RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

December 31, 2015

(Unaudited)

Index

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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, 2015 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, 2015	September 30, 2015
Assets			
Current assets:			
Cash		$ 2,792,519	$ 1,781,941
Short-term investments	3	1,350,786	2,477,289
Taxes receivable	4	268,732	195,253
Prepaid expenses	5	353,007	62,208
		4,765,044	4,516,691
Deposits and other assets	6	56,136	67,616
Equipment	7	102,999	108,717
Exploration bonds	8(g)	52,492	65,492
Exploration and evaluation assets	8	2,463,566	2,658,240
		$ 7,440,237	$ 7,416,756
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	9	$ 724,351	$ 445,927
Shareholders' equity:			
Capital stock	10	20,964,978	20,916,978
Reserves	10	2,720,449	2,712,413
Deficit		(16,918,245)	(16,532,828)
Accumulated other comprehensive income (loss)		(51,296)	(125,734)
		6,715,886	6,970,829
		$ 7,440,237	$ 7,416,756

Nature and continuance of operations and basis of presentation (Note 1)
Subsequent events (Note 16)

On behalf of the Board on February 25, 2016:

"James Clare" Director
James Clare

"Brian Groves" Director
Brian Groves

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 Three Months Ended December 31,

(Unaudited - Expressed in Canadian Dollars)

	Note	2015	2014
Expenses			
Consulting fees		$ 85,626	$ 38,908
Depreciation	7	7,003	11,336
Director fees		12,000	12,000
Filing fees		385	2,945
Foreign exchange gain		(42,366)	(3,074)
Investor relations		40,549	26,595
Office expenses		23,977	20,114
Payroll and benefits		105	757
Professional fees		10,212	13,226
Property investigation and evaluation		17,265	7,894
Rent		47,826	52,890
Share-based payments	10	8,036	21,201
Travel and meals		8,171	5,863
Finance income		(10,287)	(18,253)
Other income		-	(1,445)
Unrealized loss on short-term investments		432,617	418,278
Results from operations		(641,119)	(609,235)
Recovery on exploration & evaluation assets	8, 8(b)	655,702	
Write-down of short-term investments	3	(400,000)	(200,000)
		255,702	(200,000)
Net loss for the period		(385,417)	(809,235)
Foreign exchange movements		74,438	(348,964)
Comprehensive loss for the period		(310,979)	(1,158,199)
Loss per share – basic and diluted		$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted		37,159,604	37,043,082

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 Three Months Ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Note	2015	2014
OPERATING ACTIVITIES			
Net loss for the period		$ (385,417)	$ (809,235)
Items not involving cash			
Depreciation	7	7,003	11,336
Performance bonus shares	10	48,000	-
Share-based payments	10	8,036	21,201
Unrealized loss on short-term investments		432,617	418,278
Write-down of short-term investments		400,000	200,00
Change in non-cash working capital items:			
Prepaid expenses		(290,799)	35,103
Taxes receivable		(73,479)	7,345
Accounts payable and accrued liabilities		262,752	(225,330)
		408,713	(341,302)
INVESTING ACTIVITIES			
Exploration bonds		13,000	-
Deposits and other assets		11,480	9,535
Exploration and evaluation assets		(263,360)	(61,298)
Short-term investments		693,886	(6,558)
		455,006	(58,321)
Effect of foreign exchange on cash		146,859	(108,399)
Increase (decrease) in cash		863,719	(508,022)
Cash, beginning of the period		1,781,941	3,360,889
Cash, end of the period		$ 2,792,519	$ 2,852,867

Supplemental disclosures with respect to cash flows (Note 13)

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	Commitment to issue shares	Reserves	Deficit	Accumulated other comprehensive income	Total shareholders' equity
Balance at September 30, 2014		37,011,778	$ 20,902,978	$ 14,000	$ 2,588,089	$ (13,671,076)	$ 205,172	$ 10,039,163
Issued for:								
Performance bonus shares	10	40,000	14,000	(14,000)	-	-	-	-
Share-based payments	10	-	-	-	21,201	-	-	21,201
Loss for the period		-	-	-	-	(809,235)	-	(809,235)
Foreign exchange movements		-	-	-	-	-	(348,964)	(348,964)
Balance at December 31, 2014		37,051,778	20,916,978	-	2,609,290	(14,480,311)	(143,792)	8,902,165
Balance at September 30, 2015		37,051,778	20,916,978	-	2,712,413	(16,532,828)	(125,734)	6,970,829
Issued for:								
Performance bonus shares	10	320,000	48,000	-	-	-	-	48,000
Share-based payments	10	-	-	-	8,036	-	-	8,036
Loss for the period		-	-	-	-	(385,417)	-	(385,417)
Foreign exchange movements		-	-	-	-	-	74,438	74,438
Balance at December 31, 2015		37,371,778	$ 20,964,978	$ -	$ 2,720,449	$ (16,918,245)	$ (51,296)	$ 6,715,886

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

1. Nature and continuance of operations and basis of presentation

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

The Company's head office address is 1110 – 1111 West Georgia Street, Vancouver, British Columbia, Canada V6E 4M3. 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, the successful acquisition of an interest in 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 current 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, 2015. 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, 2016.

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.

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies

Principles of consolidation

These condensed interim 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
RRI Exploration Inc.	United States	100%	Mineral exploration
RRI Holdings Limited	Canada	100%	Holding company
Riverside Resources (BC) Inc.	Canada	100%	Mineral exploration
RRM Exploracion, S.A.P.I. de C.V.	Mexico	100%	Mineral exploration

Accounting standards adopted during the period

Effective October 1, 2015, the following standard was adopted but did not have a material impact on the consolidated financial statements.

- IFRS 10 Investment Entities – Amendment: effective for periods beginning on or after January 1, 2014.
- IFRIC 21 Levies: effective for periods beginning on or after January 1, 2014.

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 7 Financial Instruments - Disclosures: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.
- IFRS 9 Financial Instruments: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 15 Revenue from Contracts with Customers: effective for periods beginning on or after January 1, 2018.

(Unaudited - Expressed in Canadian Dollars)

3. Short-term investments

Short-term investments, which consist primarily of investments in Guaranteed Investment Certificates, are investments with maturities of three months or more when purchased. Short-term investments also include the marketable securities received as a result of property option agreements. As of December 31, 2015, the fair values of the short-term investments are as follows:

	December 31, 2015	September 30, 2015
Guaranteed investment certificates	$ 1,203,246	$ 1,897,132
Fair-value-through profit and loss securities[1]	147,540	580,157
	$ 1,350,786	$ 2,477,289

[1] Marketable securities comprise common shares in publicly traded and private companies as follows:

	December 31, 2015			September 30, 2015		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	$ 11,020	$ 580	29,000	$ 11,020	$ 580
Guerrero Exploration Inc.	1,926,000	343,049	-	1,926,000	343,049	-
Mexigold Corp.	550,877	160,667	2,754	550,877	160,667	2,754
Sierra Madre Developments Inc.[2]	12,503,218	1,103,791	-	12,503,218	1,103,791	-
Morro Bay Resources Ltd.[2]	28,841,109	1,870,597	144,206	28,841,109	1,870,597	576,823
		$ 3,489,124	$ 147,540		$ 3,489,124	$ 580,157

[1] As at September 30, 2015, the Company held 2,000,000 shares in Croesus Gold Corp., a private company, valued at $nil as the shares were written off during the year. During the three months ended December 31, 2015, the Company received an additional 4,000,000 in Croesus Gold Corp. at a deemed price of $0.10 per share which was written down to $nil during the period as there is no current market value for these private company shares.

[2] The Company holds approximately 23.2% of the issued and outstanding shares of Sierra Madre Developments Inc. ("Sierra Madre") and approximately 32.4% of the issued and outstanding shares of Morro Bay Resources Ltd. ("Morro Bay"). 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 and Morro Bay 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 statement of operations.

4. Taxes receivable

Taxes receivable consists of tax refunds from the Federal Governments of Canada and Mexico. The breakdown is as follows:

	December 31, 2015	September 30, 2015
GST refunds in Canada	$ 41,422	$ 29,218
IVA refunds in Mexico	227,310	166,035
	$ 268,732	$ 195,253

(Unaudited - Expressed in Canadian Dollars)

5. Prepaid expenses

The breakdown of prepaid expenses is as follows:

	December 31, 2015	September 30, 2015
Claim maintenance	$ 321,355	$ -
Conferences and courses	2,200	19,931
Expense advances	14,873	19,684
Insurance	13,332	20,889
Rent	1,247	1,704
	$ 353,007	$ 62,208

6. Deposits and other assets

Deposits and other assets consist of long-term rent deposit and claim maintenance fees that are incurred on an annual basis in regards to the Company’s Sugarloaf Peak Property in the United States. The breakdown is as follows:

	December 31, 2015	September 30, 2015
Claim maintenance	$ 30,611	$ 42,091
Deposits	25,525	25,525
	$ 56,136	$ 67,616

(Unaudited - Expressed in Canadian Dollars)

7. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	Total
Cost					
Balance at September 30, 2015	$ 84,402	$ 143,496	$ 38,037	$ 107,865	$ 373,800
Additions	-	-	-	-	-
Foreign exchange movement	240	1,994	402	1,675	4,311
Balance at December 31, 2015	$ 84,642	$ 145,490	$ 38,439	$ 109,540	$ 378,111
Accumulated depreciation					
Balance at September 30, 2015	$ (78,677)	$ (84,725)	$ (22,539)	$ (79,142)	$ (265,083)
Depreciation	(646)	(2,911)	(847)	(2,599)	(7,003)
Foreign exchange movement	(217)	(1,315)	(239)	(1,255)	(3,026)
Balance at December 31, 2015	$ (79,540)	$ (88,951)	$ (23,625)	$ (82,996)	$ (275,112)
Net book value					
Balance at September 30, 2015	$ 5,725	$ 58,771	$ 15,498	$ 28,723	$ 108,717
Balance at December 31, 2015	$ 5,102	$ 56,539	$ 14,814	$ 26,544	$ 102,999

(Unaudited - Expressed in Canadian Dollars)

8. Exploration and evaluation assets

For the period ended December 31, 2015

	Penoles Mexico	Sugarloaf Peak USA	Tajitos Mexico	Clemente Mexico	La Silla Mexico	Flute Canada	Lennac Canada	Total
Acquisition costs	$ 20,897	$ 11,479	$ -	$ -	$ -	$ -	$ -	$ 32,376
Exploration costs:								
Assaying	-	-	-	-	-	-	-	-
Data acquisition	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Field & camp costs	143	-	3,308	-		-	-	3,451
Geological consulting	30,058	-	46,052	-	4,948	-	-	81,058
Road construction	-	-	-	-	-	-	-	-
Surveys & geophysics	-	-	-	-	-	-	-	-
Trenching & sampling	-	-	-	-	-	-	-	-
Transport & support	24	-	752	52	24	-	-	852
Total current exploration costs	30,225	-	50,112	52	4,972	-	-	85,361
Professional & other fees:								
Professional consulting	140	-	-	-	-	-	-	140
Legal fees	-	-	7,565	-	-	-	-	7,565
Others	-	-	-	-	-	-	-	-
Total current professional & other fees	140	-	7,565	-	-	-	-	7,705
Total costs incurred during the period	51,262	11,479	57,677	52	4,972	-	-	125,442
Balance, Opening	200,550	382,344	1,562,615	509,749	-	2,825	157	2,658,240
Asset write-off	-	-	-	-	-	-	-	-
Recoveries	-	(393,823)	-	-	-	-	-	(393,823)
Foreign exchange movements	51,663	-	18,522	3,522	-	-	-	73,707
Balance, End of the period	$ 303,475	$ -	$ 1,638,814	$ 513,323	$ 4,972	$ 2,825	$ 157	$ 2,463,566
Cumulative costs:								
Acquisition	$ 3,183,849	$ 544,159	$ 751,235	$ 90,635	$ -	$ -	$ -	$ 4,681,960
Exploration	958,745	1,053,196	706,711	329,009	4,972	700	157	3,388,602
Professional & other fees	477,761	187,886	173,433	104,243	-	2,125	-	1,000,636
Asset write-off	-	-	-	-	-	-	-	(479,062)
Recoveries	(4,319,037)	(1,785,241)	-	(8,057)	-	-	-	(6,136,991)
Foreign exchange movements	2,157	-	7,435	(2,507)	-	-	-	8,421
	$ 303,475	$ -	$ 1,638,814	$ 513,323	$ 4,972	$ 2,825	$ 157	$ 2,463,566

(Unaudited - Expressed in Canadian Dollars)

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

For the year ended September 30, 2015

	Penoles Mexico	Sugarloaf Peak USA	Tajitos Mexico	Clemente Mexico	Coatan Mexico	Sierra Salada Mexico	Flute Canada	Lennac Canada	Total
Acquisition costs	$ 82,565	$ 38,788	$ 44,921	$ 7,139	$ -	$ 9,144	$ -	$ -	$ 182,557
Exploration costs:									
Assaying	-	-	6,931	-	-	-	-	-	6,931
Data acquisition	-	-	1,676	-	-	-	-	-	1,676
Field & camp costs	4,065	70	10,661	645	-	3,202	-	-	18,643
Geological consulting	25,529	-	59,850	9,279	-	6,135	-	-	100,793
Transport & support	8,441	1,124	19,624	2,155	-	1,320	-	-	32,664
Total current exploration costs	38,035	1,194	98,742	12,079	-	10,657	-	-	160,707
Professional & other fees:									
Professional consulting	31,259	10,334	8,667	-	-	-	-	-	50,260
Legal fees	16,300	18,126	22,519	6,668	-	-	-	-	63,613
Others	1,796	13,460	8,394	-	-	-	-	-	23,650
Total current professional & other fees	49,355	41,920	39,580	6,668	-	-	-	-	137,523
Total costs incurred during the period	169,955	81,902	183,243	25,886	-	19,801	-	-	480,787
Balance, Opening	1,009,186	550,442	1,438,625	495,559	153,884	324,318	2,825	157	3,974,996
Asset write-off	-	-	-	-	(147,087)	(331,975)	-	-	(479,062)
Recoveries	(805,120)	(250,000)	-	-	-	-	-	-	(1,055,120)
Foreign exchange movements	(173,471)		(59,253)	(11,696)	(6,797)	(12,144)	-	-	(263,361)
Balance, End of the period	$ 200,550	$ 382,344	$ 1,562,615	$ 509,749	$ -	$ -	$ 2,825	$ 157	$ 2,658,240
Cumulative costs:									
Acquisition	$ 3,162,952	$ 532,680	$ 751,235	$ 90,635	$ 55,394	$ 56,688	$ -	$ -	$ 4,649,584
Exploration	928,520	1,053,196	656,599	328,957	88,844	246,268	700	157	3,303,241
Professional & other fees	477,621	187,886	165,868	104,243	24,608	30,580	2,125	-	992,931
Asset write-off	-	-	-	-	(147,087)	(331,975)	-	-	(479,062)
Recoveries	(4,319,037)	(1,391,418)	-	(8,057)	(24,656)	-	-	-	(5,743,168)
Foreign exchange movements	(49,506)	-	(11,087)	(6,029)	2,897	(1,561)	-	-	(65,286)
	$ 200,550	$ 382,344	$ 1,562,615	$ 509,749	$ -	$ -	$ 2,825	$ 157	$ 2,658,240

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

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. Activities that occurred during the three month period ended December 31, 2015 and subsequent thereto are as follows:

(a) Peñoles, Durango, Mexico

The Company owns 100% of the Peñoles Property subject to a 2% NSR, which can be reduced to 1.5% by making a one-time payment of US$500,000 to the underlying concession holder on or before January 31, 2016 which has expired as of the date of this report.

Morro Bay Resources Ltd. ("Morro Bay") completed a transaction whereby it acquired from Sierra Madre Developments Inc. ("Sierra Madre") an option to earn an initial 51% and up to 65% interest in the Company's Peñoles Project.

At the close of the transaction, during the year ended September 30, 2014, between Morro Bay and Sierra Madre, the Company received cash payments of $8,542 from Sierra Madre and $82,957 from Morro Bay, as well as 3,705,974 Morro Bay common shares with a fair value of $0.10 and 1,852,987 Morro Bay warrants with a fair value of $nil, each exercisable into one common share at a price of $0.25 until their expiry on the first anniversary of the date of their issuance. Furthermore, Morro Bay reimbursed the Company $55,175 for taxes on mining concessions resulting in total recoveries of $517,271.

On January 15, 2015, the Company amended the option agreement with Morro Bay, whereby Morro Bay is required to complete the following in order to earn a 51% interest in the Peñoles Project:

i. Incur $750,000 in exploration expenditures by March 31, 2014 (incurred);
ii. Issue $750,000 in Morro Bay shares (or cash at Morro Bay's election) by July 15, 2014 (received shares);
iii. Incur an additional $500,000 in exploration expenditures by October 31, 2014 (incurred); and
iv. Pay to the Company $750,000 in cash by March 31, 2015 or issue $750,000 in Morro Bay shares at Morro Bay's election if the market value of the common shares on that date is $0.05 or greater (received shares).

As part of the amendment, the US$1,250,000 and $100,000 cash payments previously required to be paid by December 31, 2014 will now be applied as a credit for Riverside towards initial joint venture expenditures upon exercise of the initial option. Morro Bay has an additional option to acquire an additional 14% interest in the property by paying $30,000 by the first anniversary of the initial option exercise date, incurring an extra $5,000,000 in exploration expenditures and paying an additional $750,000 in cash and/or Morro Bay shares at Morro Bay's election subject to certain conditions by the second anniversary of the initial option exercise date.

On May 1, 2015, Morro Bay elected to exercise the option for 51% of the Penoles Project. Morro Bay's final payment of $750,000 was received by way of 15,000,000 Morro Bay shares.

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

(b) Sugarloaf Peak, Arizona, USA

The Company owns 100% of the Sugarloaf Peak Property subject to a 1.5% NSR. On December 17, 2014, the Company entered into an option agreement with Croesus Gold Corp. ("Croesus Gold", formerly known as Winnemucca Gold Corp.) whereby Croesus Gold can acquire 100% interest in the Sugarloaf Peak Property by completing the following:

i. Incurring $5,000,000 of cumulative exploration expenditures on the property as follows:

- $500,000 on or before December 17, 2015 (amended);
- $2,000,000 (cumulative) on or before December 17, 2016; and
- $5,000,000 (cumulative) on or before December 17, 2017.

ii. Payment of cash and issuance Croesus Gold shares over a four-year period which was amended on December 18, 2015 as follows:

- $400,000 and 4,000,000 common shares on December 18, 2015 (received cash and shares);
- An additional $50,000 on or before June 18, 2016;
- An additional $50,000 on or before December 18, 2016;
- An additional 500,000 common shares if Croesus has not completed all required cash payments on or prior to December 18, 2016;
- An additional $100,000 on or before June 18, 2017; and
- An additional $100,000 on or before December 18, 2017.

Before the December 18, 2015 amendment, the Company received the following cash and shares to date:

- $25,000 and 1,000,000 common shares on or before October 12, 2014 (received cash and shares);
- An additional 25,000 and 1,000,000 common shares on or before December 17, 2014 (received cash and shares);

During the three months ended December 31, 2015, the $400,000 cash and 4,000,000 common shares valued at $400,000 received were recorded as a recovery of $393,823 to bring the carrying value of the property down to $nil. The remainder of the $406,177 recovery was recorded to the statement of operations and comprehensive loss.

(c) Coatan, Chiapas, Mexico

On May 22, 2015, Millrock Resources Inc. notified the Company that it cancelled its option on the property. The Company surrendered the property concessions on June 12, 2015.

(d) Sierra Salada, Mexico

On June 30, 2015, the Company dropped the property and write off the carrying value of $331,975.

(e) La Silla, Mexico

In October 2015, the Company acquired two large mining concessions in the La Silla district through a lottery process.

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

(f) Tajitos and Clemente, Mexico

The Company has a 100% interest in these properties.

On October 14, 2015, the Company entered into an option agreement with Centerra Exploration B.V. ("Centerra") whereby Centerra can acquire a 70% interest in the Company's Tajitos Project. In order to exercise the option, Centerra must incur USD $6,000,000 in aggregate exploration expenditures within approximately four years of signing the agreement. The Company will act as the Project Manager and collect management fees until the earlier of December 31, 2017 or $2,000,000 in exploration expenditures have been completed.

(g) Antofagasta Exploration Alliance, British Columbia, Canada

Flute and Lennac Projects

On July 6, 2011, the Company entered into a three-year Strategic Exploration Alliance with Antofagasta Minerals S.A. ("AMSA") for generative exploration throughout the primary copper belts of British Columbia, Canada. The generative exploration alliance reached the end of its term on June 30, 2014. AMSA informed the Company it would not be pursuing two of the designated properties subject to the exploration alliance and as a result the Company assumes the interest in the Flute and Lennac Project. No acquisition costs are capitalized as they were paid through the exploration alliance before the Company assumed the interest.

Swift Katie Project

In February 2014, Swift Katie Project was acquired and identified. AMSA funded the project to advance it, and a reclamation bond of $13,000 was required by the British Columbia Ministry of Energy, Mines and Petroleum Resources, which along with the previous reclamation bonds of $52,492 has been included as exploration bonds on the statement of financial position as at September 30, 2015. On December 17, 2014, AMSA informed the Company it would not be retaining any interest in the Swift Katie designated property and as a result the Company terminated the option with its underlying concession holder immediately with no further obligation with respect to the Swift Katie designated property.

During the three months ended December 31, 2015, the $13,000 reclamation bond was released from the British Columbia Ministry of Energy, Mines and Petroleum Resources. Subsequent to the quarter end, the remaining $52,492 was also released upon completion of the required reclamation on the property.

(h) Hochschild Exploration Alliance, Sonora, Mexico

On April 9, 2013, the Company entered into a three-year strategic exploration alliance with Hochschild Mining Holding Limited ("Hochschild") for generative exploration throughout the Mega-shear Gold Belt in western Sonora, Mexico. Hochschild will fund US$750,000 on an annual basis for a total of US$2,250,000 over three years. Once a project has been identified, Hochschild will be entitled to earn a 65% interest through an Earn-In Agreement by completing a four year, US$5,000,000 work program.

(Unaudited - Expressed in Canadian Dollars)

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

(i) Antofagasta Exploration Alliance, Sonora, Mexico

On July 18, 2013, the Company entered into a three-year strategic exploration alliance with Antofagasta Investment Company Limited ("AICL") for generative exploration in the major copper belt of northwestern Mexico in the eastern part of the state of Sonora. AICL will contribute US$600,000 on an annual basis for three years, for a total of US$1,800,000, of generative grass-roots exploration within a defined exploration area covering eastern Sonora and parts of western Chihuahua and northern Sinaloa. Once a project has been identified, AICL can choose to earn a 65% interest in the project, after initially being entitled to own a 51% interest in the project, by completing a four year, US$5,000,000 work program.

Management fees are earned on exploration alliance arrangements where the Company is the operator of the underlying exploration program. Management fees received pursuant to exploration alliance arrangements are recorded as a reduction in consulting fees.

In addition to the $406,177 recovery from Croesus (note 8((b)), the Company recovered an additional $249,525 from exploration alliances which was recognized in the statement of operations and comprehensive loss.

9. Accounts payable and accrued liabilities

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

	December 31, 2015	September 30, 2015
Payables to vendors	$ 163,905	$ 116,096
Exploration advances	560,446	329,831
	$ 724,351	$ 445,927

10. 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

On November 30, 2015, the Company issued 320,000 bonus shares at a value of $48,000 to certain Directors and Officers of the company in accordance with the Company's shareholder approved bonus share plan.

On October 22, 2014, the Company issued 40,000 bonus shares at a value of $14,000 to an executive officer as a performance bonus declared in fiscal year 2014.

Share purchase and agents warrants

As at December 31, 2015, the Company had no warrants outstanding (September 30, 2015 – nil).

(Unaudited - Expressed in Canadian Dollars)

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

Stock options

Share-based payments relating to options vested during the period ended December 31, 2015 using the Black-Scholes option pricing model was $8,036 (2014 - $21,201), which was recorded as reserves on the statements of financial position and as share-based payment expense on the statement of operations. The associated share-based payment expense for the options granted during the period was calculated based on the following weighted average assumptions:

	2015
Forfeiture rate	2.30 %
Estimated risk-free rate	1.53 %
Expected volatility	53.74 %
Estimated annual dividend yield	0.00 %
Expected life of options	5.00 years
Fair value per option granted	$ 0.13

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, 2014	2,352,500	$ 0.55
Cancelled/Terminated	(297,500)	$ 0.55
Granted	1,087,000	$ 0.27
Outstanding options, September 30, 2015 and December 31, 2015	3,142,000	$ 0.45

As at December 31, 2015, 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**
01/06/2016[(1)]	860,000	0.02	$ 0.50	860,000
09/08/2016	605,000	0.69	$ 0.50	605,000
12/14/2017	625,000	1.96	$ 0.65	625,000
11/14/2019	1,052,000	3.87	$ 0.27	960,333
	3,142,000	1.82		3,050,333

(1) Options expired subsequent to December 31, 2015 (Note 16)

(Unaudited - Expressed in Canadian Dollars)

11. 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 ($)
Arriva Management Inc.	Management and consulting fees (i)	2015 2014	42,800 92,800	11,250 nil	12/31/2015: 5,765 09/30/2015: nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2015 2014	42,501 42,501	11,250 14,000	12/31/2015: nil 09/30/2015: nil
Dorado Minerals	Consulting fees (i)	2015 2014	28,271 37,500	5,625 nil	12/31/2015: nil 09/30/2015: nil
Michael Doggett	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: 6,000 09/30/2015: 3,000
William Lee	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: 3,000 09/30/2015: 1,521
Brian Groves	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: nil 09/30/2015: nil
James Clare	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: 6,000 09/30/2015: 3,000

At December 31, 2015, the amount payable to Corex Management Inc. was $12,092 (September 30, 2015 - $9,616) 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, 2015 and 2014 is as follows:

	2015	2014
Directors fees	$ 12,000	$ 12,000
Management and consulting fees (i)	113,572	172,801
Performance bonus shares	28,125	-
Share-based payments (ii)	6,775	15,548
	$ 160,472	$ 200,349

(i) Management and consulting fees of key management personnel for the period were allocated as follows: $41,167 (2014 - $33,000) expensed to consulting fees, $11,834 (2014 - $33,501) capitalized to exploration and evaluation assets, and $60,571 (2014 - $106,300) capitalized to exploration work performed for alliances that will be reimbursed.

(ii) Share-based payments are the expenses associated with vested options granted to key management personnel.

(Unaudited - Expressed in Canadian Dollars)

12. Segmented information

The Company operates in one business segment, the exploration of exploration and evaluation assets. 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, 2015	September 30, 2015
Equipment		
Canada	$ 18,322	$ 19,634
Mexico	84,677	89,083
	102,999	108,717
Exploration and evaluation assets		
Canada	2,982	2,982
Mexico	2,460,584	2,272,914
USA	-	382,344
	2,463,566	2,658,240
Total	$ 2,566,565	$ 2,766,957

13. Supplemental disclosure with respect to cash flows

For the three months ended December 31,	2015	2014
Cash paid during the period for income taxes	$ -	$ -
Cash paid during the period for interest	$ -	$ -

The significant non-cash transactions for the three months ended December 31, 2015 were as follows:

a) The Company issued 320,000 common shares at a value of $48,000 to certain directors and officers in accordance with the Company's bonus share plan. Of which, $11,344 were expensed to consulting fees, and $36,656 were capitalized to exploration and evaluation assets.

b) The Company received 4,000,000 Croesus Gold shares valued at $400,000 as exploration and evaluation asset recoveries (Note 8(b)).

c) Included in accounts payable was $50,022 (September 30, 2015 - $34,349) in exploration and evaluation asset expenditures.

The significant non-cash transactions for the three months ended December 31, 2014 were as follows:

a) Transfer from commitment to issue shares to share capital as a result of the Company issuing 40,000 common shares at a value of $14,000 to an executive officer as a performance bonus for 2014. Of which, $3,500 were expensed to consulting fees in the statement of operations, $3,500 were capitalized to exploration and evaluation assets, and $7,000 were capitalized to exploration work performed for alliance that was reimbursed during the year ended September 30, 2014.

b) The Company received 2,000,000 Croesus Gold shares valued at $200,000 as exploration and evaluation asset recoveries (Note 8(b)).

c) Included in accounts payable was $34,224 (September 30, 2014 - $47,253) in exploration and evaluation asset expenditures.

14. 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.

15. 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 loans, taxes receivable, other receivables and 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 short-term investments under the fair value hierarchy are based on level one 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. Taxes receivable consists of tax refunds from the Federal Governments of Canada and Mexico. The Company believes its credit risk is equal to the amounts 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, 2015, the Company had a cash balance of $2,792,519 (September 30, 2015 - $1,781,941) and short-term investments of $1,350,786 (September 30, 2015 - $2,477,289) to settle current liabilities of $724,351 (September 30, 2015 - $445,926). The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has cash balances and interest-bearing investments. The interest earned on the investments 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, 2015, the Company had investments in short-term deposit certificates of $1,203,246 (September 30, 2015 - $1,897,132).

15. Financial instruments (cont'd…)

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 earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, taxes receivable, and accounts payable and accrued liabilities that are denominated in US dollars 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 period by approximately $304,000.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. A simultaneous 10% fluctuation in the share price would affect short-term investments and loss for the period by approximately $14,700.

16. Subsequent Events

Subsequent to December 31, 2015, 860,000 stock options expired unexercised.

On January 7, 2017, the Company granted 955,000 incentive stock options (the "Options") to certain Directors, Officers and Consultants of the Company. The Options are exercisable at $0.145 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.

RIVERSIDE RESOURCES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2015

INTRODUCTION

The management's discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Riverside Resources Inc. (the "Company" or "Riverside") for the three months ended December 31, 2015. 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, 2015 and the audited financial statements and related notes for the year ended September 30, 2015. 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 25, 2016 and in Canadian dollars unless otherwise stated.

Additional information relating to the Company, including its Information Circular for the financial year ended September 30, 2015, 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 discoverers John-Mark Staude (President, CEO, Director), Greg Myers (Vice President of Exploration) with the financing and business management expertise of Rob Scott (CFO), Brian Groves (Director), James Clare (Director), and Michael Doggett (Director). The management of the Company has experience developing significant shareholder value and has assembled a team that can build a valuable and successful organization.

SHARE CAPITAL

As at December 31, 2015, the Company had $20,964,978 in share capital and 37,371,778 common shares outstanding.

Options and Performance Bonus Shares

Stock option and performance bonus share activity for the period included the following:

(a) 320,000 bonus shares were issued at a value of $48,000 to certain Directors and Officers of the company in accordance with the Company's shareholder approved bonus share plan.

Warrants

There was no share purchase warrant activity for the period.

OPERATIONS

Mexico

The Company's exploration team remains active in Mexico and continues to cost effectively build a strong portfolio of gold, silver and copper exploration assets. The Company continues to focus on NW Mexico where it has multiple exploration partners funding programs focused on gold and copper. During the year ended September 30, 2015, the Company acquired the Glor Gold Project, the Thor Copper Project and completed first phase exploration programs at each project. Exploration work was also completed at the Company's Tajitos Project, which was optioned to Centerra Gold Inc. on October 14, 2015.

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

The Tajitos Gold Project consists of three blocks of concessions: Tajitos, El Tejo and Cortez. The Tajitos Project hosts an extensive and well mineralized gold system in northwestern Mexico. The project was identified using a combination of the Company's Mexico mineral databases, local geologic knowledge, historic production data, and extensive personal networks. Previous drilling by the Fresnillo plc intersected gold quartz veins and found mineralization extending beyond the veins into the wall rock zones on ground currently optioned by the Company.

The Company completed a ground magnetic survey which shows favourable indications that the prospective trend of gold-rich Mesozoic volcanosedimentary mineralization extends to the southeast under shallow post-mineralization cover. The Company has since completed further follow up on the more than 10 known small workings on the Tejo and Cortez concessions generating new and expanding existing target areas for future drill testing. On October 20, 2015, subsequent to the year-end, the Company signed an option agreement with Centerra Gold Inc. ("Centerra) whereby Centerra can earn a 70% interest in the Tajitos Project. In order to exercise the option, Centerra must incur $6-million (U.S.) in aggregate exploration expenditures within approximately four years of signing the agreement.

The Company continues to take steps toward identifying a large orogenic gold body with similar geologic structures, surface mineralization, and age of host rocks to nearby open-pit mines like the ones at Chanate, Herradura, and Noche Buena mines.

On October 14, 2015, the Company entered into an option agreement with Centerra Exploration B.V. ("Centerra") whereby Centerra can acquire a 70% interest in the Company's Tajitos Project. In order to exercise the option, Centerra must incur USD $6,000,000 in aggregate exploration expenditures within approximately four years of signing the agreement. The Company will act as the Project Manager and collect management fees until the earlier of December 31, 2017 or $2,000,000 in exploration expenditures have been completed.

Please visit the Company's website and SEDAR filings for further information on the option agreement signed with Centerra and for further project details.

Peñoles Project, Durango, Mexico

On January 15, 2015, and March 31, 2015, the Company extended the option agreement exercise date with Morro Bay Resources Ltd. ("Morro Bay") from December 31, 2014 to March 31, 2015 and subsequently to May 1, 2015. The final payment of $750,000 (payable in cash or shares at Morro Bay's election provided Morro Bay shares are valued at $0.05 or greater) was also extended to May 1, 2015. On May 5, 2015, the Company announced that Morro Bay exercised the option by making the final payment of 15,000,000 common shares of Morro Bay. As a result, Riverside has ownership and control over 28,841,109 common shares of Morro Bay.

The US$1,250,000 and CAD$100,000 cash payments previously required to be paid by December 31, 2014 will now be applied as a credit for Riverside towards initial joint venture expenditures under the joint venture. Morro Bay will be required to incur a minimum of $750,000 in joint venture expenditures for each of the first three years of the Joint Venture. In the event that Morro Bay fails to meet the minimum required joint venture expenditures, Riverside will have the right to take back 100% ownership of the Project, subject to returning 80% of the common shares issued by Morro Bay to Riverside under the option agreement, and granting Morro Bay a 0.75% NSR, which can be purchased by Riverside for $750,000 at any time.

On March 2, 2015, the Company and its partner, Morro Bay, reported an initial maiden resource estimate for the Jesus Maria Silver and El Capitan Gold zones. The Jesus Maria and El Capitan deposits form relatively continuous zones of mineralization that are potentially amenable to open pit extraction methods. Jesus Maria is a silver and base metals deposit with minor amounts of contained gold. Conversely, El Capitan is primarily a gold-bearing deposit with minor silver credits. The deposits are separated by approximately 300m and the mineralized zones are interpreted to merge together to the west, where additional drilling is planned to potentially connect the zones and expand resources.

The mineral resource estimate for the Jesus Maria Silver Zone is based on results from 30 diamond drill-core holes and 3,114 metres of drilling completed as at December 30, 2014, and consists of (30 g/t silver cut-off):

- An inferred resource of 7.6 million tonnes containing 15,158,000 ounces of silver at an average grade of 62.3 g/t and 26,000 ounces of gold at an average grade of 0.105 g/t gold.

The mineral resource estimate for the El Capitan Gold Zone is based on results from 50 diamond drill-core holes and 7,004 metres of drilling completed as at December 30, 2014, and consists of (0.25 g/t gold cut-off):

- An inferred resource of 20.7 million tonnes containing 305,000 ounces gold at an average grade of 0.458 g/t gold and 1,832,000 ounces of silver at an average grade of 2.8 g/t silver. (See table below).

Please visit the Company's website and SEDAR filings for further information on the resource estimate and all of the previously completed exploration and drill programs at the Peñoles Property.

Hochschild Exploration Alliance, Sonora, Mexico

On April 9, 2013 the Company signed a three-year strategic exploration alliance (the "Hochschild Alliance") with Hochschild Mining Holdings Limited ("Hochschild"), for generative exploration throughout the Mega-shear Gold Belt in western Sonora, Mexico. The Hochschild Alliance commenced at a time when gold and silver prices were materially higher. The Alliance has continued to operate and generate new exploration opportunities and ideas, but the additional project funding required to pursue and progress new targets beyond the generative budgets has decreased during the year. Management attributes this reduction in partner exploration spending primarily to challenging market conditions. As of year-end, the Alliance has US $562,500 in remaining partner funding for further project generation and the Company will continue leveraging its technical knowledge and experience in Sonora to search for distressed asset acquisition opportunities within the Alliance boundary.

On March 26, 2015, the Company announced that it had signed an option agreement with Argonaut Gold Inc. to acquire a 100-per-cent interest in the Glor gold project located approximately eight kilometres west of AuRico's El Chanate mine in Sonora, Mexico. The project acquisition and initial mapping and sampling work were completed as part of Alliance funded activities.

In November 2015, the Company notified the underlying owner of the Cajon project that the Company was terminating the option agreement.

Further information on the Hochschild Alliance please visit the Company's website.

Antofagasta Exploration Alliance, Sonora, Mexico

On July 18, 2013 the Company signed a three-year, US$1,800,000 strategic exploration alliance (the "Antofagasta Mexico Alliance") with Antofagasta Investment Company Limited ("AICL") for generative exploration throughout the southern extension of the Laramide Copper Belt in eastern Sonora, and western Chihuahua, Mexico. The Antofagasta Mexico Alliance is focused on identifying potential new large porphyry-copper deposits using the Company's locally based technical knowledge and experience in Sonora.

On February 18, 2015, the Company announced the staking and acquisition of the Thor claims located in Sonora, Mexico. Thor is a Laramide aged porphyry copper target that the Company identified during field evaluations, with initial rock chip sampling returning copper values up to 0.9%. On April 13, 2015, the Antofagasta Mexico Alliance designated the Thor porphyry copper project, as a designated project and agreed to finance up to $500,000 (U.S.) for a phase I exploration program on the project. The Company is waiting to receive mineral title for the previously staked claims and expects a drill campaign to commence shortly after title and permits are received.

The Company is actively reviewing potential projects for acquisition and hopes to add additional projects into the Antofagasta Mexico Alliance in 2016.

Clemente Silver-Gold Project

The Company's Clemente project is a strategic early stage exploration property located in Sonora, Mexico. The Company did not complete material work on the Project during the year. A brief summary of the project is available on the Company's website.

Other Mexico Properties

On November 17, 2015, the Company announced that it had won the right to stake concessions in the La Silla gold district in Sinaloa, Mexico. The Company plans to explore consolidation potential with other land owners in the district. In an effort to minimize carrying costs, the Company has dropped older exploration ground that was earlier stage and becoming too costly to hold with such a suppressed market for grassroots exploration. The Company has reduced and rightsized its portfolio in an effort to make room for opportunities to further upgrade the portfolio while market conditions challenge other companies with limited capital.

The scientific and technical data contained in the property descriptions pertaining to the Company's Mexico portfolio were reviewed by Riverside's VP Exploration, Greg Myers, PhD, P.Geo, a non-independent qualified person to Riverside Resources, 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.

USA

Sugarloaf Peak Project, Arizona, USA

The Sugarloaf Peak Project ("Sugarloaf") has the potential to host a large, low-grade, bulk-tonnage gold deposit with additional porphyry copper-gold targets discovered during previous partner funded exploration. The Company owns 100% of the Sugarloaf Peak Project subject to a 1.5% NSR. One percent (1%) of the underlying NSR can be repurchased for $1,000,000.

On December 17, 2014, Riverside signed an option agreement with a private company, Croesus Gold Corp., ("Croesus") whereby Croesus could acquire a 100% interest in Sugarloaf by completing staged exploration expenditures and cash and share payments (see press release dated December 22, 2014 for more details). On December 18, 2015, the Company agreed to amend the terms of the option agreement with Croesus. Under the revised terms, Croesus paid an additional $400,000 (CAD) on signing and must make $300,000 (CAD) in additional cash payments by December 18, 2017. Croesus issued the Company an additional 4,000,000 common shares in the capital of Croesus bringing the Company's ownership to 6,000,000 common shares. Once all of the cash and share payments are completed, Croesus will earn an undivided 100 percent interest in the Sugarloaf Peak gold project, with the Company retaining a 2 percent net-smelter-return royalty.

For additional information on the agreement and the Sugarloaf Peak Project please visit the Company's website and SEDAR filings.

The scientific and technical data contained in the property descriptions pertaining to the Company's Sugarloaf Peak Project were reviewed by Riverside's VP Exploration, Greg Myers, PhD, P.Geo, a non-independent qualified person to Riverside Resources, 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.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-month period ended December 31, 2015

The Company incurred a net loss of $385,417, resulting in a loss per share of $0.01. The loss was attributable to operating expenses of $261,155 before considering the effect of the foreign exchange gain of $42,366, an unrealized loss on short-term investments of $432,617, recovery on exploration & evaluation assets of $655,702, and a write-down of short-term investments of $400,000, which were supplemented by finance income of $10,287.

Three-month period ended December 31, 2014

The Company incurred a net loss of $809,235, resulting in a loss per share of $0.02. The loss was attributable to operating expenses of $213,729 before considering the effect of the foreign exchange gain of $3,074, an unrealized loss on short-term investments of $418,278, and a write-down of short-term investments of $200,000, which were offset by finance income of $18,253 and other income of $1,445.

Exploration

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the period ended December 31, 2015, the Company recorded $125,442 in acquisition and exploration of its properties as follows:

- US
  - Sugarloaf Peak $ 11,479
- Mexico
  - Penoles $ 51,262

- Tajitos $ 57,677
- Clemente $ 52
- La Silla $ 4,972

The Company recovered $800,000 of the acquisition and exploration expenditures through option agreements with partners on various properties during the period ended December 31, 2015 which reduced the cumulative exploration costs.

During the period ended December 31, 2014, the Company recorded $98,269 in acquisition and exploration of its properties as follows:

- US
  - Sugarloaf Peak $ 34,500
- Mexico
  - Penoles $ 15,445
  - Tajitos $ 37,075
  - Clemente $ 5,084
  - Sierra Salada $ 6,165

The Company recovered $250,000 of the acquisition and exploration expenditures through an option agreement with a partner on Sugarloaf Peak property during the period ended December 31, 2014, which reduced the cumulative exploration costs.

Full particulars of the deferred exploration costs are shown in Note 8 to the Financial Statements.

Recoveries and Other Income

During the period ended December 31, 2015, the Company received $400,000 cash and 4,000,000 Croesus Gold Corp. shares valued at $400,000 with respect to the option agreement on the Sugarloaf Peak Property. Of the total $800,000 recovered, $393,823 was offset against the carrying value of the property bringing the balance down to $nil as at December 31, 2015. The remaining $406,177 was recorded as a recovery on the exploration and evaluation asset on the statement of operations and comprehensive loss. In addition, the Company recovered $249,525 from exploration alliances which was recognized in the statement of operations and comprehensive loss

During the three month period ended December 31, 2014, the Company received 2,000,000 Croesus Gold Corp. ("Croesus Gold") shares valued at $200,000 and $50,000 cash with respect to an option agreement on the Sugarloaf Peak Property, which were recorded as a reduction to the capitalized cost of exploration and evaluation assets.

Finance income and other income for the period ended December 31, 2015 were $10,287 and $nil. Finance income and other income for the period ended December 31, 2014 were $18,253 and $1,445. Other income consists of revenue from exploration equipment rentals to the alliance programs and from administration fees while acting as the operator on various exploration programs.

Expenses

Compared to the previous year, investor relations expenses were higher due to advisory fees incurred to attract investors. Property investigation and evaluation was higher due to additional investigation of potential projects. Consulting fees were higher as a result of less recovery from various alliance operator fees.

General and administrative expenses consist of filing fees, directors fees, general office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations. General and administrative expenses also include other office expenses for our subsidiaries in Mexico and the United States.

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. Please refer to the MD&A for the year ended September 30, 2015 for more detailed discussion of such risk factors.

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)	Loss per share (basic & fully diluted)
31-Dec-15	10,287	-	(432,617)	(385,417)	(0.01)
30-Sep-15	(3,896)	10,356	(867,698)	(1,396,525)	(0.04)
30-Jun-15	25,010	(20,424)	(4,205)	(671,486)	(0.02)
31-Mar-15	16,079	14,111	283,637	15,494	0.00
31-Dec-14	18,253	1,445	(418,278)	(809,235)	(0.02)
30-Sep-14	21,246	97,452	(316,311)	(1,082,711)	(0.03)
30-Jun-14	19,459	43,095	92,069	(271,536)	(0.01)
31-Mar-14	18,062	39,264	(190,775)	(600,549)	(0.02)

The net loss for the quarter ended December 31, 2015 was primarily due the unrealized loss and write-down on short-term investments, offset by the recovery on exploration and evaluation assets. The net loss for the quarter ended September 30, 2015 was mainly due to the write-down of loan receivable and mark to market unrealised losses on marketable securities in short-term investments. The net income for the quarter ended March 31, 2015 compared to the succeeding and the immediately preceding quarter was due to the 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. Increase in cash for the period ended December 31, 2015 was $1,010,578 and short-term investments decreased by $1,126,503. Working capital as at December 31, 2015 was $4,040,693. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

Decrease in cash for the period ended December 31, 2014 was $508,022 and short-term investments decreased by $411,720. Working capital as at December 31, 2014 was $4,942,722.

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 upon between the Company and the related parties.

The Company entered into the following transactions with related parties:

Payee	Nature of transactions	Period ending December 31	Fees ($)	Shares ($)	Amount payable ($)
Arriva Management Inc.	Management and consulting fees (i)	2015 2014	42,800 92,800	11,250 nil	12/31/2015: 5,765 09/30/2015: nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2015 2014	42,501 42,501	11,250 14,000	12/31/2015: nil 09/30/2015: nil
Dorado Minerals	Consulting fees (i)	2015 2014	28,271 37,500	5,625 nil	12/31/2015: nil 09/30/2015: nil
Michael Doggett	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: 6,000 09/30/2015: 3,000
William Lee	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: 3,000 09/30/2015: 1,521
Brian Groves	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: nil 09/30/2015: nil
James Clare	Director fees	2015 2014	3,000 3,000	nil nil	12/31/2015: 6,000 09/30/2015: 3,000

At December 31, 2015, the amount payable to Corex Management Inc. was $12,092 (September 30, 2015 - $9,616) for expense reimbursements.

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 office lease commitments are as follows: $172,001 in 2016; $177,625 in 2017; and $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, 2015.

Accounting standards adopted during the period

Effective October 1, 2015, the following standard was adopted but did not have a material impact on the consolidated financial statements.

- IFRS 10 Investment Entities – Amendment: effective for periods beginning on or after January 1, 2014.
- IFRIC 21 Levies: effective for periods beginning on or after January 1, 2014.

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 7 Financial instruments - disclosures: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.
- IFRS 9 Financial instruments: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 15 Revenue from contracts with customers: effective for periods beginning on or after January 1, 2018.

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 37,371,778 common shares were issued and outstanding as of the date of this MD&A.

The Company has no 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:

Number of Options	Option Exercise Price	Expiry Date
605,000	$0.500	08-Sep-2016
625,000	$0.650	14-Dec-2017
1,052,000	$0.270	14-Nov-2019
955,000	$0.145	07-Jan-2021
3,237,000		