

# **RIVERSIDE RESOURCES INC.**

(An Exploration Stage Enterprise)

## **Condensed Interim Consolidated Financial Statements**

(Expressed in Canadian Dollars)

**March 31, 2015**

(Unaudited)

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**Notice of non-review of condensed interim consolidated financial statements**

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The attached condensed interim consolidated financial statements for the six month period ended March 31, 2015 have not been reviewed by the Company's auditors.

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# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

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

	Note	March 31, 2015	September 30, 2014
<b>Assets</b>			
Current assets:			
Cash		\$ 2,704,006	\$ 3,360,889
Short-term investments	3	2,793,973	2,916,722
Taxes receivable	4	104,121	69,607
Other receivable		5,087	-
Prepaid expenses	5	55,847	75,932
		5,663,034	6,423,150
Loans	6	150,000	150,000
Deposits and other assets	7	47,773	60,486
Equipment	8	153,439	183,329
Exploration bonds	9(c)	65,492	65,492
Exploration and evaluation assets	9	3,963,861	3,974,996
		\$ 10,043,599	\$ 10,857,453

## Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued liabilities	10	\$ 749,537	\$ 818,290
Shareholders' equity:			
Capital stock	11	20,916,978	20,902,978
Commitment to issue shares	11	-	14,000
Reserves	11	2,664,253	2,588,089
Deficit		(14,464,820)	(13,671,076)
Accumulated other comprehensive income		177,651	205,172
		9,294,062	10,039,163
		\$ 10,043,599	\$ 10,857,453

Nature and continuance of operations and basis of presentation (Note 1)

Subsequent events (Note 17)

On behalf of the Board on May 29, 2015:

<u>“William Lee”</u>	Director	<u>“Brian Groves”</u>	Director
William Lee		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

(Unaudited - Expressed in Canadian Dollars)

	Note	3 Months Ended March 31, 2015	3 Months Ended March 31, 2014	6 Months Ended March 31, 2015	6 Months Ended March 31, 2014
<b>Expenses</b>					
Consulting fees		\$ 68,986	\$ 22,144	\$ 107,894	\$ 36,626
Depreciation	8	11,439	14,877	22,776	29,419
Directors fees	12	12,000	12,000	24,000	24,000
Filing fees		21,570	24,797	24,515	26,213
Foreign exchange gain		(24,984)	(4,557)	(28,058)	(8,157)
Investor relations		21,857	36,454	48,453	54,389
Office expenses		32,130	28,641	52,244	58,518
Payroll and benefits		628	795	1,385	1,710
Professional fees		24,456	32,408	37,683	48,004
Property investigation and evaluation		13,563	28,124	21,457	59,195
Rent		52,308	56,398	105,198	111,949
Share-based payments	11	54,963	202,759	76,164	231,276
Travel and meals		9,417	12,260	15,280	25,519
Finance income		(16,079)	(18,062)	(34,332)	(38,643)
Other income		(14,111)	(39,264)	(15,556)	(111,962)
Unrealized loss (gain) on short-term investments		(283,637)	190,775	134,641	144,765
Write-down of exploration and evaluation assets		-	-	-	194,749
Write-down of short-term investments		-	-	200,000	-
<b>Net profit (loss) for the period</b>		15,494	(600,549)	(793,744)	(887,570)
Foreign exchange movements		323,041	229,687	(27,521)	433,822
<b>Comprehensive loss for the period</b>		\$ 338,535	\$ (370,862)	\$ (821,265)	\$ (453,748)
<b>Earning (loss) per share - basic and diluted</b>		\$ 0.00	\$ (0.02)	\$ (0.02)	\$ (0.02)
<b>Weighted average number of common shares outstanding</b>					
- basic and diluted		37,051,778	36,997,334	37,051,778	36,982,190

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 Six Months ended March 31,  
(Unaudited - Expressed in Canadian Dollars)

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (793,744)	\$ (887,570)
Items not involving cash		
Depreciation	22,776	29,419
Share-based payments	76,164	231,276
Performance bonus shares	-	8,794
Unrealized loss on short-term investments	134,641	144,765
Write-down of exploration and evaluation assets	-	194,749
Write-down of short-term investments	200,000	-
Change in non-cash working capital items:		
Prepaid expenses	19,950	63,116
Taxes receivable	(34,190)	22,217
Other receivable	(5,087)	(426,735)
Accounts payable and accrued liabilities	(48,766)	(223,443)
	(428,256)	(843,412)
<b>INVESTING ACTIVITIES</b>		
Acquisition of equipment	-	(1,177)
Deposits and other assets	12,713	-
Exploration and evaluation assets	(61,298)	(234,276)
Short-term investments	(11,892)	1,978,022
	(60,477)	1,742,569
<b>FINANCING ACTIVITIES</b>		
Capital stock, net of issuance costs	-	9,750
	-	9,750
Effect of foreign exchange on cash	(168,150)	32,071
Change in cash	(656,883)	940,978
Cash, beginning of the period	3,360,889	2,226,761
Cash, end of the period	\$ 2,704,006	\$ 3,167,739

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		Commitment to issue shares	Reserves	Deficit	Accumulated other comprehensive income	Total shareholders' equity
Note	Shares	Amount						
<b>Balance at September 30, 2013</b>		36,881,778	\$ 20,843,062	\$ -	\$ 2,366,436	\$ (11,429,259)	\$ (110,078)	\$ 11,670,161
Issued for:								
Performance bonus shares		105,000	35,175	-	-	-	-	35,175
Stock option exercise		25,000	24,741	-	(14,991)	-	-	9,750
Share-based payments	11	-	-	-	231,276	-	-	231,276
Loss for the period		-	-	-	-	(887,570)	-	(887,570)
Foreign exchange movements		-	-	-	-	-	433,822	433,822
<b>Balance at March 31, 2014</b>		37,011,778	20,902,978	-	2,582,721	(12,316,829)	323,744	11,492,614
<b>Balance at September 30, 2014</b>		37,011,778	20,902,978	14,000	2,588,089	(13,671,076)	205,172	10,039,163
Issued for:								
Performance bonus shares	11	40,000	14,000	(14,000)	-	-	-	-
Share-based payments	11	-	-	-	76,164	-	-	76,164
Loss for the period		-	-	-	-	(793,744)	-	(793,744)
Foreign exchange movements		-	-	-	-	-	(27,521)	(27,521)
<b>Balance at March 31, 2015</b>		37,051,778	\$ 20,916,978	\$ -	\$ 2,664,253	\$ (14,464,820)	\$ 177,651	\$ 9,294,062

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

# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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## 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, 2014. 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, 2015.

### **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.

# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(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

### New accounting policies

Effective October 1, 2014, the following standards were 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.

### Accounting standards adopted during the period

Effective October 1, 2014, the following standard was adopted but did not have a material impact on the consolidated financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.
- 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: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.



# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(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 March 31, 2015, the fair values of the short-term investments are as follows:

	March 31, 2015	September 30, 2014
Guaranteed investment certificates	\$ 2,091,913	\$ 2,080,021
Fair-value-through profit and loss securities <sup>(1)</sup>	702,060	836,701
	<u>\$ 2,793,973</u>	<u>\$ 2,916,722</u>

<sup>(1)</sup> Marketable securities comprise common shares in publicly traded and private companies as follows:

	March 31, 2015			September 30, 2014		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	\$ 11,020	\$ 7,250	29,000	\$ 11,020	\$ 725
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	5,509
Sierra Madre Developments Inc. <sup>(1)</sup>	12,503,218	1,103,791	-	12,503,218	1,103,791	-
Morro Bay Resources Ltd. <sup>(1)(2)</sup>	13,841,109	1,120,597	692,055	13,841,109	1,120,597	830,467
Croesus Gold Corp.	2,000,000	200,000	-	-	-	-
		<u>\$ 2,939,124</u>	<u>\$ 702,060</u>		<u>\$ 2,739,124</u>	<u>\$ 836,701</u>

<sup>(1)</sup> The Company holds approximately 23.2% of the issued and outstanding shares of Sierra Madre Developments Inc. ("Sierra Madre") and approximately 26.0% of the issued and outstanding shares of Morro Bay Resources Ltd. ("Morro Bay"). See Note 17a) for subsequent acquisition of Morro Bay shares. 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.

<sup>(2)</sup> The Company holds 1,852,987 Morro Bay warrants with a cost of \$nil, and fair value at December 31, 2014 and September 30, 2014 of \$nil. Fair value is estimated using level 3 inputs and discussed in Note 16. These warrants expired unexercised on January 22, 2015.

### 4. Taxes receivable

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

	March 31, 2015	September 30, 2014
GST refunds in Canada	\$ 20,367	\$ 34,695
IVA refunds in Mexico	83,754	34,912
	<u>\$ 104,121</u>	<u>\$ 69,607</u>

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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### 5. Prepaid expenses

The breakdown of prepaid expenses is as follows:

	March 31, 2015	September 30, 2014
Conferences and courses	\$ -	\$ 18,412
Expense advances	42,365	25,679
Insurance	9,930	27,887
Rent	3,552	3,954
	<u>\$ 55,847</u>	<u>\$ 75,932</u>

### 6. Loans

A loan in the amount of \$100,000 was lent to a private company with a related officer/director on August 31, 2012. As at March 31, 2015, the amount outstanding including interest and fees is \$150,000 (September 30, 2014 – \$150,000), and 600,000 common shares of the private company valued at \$120,000 (September 30, 2014 – 600,000 common shares valued at \$120,000) are recorded in other receivables. Management has determined the collection of the common shares is uncertain and as a result the amount was written down to \$nil during the year ended September 30, 2014.

### 7. 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:

	March 31, 2015	September 30, 2014
Claim maintenance	\$ 22,248	\$ 34,961
Deposits	25,525	25,525
	<u>\$ 47,773</u>	<u>\$ 60,486</u>

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

### 8. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	TOTAL
<b>Cost</b>					
<b>Balance at September 30, 2014</b>	\$ 85,226	\$ 150,337	\$ 38,954	\$ 207,578	\$ 482,095
Additions	-	-	-	-	-
Disposals	-	-	-	(34,639)	(34,639)
Foreign exchange movement	(55)	(454)	(91)	(655)	(1,255)
<b>Balance at March 31, 2015</b>	\$ 85,171	\$ 149,883	\$ 38,863	\$ 172,284	\$ 446,201
<b>Accumulated depreciation</b>					
<b>Balance at September 30, 2014</b>	\$ (74,666)	\$ (73,681)	\$ (19,294)	\$ (131,125)	\$ (298,766)
Depreciation	(2,367)	(7,581)	(1,947)	(10,880)	(22,776)
Disposals	-	-	-	28,639	28,639
Foreign exchange movement	28	29	29	54	140
<b>Balance at March 31, 2015</b>	\$ (77,005)	\$ (81,233)	\$ (21,212)	\$ (113,312)	\$ (292,762)
<b>Net book value</b>					
Balance at September 30, 2014	\$ 10,560	\$ 76,656	\$ 19,660	\$ 76,453	\$ 183,329
<b>Balance at March 31, 2015</b>	\$ 8,166	\$ 68,650	\$ 17,651	\$ 58,972	\$ 153,439

Depreciation for the period was allocated as follows: \$22,776 expensed to statement of operations, \$nil capitalized to exploration and evaluation assets.

# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

## 9. Exploration and evaluation assets

For the period ended Mar 31, 2015									
	Penoles Mexico	Sugarloaf Peak USA	Tajitos Mexico	Clemente Mexico	Coatan Mexico	Sierra Salada Mexico	Flute Canada	Lennac Canada	Total
Acquisition costs	\$ 46,156	\$ 3,178	\$ 19,350	\$ 3,171		\$ 9,144			\$ 80,999
Exploration costs:									
Field & camp costs	74		6,192	449		1,547			8,262
Geological consulting	1,264		26,958	6,181		2,560			36,963
Road construction	656								656
Transport & support	1,737		7,526	831		385			10,479
Total current exploration costs	3,731	-	40,676	7,461	-	4,492	-	-	56,360
Professional & other fees:									
Professional consulting	7,501	2,500							10,001
Legal fees	2,718	1,461	448	5,003					9,630
Others		(188)						-	188
Total current professional & other fees	10,219	3,773	448	5,003	-	-	-	-	19,443
Total costs incurred during the period	60,106	6,951	60,474	15,635	-	13,636	-	-	156,802
Balance, Opening	829,242	334,942	1,411,090	488,078	145,694	316,550	2,825	157	3,528,578
Foreign exchange movements	184,182		61,432	11,918	7,715	13,235			278,482
Balance, End of the period	\$ 1,073,530	\$ 341,893	\$ 1,532,996	\$ 515,631	\$ 153,409	\$ 343,421	\$ 2,825	\$ 157	\$ 3,963,862
Cumulative costs:									
Acquisition	\$ 3,126,713	\$ 506,605	\$ 726,003	\$ 87,006	\$ 55,394	\$ 56,688	\$ -	\$ -	\$ 4,558,409
Exploration	899,046	1,052,633	633,569	328,333	88,844	246,268	700	157	3,249,550
Professional & other fees	448,930	174,073	128,436	103,329	24,608	30,580	2,125	-	912,081
Asset write-off	-	-	-	-	-	-	-	-	-
Recoveries	(3,513,917)	(1,391,418)	-	(8,057)	(24,656)	-	-	-	(4,938,048)
Foreign exchange movements	112,758	-	44,988	5,020	9,219	9,884	-	-	181,869
	\$ 1,073,530	\$ 341,893	\$ 1,532,996	\$ 515,631	\$ 153,409	\$ 343,420	\$ 2,825	\$ 157	\$ 3,963,861

# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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

For the year ended September 30, 2014									
				Sugarloaf					La
	Penoles	Cerro Azul	Peak	El Pedernal	Tajitos	Clemente	La Catrina	Escondida	Cont'd...
	Mexico	Mexico	USA	Mexico	Mexico	Mexico	Mexico	Mexico	
Acquisition costs	\$ 60,142	\$ 28,712	\$ 45,251	\$ 15,602	\$ 49,769	\$ 25,956	\$ 12,222	\$ -	
Exploration costs:									
Assaying	-	-	-	-	7,315	-	-	-	
Field & camp costs	1,314	185	20,645	73	6,508	345	1,585	-	
Geological consulting	38,841	2,074	6,750	9,560	47,975	15,000	539	5,000	
Surveys & geophysics	-	-	-	-	14,585	-	-	-	
Transport & support	18,551	834	11,568	2,948	7,293	2,585	1,112	53	
Total current exploration costs	58,706	3,093	38,963	12,581	83,676	17,930	3,236	5,053	
Professional & other fees:									
Professional consulting	52,500	-	3,375	1,750	22,000	5,000	-	-	
Legal fees	52,129	430	7,171	1,851	2,310	22	990	-	
Others	677	-	14,286	-	3,134	1,707	-	-	
Total current professional & other fees	105,306	430	24,832	3,601	27,444	6,729	990	-	
Total costs incurred during the year	224,154	32,235	109,046	31,784	160,889	50,615	16,448	5,053	
Balance, September 30, 2013	1,843,040	115,561	441,396	95,073	1,212,839	440,774	114,502	184,224	
Write-down of exploration & evaluation assets	-	(164,350)	-	(132,442)	-	-	(136,350)	(194,749)	
Recoveries	(1,267,271)	-	-	-	-	(8,057)	-	-	
Foreign exchange movements	209,263	16,554	-	5,585	64,897	12,227	5,400	5,472	
Balance, September 30, 2014	\$ 1,009,186	\$ -	\$ 550,442	\$ -	\$ 1,438,625	\$ 495,559	\$ -	\$ -	
Cumulative costs as at September 30, 2014:									
Acquisition	\$ 3,080,387	\$ 202,147	\$ 493,892	\$ 120,874	\$ 706,314	\$ 83,496	\$ 70,046	\$ 98,726	
Exploration	890,485	236,298	1,052,002	57,030	557,857	316,878	99,245	134,714	
Professional & other fees	428,266	72,573	145,966	32,776	126,288	97,575	40,364	44,122	
Write-down of exploration & evaluation assets	-	(164,350)	-	(132,442)	-	-	(136,350)	(194,749)	
Recoveries	(3,513,917)	(332,477)	(1,141,418)	(79,768)	-	(8,057)	(76,337)	(84,950)	
Foreign exchange movements	123,965	(14,191)	-	1,530	48,166	5,667	3,032	2,137	
	\$ 1,009,186	\$ -	\$ 550,442	\$ -	\$ 1,438,625	\$ 495,559	\$ -	\$ -	

# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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

For the year ended September 30, 2014						
	...	Coatan	Sierra	Flute	Lennac	
	Cont'd	Mexico	Salada	Canada	Canada	Total
			Mexico			
Acquisition costs	\$	3,265	\$ 8,629	\$ -	\$ -	\$ 249,548
Exploration costs:						
Assaying		-	6,636	-	-	13,951
Field & camp costs		-	3,421	700	157	34,933
Geological consulting		-	10,782	-	-	136,521
Surveys & geophysics		-	-	-	-	14,585
Transport & support		150	2,718	-	-	47,812
<b>Total current exploration costs</b>		<b>150</b>	<b>23,557</b>	<b>700</b>	<b>157</b>	<b>247,802</b>
Professional & other fees:						
Professional consulting		3,000	-	2,125	-	89,750
Legal fees		15,868	186	-	-	80,957
Others		22	37	-	-	19,863
<b>Total current professional &amp; other fees</b>		<b>18,890</b>	<b>223</b>	<b>2,125</b>	<b>-</b>	<b>190,570</b>
<b>Total costs incurred during the year</b>		<b>22,305</b>	<b>32,409</b>	<b>2,825</b>	<b>157</b>	<b>687,920</b>
Balance, September 30, 2013		146,875	278,408	-	-	4,872,692
Write-down of exploration & evaluation assets		-	-	-	-	(627,891)
Recoveries		(24,656)	-	-	-	(1,299,984)
Foreign exchange movements		9,360	13,501	-	-	342,259
<b>Balance, September 30, 2014</b>	<b>\$</b>	<b>153,884</b>	<b>\$ 324,318</b>	<b>\$ 2,825</b>	<b>\$ 157</b>	<b>\$ 3,974,996</b>
Cumulative costs as at September 30, 2014:						
Acquisition	\$	55,394	\$ 47,544	\$ -	\$ -	\$ 4,958,820
Exploration		88,844	235,611	700	157	3,669,821
Professional & other fees		24,608	30,580	2,125	-	1,045,243
Write-down of exploration & evaluation assets		-	-	-	-	(627,891)
Recoveries		(24,656)	-	-	-	(5,261,580)
Foreign exchange movements		9,694	10,583	-	-	190,583
	<b>\$</b>	<b>153,884</b>	<b>\$ 324,318</b>	<b>\$ 2,825</b>	<b>\$ 157</b>	<b>\$ 3,974,996</b>

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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### 9. 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 six month period ended March 31, 2015 and subsequent thereto are as follows:

#### (a) Penoles, 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 subsequent to May 1, 2015, 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).

Upon exercise of the initial option, the Company shall have a credit of \$100,000 and US\$1,250,000 against the first joint venture expenditures incurred by the joint venture, and 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.

Subsequent to quarter end, Morro Bay elected to exercise the option for 51% of the Penoles Project as set out and provided for the amended option agreement as disclosed in Note 9 (a). Morro Bay's final payment of \$750,000 has been delivered by way of 15,000,000 Morro Bay shares.

#### (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") 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;
  - \$2,000,000 (cumulative) on or before December 17, 2016; and
  - \$5,000,000 (cumulative) on or before December 17, 2017.
- ii. Payment of \$3,000,000 and issuance of 2,500,000 Croesus Gold shares over a four-year period as follows:
  - \$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);
  - An additional \$100,000 and 500,000 common shares on or before December 17, 2015;
  - An additional \$250,000 on or before December 17, 2016;
  - An additional \$1,050,000 on or before December 17, 2017, provided that Croesus Gold may elect to pay up to \$500,000 of such amount by issuing common shares at the market value; and
  - An additional \$1,550,000 on or before December 17, 2018, provided that Croesus Gold may elect to pay up to \$1,000,000 of such amount by issuing common shares at the market value.

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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

(c) Antofagasta Exploration Alliance, British Columbia, Canada

#### *Swift Katie Project*

In February 2014, the Swift Katie Project was acquired and identified. Antofagasta Minerals S.A. (“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. 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.

(d) Exploration and evaluation assets

Management fees received pursuant to exploration alliance arrangements are recorded as a reduction in consulting fees.

### 10. 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:

	March 31, 2015	September 30, 2014
Payables to vendors	\$ 69,800	\$ 278,335
Exploration advances	679,737	539,955
	<u>\$ 749,537</u>	<u>\$ 818,290</u>

### 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**

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 2014.

#### **Share purchase and agents warrants**

As at March 31, 2015, the Company had no warrants outstanding (September 30, 2014 – nil).



# RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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

### Stock options

On November 14, 2014, the Company granted 1,087,000 options, exercisable at a price of \$0.27 per common share for a period of 5 years.

Share-based payments relating to options vested during the period ended March 31, 2015 using the Black-Scholes option pricing model was \$76,164 (2014 - \$231,276), 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	0.00 %
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	\$ 0.12

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, 2013	3,060,000	\$ 0.76
Cancelled/Terminated	(25,000)	\$ 0.65
Exercised	(25,000)	\$ 0.39
Expired	(657,500)	\$ 0.41
Outstanding options, September 30, 2014	2,352,500	\$ 0.55
Cancelled/Terminated	(292,500)	\$ 0.56
Granted	1,087,000	\$ 0.27
Outstanding options, March 31, 2015	3,147,000	\$ 0.45

As at March 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	860,000	0.77	\$ 0.50	860,000
09/08/2016	605,000	1.44	\$ 0.50	605,000
12/14/2017	625,000	2.71	\$ 0.65	625,000
11/14/2019	1,057,000	4.62	\$ 0.27	195,500
	3,147,000	2.58		2,285,500

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

### 12. Related party transactions

The Company entered into the following transactions with related parties:

Payee	Nature of transactions	Period ending March 31	Fees (\$)	Shares (\$)	Amount payable (\$)
Arriva Management Inc.	Management and consulting fees (i)	2015	64,100	nil	03/31/2015: nil
		2014	140,192	16,750	09/30/2014: 54,829
GSBC Financial Management Inc.	Management and consulting fees (i)	2015	85,002	14,000	03/31/2015: nil
		2014	125,002	13,400	09/30/2014: nil
Dorado Minerals	Consulting fees (i)	2015	75,000	nil	03/31/2015: nil
		2014	-	nil	09/30/2014: 16,472
English Bay Capital	Consulting fees (i)	2015	25,500	nil	03/31/2015: nil
		2014	-	nil	09/30/2014: 2,294
Michael Doggett	Director fees	2015	6,000	nil	03/31/2015: nil
		2014	6,000	nil	09/30/2014: nil
William Lee	Director fees	2015	6,000	nil	03/31/2015: nil
		2014	6,000	nil	09/30/2014: nil
Brian Groves	Director fees	2015	6,000	nil	03/31/2015: nil
		2014	6,000	nil	09/30/2014: nil
James Clare	Director fees	2015	6,000	nil	03/31/2015: nil
		2014	6,000	nil	09/30/2014: nil

The Company made a loan to a private company with a related officer/director (Note 6). At March 31, 2015, the amount outstanding including interest and fees was \$150,000 (September 30, 2014 - \$150,000).

The Company paid or accrued an expense reimbursement amount of \$35,853 (2014 - \$63,745) to Corex Management Inc. At March 31, 2015, the amount payable to Corex Management Inc. was \$7,415 (September 30, 2014 - \$6,737).

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 six months ended March 31, 2015 and 2014 is as follows:

	2015	2014
Directors fees	\$ 24,000	\$ 24,000
Management and consulting fees (i)	249,602	365,194
Performance bonus shares	-	35,175
Share-based payments (ii)	56,446	187,073
	<u>\$ 330,048</u>	<u>\$ 611,442</u>

(i) Management and consulting fees of key management personnel for the period were allocated as follows: \$66,000 (2014 - \$49,000 where \$12,374 was recovered by program operator fees) expensed to consulting fees, \$25,402 (2014 - \$97,800) capitalized to exploration and evaluation assets, and \$158,200 (2014 - \$218,394) 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.

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

### 13. 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.

	March 31, 2015	September 30, 2014
Equipment		
Canada	\$ 43,796	\$ 51,083
Mexico	109,644	132,246
	<u>153,439</u>	<u>183,329</u>
Exploration and evaluation assets		
Canada	2,982	2,982
Mexico	3,618,986	3,421,572
USA	341,893	550,442
	<u>3,963,861</u>	<u>3,974,996</u>
Total	\$ 4,117,300	\$ 4,158,325

### 14. Supplemental disclosure with respect to cash flows

For the six months ended March 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 six month period ended March 31, 2015 were as follows:

- 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.
- The Company received 2,000,000 Croesus Gold shares valued at \$200,000 as exploration and evaluation asset recoveries (Note 9(b)).
- Included in accounts payable was \$1,801 (September 30, 2014 - \$47,253) in exploration and evaluation asset expenditures.

The significant non-cash transactions for the six month period ended March 31, 2014 were as follows:

- The Company recorded a write-down of exploration and evaluation assets in the amount of \$194,749.
- The Company issued 105,000 common shares at a value of \$35,175 to certain executive officers as a performance bonus for 2013. Of which, \$8,794 were expensed to property investigation and evaluation, and \$26,381 were capitalized to exploration and evaluation assets.
- The Company received 3,705,974 Morro Bay shares at \$370,597 as exploration and evaluation asset recoveries.
- Included in accounts payable was \$10,261 in exploration and evaluation asset expenditures.

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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### 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.

### 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 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. Loans consist of principal and interest lent to a private company with a related officer/director of which the Company believes is collectible in full. The Company believes it has no significant credit risk.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company had a cash balance of \$2,704,006 and short-term investments of \$2,793,973 to settle current liabilities of \$749,537 (September 30, 2014 - \$818,290). 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 March 31, 2015, the Company had investments in short-term deposit certificates of \$2,091,913.

## RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

Notes to the Condensed Interim Consolidated Financial Statements for Six Months ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

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### 16. 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 \$96,267.

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 \$70,206.

### 17. Subsequent events

#### a) Exploration and evaluation assets

##### *Penoles, Durango, Mexico*

On May 1, 2015, Morro Bay elected to exercise the option for 51% of the Penoles Project as set out and provided for the amended option agreement as disclosed in Note 9 (a). Morro Bay's final payment of \$750,000 has been delivered by way of 15,000,000 Morro Bay shares.

##### *Coatan, Chiapas, Mexico*

Subsequent to quarter end, Millrock resources Inc. notified the Company that it will cancel its option on the Coatan Property.

#### b) Stock options

Subsequent to the March 31, 2015, 5,000 options were terminated unexercised.

**RIVERSIDE RESOURCES INC.  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE SIX MONTHS ENDED MARCH 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 six months ended March 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 six months ended March 31, 2015 and the audited financial statements and related notes for the year ended September 30, 2014. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to May 29, 2015 and in Canadian dollars unless otherwise stated.

Additional information relating to the Company, including its Information Circular for the financial year ended September 30, 2014, is available under the Company's profile on SEDAR at [www.sedar.com](http://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](http://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), Michael Doggett (Director) and William Lee (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 March 31, 2015, the Company had \$20,916,978 in share capital and 37,051,778 common shares outstanding.

### ***Options and Performance Bonus Shares***

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

- (a) 40,000 bonus shares were issued at a value of \$14,000 to an executive officer as a performance bonus declared in 2014.
- (b) 292,500 options expired unexercised.
- (c) 1,087,000 options, exercisable at a price of \$0.27 per common share were granted for a period of 5 years.

Subsequent to the quarter-end:

- (d) 5,000 options were terminated unexercised.

### ***Warrants***

There was no share purchase warrant activity for the period.

## **OPERATIONS**

### ***Mexico***

The Company's exploration team is actively focused on generative exploration and acquisition in Mexico where it believes it can continue to cost effectively build, and progress toward discovery, a portfolio of exploration and evaluation assets that will sustain its operations. The Company continues to focus on NW Mexico where it has multiple exploration partners funding programs focused on gold and copper.

#### Tajitos Gold Project, Sonora, Mexico

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 Penmont Mining Company intersected gold quartz veins and found mineralization extending beyond the veins into the wall rock zones on ground currently optioned by the Company. This style of disseminated gold mineralization on the Tajitos Project can be compared to what Timmins Gold Corp. is mining at the San Francisco Mine and AuRico Mining (formerly Capital Gold) is mining at the Chanate Mine less than 150 km away from Tajitos.

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.

The Company completed a ground magnetic survey which shows favourable indications that the prospective trend of gold-rich Mesozoic geology extends to the southeast under shallow post-mineralization cover. The Company has since completed further follow up on the more than 10 known small underground workings on the project, expanding existing target areas for future drill testing. In late 2014 a mapping and sampling program commenced in the old workings at Tajitos. On January 14, 2015, the Company announced results from the 180 underground rock-chip channel samples that ranged up to 17 g/t gold, with 27 samples returning more than 1g/t gold. Management believes this recent work enhances the potential at Tajitos, and the Company will continue to use the shallow underground workings to trace gold mineralization from surface to depth along shears and veins to help refine drill targets.

### 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 subsequent 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, subsequent to the quarter end, 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 now has ownership and control over 28,841,109 common shares of Morro Bay, representing approximately 35% of Morro Bay’s issued and outstanding shares.

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 to be formed upon Morro Bay earning into the Peñoles Project. 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 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, US\$2,250,000 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 will focus on identifying potential new large precious metal deposits using the Company’s technical knowledge and experience in Sonora.

Riverside acquired gold prospects from Argonaut Gold and acquired the Cajon Project from a private company in late 2013. The Company has completed a number of mapping and sampling programs and continues to define targets on existing Alliance projects while also evaluating new opportunities and prospects to enhance the portfolio.

On March 25, 2015, the Company announced the signing of an option agreement with Argonaut Gold, whereby the Hochschild Alliance can acquire a 100% interest in the Glor Gold Project (the “Project”), located approximately 8 km west of AuRico’s El Chanate Mine in Sonora, Mexico.

Mineralization on the Glor Project is widespread with indications of high-grade gold-bearing quartz veins, as evidenced by initial field check sampling and mapping, which returned assays from <0.005 g/t Au up to 18.9 g/t Au. A total of 155 rock chip samples have been collected to-date, returning an average grade of 0.52 g/t Au. There appears to be good potential for high-grade and bulk tonnage type gold discoveries, with geologic similarities to the nearby El Chanate Mine.

Further information on the Hochschild Alliance and the properties being advanced can be found on the Company’s website and by reviewing the Company’s press releases.

#### 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 will focus 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. 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%. The Company is now in discussions with Antofagasta for additional funding to carry out further exploration and target definition.

On April 13, 2015, subsequent to the quarter end, the Antofagasta Mexico Alliance designated the recently staked Thor porphyry copper project in Sonora, Mexico, as a designated project and the alliance partner, a wholly owned subsidiary of Antofagasta PLC, will finance up to a \$500,000 (U.S.) phase I exploration program on the project.

The Company is actively reviewing potential projects for acquisition and hopes to add additional projects into the Antofagasta Mexico Alliance during 2015.

Further information on the Antofagasta Alliance and the properties being advanced can be found on the Company’s website and by reviewing the Company’s press releases.

#### Coatan, Chiapas, Mexico

The Company has a 100% interest in the Huixtla concession which comprises the Coatan Property. On December 19, 2013, the Company signed an option agreement with Paget Southern Resources S. de R.L. de C.V. (“Paget”) whereby Paget could acquire up to a 100% interest in the Coatan Property. To earn an initial 70% interest, Paget is required to pay to the Company a total of US\$27,460 and incur exploration expenditures of US\$1,800,000 on the property within four years of the agreement. Upon exercise of the initial option, Paget can earn the remaining 30%

interest, subject to a 2% NSR, by paying US\$1,500,000 to the Company on or before the first anniversary of the initial option exercise date.

By way of a third party transaction completed in 2014, the Company's new option partner for the Coatan Property is now Millrock Resources Inc. Subsequent to quarter end, Millrock Resources Inc. notified the Company that it will cancel its option on the Coatan Property.

#### Other Mexico Properties

The Company has additional exploration projects in Mexico (including: Clemente and Sierra Salada) with brief summaries available on the Company's website. In an effort to minimize carrying costs, the Company has dropped or reduced claim sizes and will continue exploring 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") was advanced with approximately \$3,000,000 in partner funded drilling and exploration over the past three years. Sugarloaf has the potential to host a large, low-grade, bulk-tonnage gold deposit with additional porphyry copper-gold targets recently discovered. The Company owns 100% of the Sugarloaf Peak Project subject to a 1.5% NSR, and is looking to advance Sugarloaf towards a compliant resource with a major partner funding the work. 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 can acquire a 100% interest in Sugarloaf. In order to exercise the option, Croesus must incur \$5,000,000 in aggregate exploration expenditures, pay Riverside \$3,000,000 in cash (\$1,500,000 payable in Croesus shares at Croesus' election) and issue Riverside a minimum of 2,500,000 Croesus shares, with Riverside retaining a 2% NSR. Croesus can purchase half (1%) of the NSR for \$3,000,000 if completed within six (6) years of the effective date of the agreement. Beyond the sixth anniversary, Croesus can purchase a quarter of the NSR (0.5%) for \$2,000,000 at any time pre-production. If Croesus is not publicly listed within 18 months from the effective date, penalty share payments are payable to Riverside. Share payments are also subject to a minimum target price of \$0.30. In the event Croesus completes a public listing at a share price below \$0.30, Riverside will be compensated with additional Croesus shares to make up the difference.

The Company anticipates initial partner funded exploration and drilling to commence in summer 2015.

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

*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 March 31, 2015*

The Company earned a net profit of \$15,494, resulting in a profit per share of \$0.00. The profit was attributable to operating expenses of \$323,317 before considering the effect of the foreign exchange gain of \$24,984, an unrealized gain on short-term investments of \$283,637, which were supplemented by finance income of \$16,079 and other income of \$14,111.

### *Six-month period ended March 31, 2015*

The Company incurred a net loss of \$593,744, resulting in a loss per share of \$0.02. The loss was attributable to operating expenses of \$537,049 before considering the effect of the foreign exchange gain of \$28,058, an unrealized loss on short-term investments of \$134,641, and a write-down of short-term investments of \$200,000, which were offset by finance income of \$34,332 and other income of \$15,556.

### *Three-month period ended March 31, 2014*

The Company incurred a net loss of \$600,549, resulting in a loss per share of \$0.02. The loss was attributable to operating expenses of \$471,657 before considering the effect of the foreign exchange gain of \$4,557, and an unrealized loss on short-term investments of \$190,775, which were offset by finance income of \$18,062 and other income of \$39,264.

### *Six-month period ended March 31, 2014*

The Company incurred a net loss of \$887,570, resulting in a loss per share of \$0.02. The loss was attributable to operating expenses of \$706,818 before considering the effect of the foreign exchange gain of \$8,157, write-down of exploration and evaluation assets of \$194,749, and an unrealized loss on short-term investments of \$144,765, which were offset by finance income of \$38,643, and other income of \$111,962.

## ***Exploration***

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the period ended March 31, 2015, the Company recorded \$156,802 in acquisition and exploration of its properties as follows:

- US
  - Sugarloaf Peak \$ 6,951
- Mexico
  - Penoles \$ 60,106
  - Tajitos \$ 60,474
  - Clemente \$ 15,635
  - Sierra Salada \$ 13,636

During the quarter ended March 31, 2014, the Company recorded \$434,236 in acquisition and exploration of its properties as follows:

- US
  - Sugarloaf Peak \$ 34,771
- Mexico
  - Penoles \$ 178,353

○ El Pedernal	\$	22,876
○ Tajitos	\$	95,112
○ Clemente	\$	32,976
○ La Catrina	\$	7,317
○ La Escondida	\$	5,053
○ Coatan	\$	21,988
○ Sierra Salada	\$	24,094
○ Cerro Azul	\$	11,696

The Company recovered \$549,984 of the acquisition and exploration expenditures through option and alliance agreements with partners on various properties during the period ended March 31, 2014 which reduced the cumulative exploration costs. In addition, \$194,749 was written-off to operations in regards, to the La Escondida Property.

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

### ***Recoveries and Other Income***

During the three month period ended March 31, 2015, the Company did not receive recovery.

During the six month period ended March 31, 2014, the Company received the following, which were recorded as a reduction to the capitalized cost of exploration and evaluation assets:

- \$24,656 with respect to the option agreement and the reimbursement of concession fees on the Coatan Property,
- \$8,057 with respect to the reimbursement of concession fees on the Clemente Property,
- \$146,674 with respect to the reorganization agreement and the reimbursement of concession fees on the Penoles Property, and
- 3,705,974 Morro Bay shares valued at \$370,597 with respect to the option agreement on the Penoles Property.

Finance income and other income for the quarter ended March 31, 2015 were \$16,079 and \$14,111. Finance income and other income for the quarter ended March 31, 2014 were \$18,062 and \$39,264. 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, property investigation and evaluation was lower due to focus on explorations in alliance programs. 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, 2014 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 ended	Finance income	Property and other income	Unrealized gain/(loss) on short-term investments	Realized loss on short-term investments	Net profit/(loss)	Loss per share (basic & fully diluted)
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)
31-Dec-13	20,581	72,698	46,010	-	(287,021)	(0.01)
30-Sep-13	12,364	60,855	(290,757)	(46,627)	(549,388)	(0.02)
30-Jun-13	25,619	26,748	23,498	(58,489)	(619,983)	(0.02)

The net profit for the quarter ended March 31, 2015 was due to the ongoing costs of the business and it was lower compared to other quarters because of 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. Decrease in cash for the period ended March 31, 2015 was \$656,883 and short-term investments decreased by \$122,749. Working capital as at December 31, 2014 was \$4,913,497. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

Increase in cash for the period ended March 31, 2014 was \$940,978 and short-term investments decreased by \$1,752,190. Working capital as at March 31, 2014 was \$6,254,440.

## 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 March 31	Fees (\$)	Shares (\$)	Amount payable (\$)
Arriva Management Inc.	Management and consulting fees	2015 2014	64,100 140,192	nil 16,750	03/31/2015: nil 09/30/2014: 54,829
GSBC Financial Management Inc.	Management and consulting fees	2015 2014	85,002 125,002	14,000 13,400	03/31/2015: nil 09/30/2014: nil
Dorado Minerals	Consulting fees	2015 2014	75,000 -	Nil nil	03/31/2015: nil 09/30/2014: 16,472
English Bay Capital	Consulting fees	2015 2014	25,500 -	nil nil	03/31/2015: nil 09/30/2014: 2,294
Michael Doggett	Director fees	2015 2014	6,000 6,000	nil nil	03/31/2015: nil 09/30/2014: nil
William Lee	Director fees	2015 2014	6,000 6,000	nil nil	03/31/2015: nil 09/30/2014: nil
Brian Groves	Director fees	2015 2014	6,000 6,000	nil nil	03/31/2015: nil 09/30/2014: nil
James Clare	Director fees	2015 2014	6,000 6,000	nil nil	03/31/2015: nil 09/30/2014: nil

The Company has a loan outstanding to a private company with a related officer/director. At March 31, 2015, the amount outstanding including interest and fees was \$150,000 (September 30, 2014 - \$150,000).

The Company paid or accrued expense reimbursement of \$35,853 (2014 - \$63,745) to Corex Management Inc. ("Corex"), a private management company controlled by an officer of the Company. At March 31, 2015, the amount payable to Corex was \$7415 (September 30, 2014 - \$6,737).

## 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: \$166,377 in 2015; \$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, 2014.

### Accounting standards adopted during the period

Effective October 1, 2014, the following standard was adopted but did not have a material impact on the consolidated financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.
- 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: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual 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 37,051,778 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:

<b>Number of Options</b>	<b>Option Exercise Price</b>	<b>Expiry Date</b>
860,000	\$0.50	06-Jan-2016
605,000	\$0.50	08-Sep-2016
625,000	\$0.65	14-Dec-2017
1,057,000	\$0.27	14-Nov-2019
3,147,000		