Total assets		10,069,859		7,952,816		7,416,756

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-month period ended December 31

For the three months ended December 31, 2017, the Company had a net loss of $149,098, resulting in a loss per share of $0.00. The gain was related to finance income of $6,214, other income of $7,590, an unrealized gain on short-term investments of $56,913, and recovery on exploration and evaluation assets of $124,802, which were offset by operating expenses of $210,317 and a foreign exchange loss of $393,314.

For the three months ended December 31, 2016, the Company had a net loss of $173,034, resulting in a loss per share of $0.00. The gain was related to finance income of $1.041, other income of $37,829, an unrealized loss on short-term investments of $14,714, and recovery on exploration and evaluation assets of $nil, which were offset by operating expenses of $215,037 and a foreign exchange gain of $4,884.

*Marketable securities included in short-term investments consist of shares received as property option payments from the Company's farm-out partners. The unrealized gain or loss on short-term investments changed significantly when compared to the prior years due to the volatile market conditions.

Exploration

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the three months ended December 31, 2017, the Company recorded $299,923 in acquisition and exploration of its properties as follows:

- Mexico
  - Peñoles $ 136,870
  - Tajitos $ 35,911
  - Clemente $ 548
  - La Silla $ 47,880
  - Glor $ 56,048
  - Bacoachi $ 22,666

The Company recovered $114,430 of the acquisition and exploration expenditures through an option agreement with Silver Viper on the Clemente property and through an option agreement with Golden Minerals on Peñoles property during the three months ended December 31, 2017, which reduced the cumulative exploration costs.

During the three months ended December 31, 2016, the Company recorded $343,774 in acquisition and exploration of its properties as follows:

- Mexico
  - Peñoles $ 84,293
  - Tajitos $ 108,265
  - Clemente $ 68,462
  - La Silla $ 2,699
  - Glor $ 78,994
  - Bacoachi $ 1,061

The Company recovered $321,500 of the acquisition and exploration expenditures through an option agreement with Silver Viper on the Clemente property during the three months ended December 31, 2016, which reduced the cumulative exploration costs.

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

Recoveries and Other Income

During the three months ended December 31, 2017, the Company received $114,430 in cash with respect to the option agreement on the Clemente and Peñoles property. Finance income and other income for the three months ended December 31, 2017 were $6,214 and $7,590 respectively.

During the period ended December 31, 2016, the Company received $71,500 in cash and 1,000,000 Silver Viper shares valued at $250,000 with respect to the option agreement on the Clemente property. Finance income and other income for the period ended December 31, 2016 were $1,041 and $37,829 respectively.

Other income consists of revenue from exploration equipment and vehicle rentals to the alliance and work programs.

Expenses

During the three months ended December 31, 2017, the Company incurred $5,824 in depreciation, $60,283 in consulting fees, $12,000 in directors' fees, $50,942 in investor relations fees, $26,197 in professional fees, $29,578 in property investigation and evaluation expenses, $35,620 in share-based compensation, $24,154 in general and administrative expenses. In addition, the Company incurred $41,625 in rent. The Company earned $6,214 in finance income, $7,590 in other income, and $56,913 in an unrealized gain on short-term investments, and $124,802 in recovery on exploration and evaluation assets.

During the three months ended December 31, 2016, the Company being the operator of the exploration programs earned $45,115 and $38,861 of management fees respectively in relation to the Thor Project and Centerra-Glor Project. These fees were recorded as a reduction in consulting fees per the Company's accounting policy, resulting $5,967 recovery in consulting fees for the three months ended December 31, 2016. Compared to the previous year, property investigation and evaluation was higher as the Company sought for property acquisition opportunities in South America.

Compared to the previous year, a decrease in net loss was primarily due to a decrease in recovery on exploration and evaluation assets and a decrease in unrealized gain on short-term investments. There were no significant variations in other operating expenses over the comparative years.

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 increased compared to the same period in the prior year as the Company spent additional funds on promotional and marketing activities, financial advisory and investor relations services.

Share-based compensation expenses increased as a result of the new share option grants. During the three months ended December 31, 2017, the Company recorded share-based compensation expense of $35,620 (2016 - $6,248) for the vested portion of the options granted and during the period. Share-based compensation expense recorded in the comparative period of the previous fiscal year was lower as there were less 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.

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 (expense)	Property and other income (expense)	Unrealized gain/(loss) on short-term investments	Net income (loss)	Earnings (Loss) per share (basic & fully diluted)

31-Dec-17	6,214	7,590	56,913	(149,098)	(0.00)
30-Sep-17	3,925	13,023	37,039	193,667	0.00
30-Jun-17	343	19,029	59,655	(336,878)	(0.01)
31-Mar-17	2,373	13,027	52,827	(367,946)	(0.00)
31-Dec-16	1,041	37,829	(14,714)	(173,034)	(0.00)
30-Sep-16	1,162	175	875,906	998,726	0.03
30-Jun-16	3,133	150	147,830	(112,517)	(0.00)
31-Mar-16	5,622	-	290	261,766	0.01

Other than the ongoing costs of the business, the net loss for the quarter ended September 30, 2016 was mainly due to an unrealized gain on short-term investments.

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 three months ended December 31, 2017 was $390,742. Working capital as at December 31, 2017 was $5,007,495. 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 three months ended December 31, 2016 was $2,395. Working capital as at December 31, 2016 was $4,102,423.

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	Nature of transactions	Period ending December 31	Fees ($)	Shares ($)	Amount payable at December 31 ($)
Arriva Management Inc.	Management and consulting fees (i)	2017 2016	50,370 47,400	Nil Nil	20,370 13,740
GSBC Financial Management Inc.	Management and consulting fees (i)	2017 2016	24,000 42,501	Nil Nil	Nil Nil
Ronald Burk	Consulting fees (i)	2017 2016	29,204 45,000	Nil Nil	Nil Nil
English Bay Capital	Consulting fees (i)	2017 2016	11,500 50,000	Nil Nil	3,413 Nil
Michael Doggett*	Director fees	2017 2016	Nil 3,000	Nil Nil	Nil 3,000
Brian Groves	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil Nil
James Clare	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil 3,000
Carol Ellis	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil Nil
Walter Henry	Director fees	2017 2016	3,000 3,000	Nil Nil	Nil Nil

*Michael Doggett did not stand for re-election at the Company's AGM on March 2, 2017.

At December 31, 2017, the amount payable to a company controlled by an officer of the Company was $nil (September 31, 2017 - $541) for expense reimbursements.

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 three months ended December 31, 2017 and 2016 are as follows:

		2017		2016
Directors' fees	$	12,000	$	15,000
Management and consulting fees (i)		120,574		184,901
Performance bonus shares		63,000		-
Share-based payments		212,593		5,759
	$	408,167	$	205,660

(i) Management and consulting fees of the key management personnel for the period were allocated as follows: $32,500 (2016 - $40,000) expensed to consulting fees, $11,500 ($2016 - $7,000) expensed to investor relations, $76,574 (2016 - $115,101) capitalized to exploration and evaluation assets, $nil (2016 - $12,000) expensed to property investigation and evaluation, and $nil (2016 - $10,800) capitalized to exploration work performed for alliances that will be reimbursed.

CONTRACTUAL AND OTHER OBLIGATIONS

The Company entered into an office lease agreement with a third party for the office in Vancouver, Canada for a 5-year term from March 1, 2013 to February 28, 2018. Total remaining office lease commitments is $74,987 in 2018.

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, 2017. 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.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

- IFRS 15: New standard that replaces existing revenue requirements IAS 11, IAS 18, IFRIC 13, IFRIC 18 and SIC 31 for measurement, recognition, and disclosure of revenues; effective for annual periods beginning on or after January 1, 2018.

- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

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 44,409,313 common shares were issued and outstanding as of the date of this MD&A.

The Company has 3,204,767 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
11/14/2019	761,000	1.87	$ 0.27	761,000
01/07/2021	725,000	3.02	$ 0.15	725,000
12/16/2021	985,000	3.96	$ 0.42	885,000
11/03/2022	760,000	4.84	$ 0.28	-
	3,231,000	2.33		2,371,000