

GOLDEN RIVER RESOURCES CORP.  
Form 10-Q  
April 20, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE  
ACT OF 1934

For the quarterly period ended: March 31, 2011  
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from: \_\_\_\_\_ to \_\_\_\_\_

GOLDEN RIVER RESOURCES CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

0-16097  
(Commission  
File Number)

98-0079697  
(I.R.S. Employer  
Identification No.)

Level 8, 580 St Kilda Road Melbourne, Victoria, 3004, Australia  
(Address of Principal Executive Office) (Zip Code)

011 (613) 8532 2860  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during

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the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).\*

\* The registrant has not yet been phased into the interactive data requirements

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. There were 56,807,594 outstanding shares of Common Stock as of April 20, 2011.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Introduction to Interim Consolidated Financial Statements.

The interim consolidated financial statements included herein have been prepared by Golden River Resources Corporation (“Golden River Resources” or the “Company”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “Commission”). Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These interim consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2010.

In the opinion of management, all adjustments, consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the consolidated financial position of the Company and subsidiaries as of March 31, 2011, the results of its consolidated operations for the three and nine month periods ended March 31, 2011 and March 31, 2010, and the changes in its consolidated cash flows for the nine month periods ended March 31, 2011 and March 31, 2010, have been included. The results of consolidated operations for the interim periods are not necessarily indicative of the results for the full year.

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restatement of Financial Statements

In February 2011, the Company filed an amendment to its previously filed 10-Q for the three and nine months ended March 31, 2010 to revise the fair value amounts related to the acquisition of the assets and liabilities of Acadian Mining Corporation (Acadian).

During the fourth quarter of fiscal 2010, the Company completed the accounting for the acquisition of Acadian and as a result, adjustments were made to the preliminary fair value accounting at the date of acquisition. The preliminary fair value estimates and the final fair value amounts of the assets and liabilities of Acadian at acquisition date are disclosed in note 2.

UNLESS OTHERWISE INDICATED, ALL FINANCIAL INFORMATION PRESENTED IS IN CANADIAN DOLLARS.

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES  
(An Exploration Stage Company)  
Consolidated Balance Sheet

|  | March 31,<br>2011<br>CDN\$000's | June 30,<br>2010<br>CDN\$000's |
|--|---------------------------------|--------------------------------|
| <b>ASSETS</b>                                    |                                 |                                |
| Current Assets                                   |                                 |                                |
| Cash   | 82                              | 957                            |
| Receivables                                      | 72                              | 78                             |
| Prepaid expenses and deposits                    | 43                              | 141                            |
| <b>Total Current Assets</b>                      | <b>197</b>                      | <b>1,176</b>                   |
| Non Current Assets                               |                                 |                                |
| Cash held for site remediation (notes 11 and 13) | 1,033                           | 925                            |
| Property, plant and equipment (notes 11 and 14)  | 5,837                           | 6,757                          |
| Mineral rights (notes 11 and 12)                 | 43,790                          | 43,790                         |
| <b>Total Non Current Assets</b>                  | <b>50,660</b>                   | <b>51,472</b>                  |
| <b>Total Assets</b>                              | <b>50,857</b>                   | <b>52,648</b>                  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>      |                                 |                                |
| Current Liabilities                              |                                 |                                |
| Accounts payable and accrued expenses (note 11)  | 1,473                           | 2,090                          |
| Note payable (note 4)                            | 900                             | -                              |
| Other current liability (note 16)                | 1,499                           | 2,099                          |
| Advances from affiliates (note 4)                | 605                             | 203                            |
| <b>Total Current Liabilities</b>                 | <b>4,477</b>                    | <b>4,392</b>                   |
| Non Current Liabilities                          |                                 |                                |
| Accrued site remediation (notes 11 and 15)       | 2,600                           | 2,400                          |
| Note payable (note 4)                            | -                               | 900                            |
| Advances from affiliates (note 4)                | 1,023                           | 1,129                          |
| Deferred tax liability (note 17)                 | 2,729                           | 2,624                          |
| <b>Total Non Current Liabilities</b>             | <b>6,352</b>                    | <b>7,053</b>                   |
| <b>Total Liabilities</b>                         | <b>10,829</b>                   | <b>11,445</b>                  |
| Commitments (Note 8)                             |                                 |                                |
| Stockholders' Equity:                            |                                 |                                |

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|  |           |           |
|--|-----------|-----------|
| Common Stock: \$.0001 par value                    |           |           |
| 400,000,000 shares authorized                      |           |           |
| 56,807,844 and 22,931,764 issued and outstanding   | 5         | 2         |
| Additional paid-in-capital                         | 53,550    | 48,810    |
| Less treasury stock at cost, 250 shares            | (19 )     | (19 )     |
| Accumulated other comprehensive loss               | (372 )    | (372 )    |
| Retained profit (deficit) during exploration stage | (3,026 )  | 376       |
| Retained (deficit) prior to exploration stage      | (24,748 ) | (24,748 ) |
| <br>   |           |           |
| Golden River Resources Stockholders' Equity        | 25,390    | 24,049    |
| Non Controlling Interests (note 11)                | 14,638    | 17,154    |
| <br>   |           |           |
| Total Equity                                       | 40,028    | 41,203    |
| <br>   |           |           |
| Total Liabilities and Equity                       | 50,857    | 52,648    |

The accompanying notes are an integral part of the consolidated financial statements.

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES  
(An Exploration Stage Company)  
Consolidated Statements of Operations  
Three and Nine Months Ended March 31, 2011 and 2010 and for the cumulative period  
July 1, 2002 (inception of exploration activities) to March 31, 2011  
(Unaudited)

|   | Three<br>Months<br>Ended<br>March 31,<br>2011<br>CDN\$000's | Three<br>Months<br>Ended<br>March 31,<br>2010<br>CDN\$000's | Nine Months<br>Ended<br>March 31,<br>2011<br>CDN\$000's | Nine Months<br>Ended<br>March 31,<br>2010<br>CDN\$000's | July 1, 2002<br>to<br>March 31,<br>2011<br>CDN\$000's |
|---|---|---|---|---|---|
| Revenues  | \$-   | \$-   | \$-   | \$-   | \$-   |
| Costs and expenses:   |   |   |   |   |   |
| Stock based compensation  | 134   | -   | 134   | 39  | 2,894   |
| Exploration expenditure   | 27  | 386   | 1,617   | 1,670   | 8,205   |
| Depreciation and amortization   | 103   | 134   | 356   | 354   | 844   |
| Interest expense (income), net  | -   | 2   | (65 )   | 141   | 479   |
| Legal, accounting and professional  | 107   | 119   | 508   | 425   | 2,244   |
| Administrative expenses   | 486   | 880   | 1,481   | 1,466   | 6,735   |
| Total costs and expenses  | 857   | 1,521   | 4,031   | 4,095   | 21,401  |
| (Loss) from operations  | (857 )  | (1,521 )  | (4,031 )  | (4,095 )  | (21,401 )   |
| Foreign currency exchange gain<br>(loss)  | (2 )  | (2 )  | (149 )  | 3   | (266 )  |
| Adjustment to fair value on stepped<br>acquisition (note 2)                                     | -   | -   | -   | 7,433   | 7,433   |
| Gain on bargain purchase (note 2)   | -   | -   | -   | 10,305  | 10,305  |
| Profit on disposal of plant and<br>equipment  | -   | -   | 48  | -   | 48  |
| Write off of plant and equipment  | -   | -   | (170 )  | -   | (170 )  |
| Other Income:   |   |   |   |   |   |
| Profit from sale of equity<br>investments   | -   | -   | -   | -   | 1,355   |
| Interest (expense) income – net,<br>related entity  | -   | -   | -   | -   | 5   |
| – other   | -   | -   | 1   | 1   | 12  |
| Profit/(loss) before income tax and<br>equity in profits/(losses) of<br>unconsolidated entities | (859 )  | (1,523 )  | (4,301 )  | 13,647  | (2,679 )  |
| Provision for income taxes (note 17)  | -   | -   | (105 )  | (2,624 )  | (2,729 )  |

|  |           |           |           |        |           |
|--|-----------|-----------|-----------|--------|-----------|
| Profit/(loss) before equity in profits/(losses) of unconsolidated entities | (859 )    | (1,523 )  | (4,406 )  | 11,023 | (5,408 )  |
| Equity in profits/(losses) of unconsolidated entities                      | -         | (92 )     | -         | 234    | (26 )     |
| Net profit/(loss)  | (859 )    | (1,615 )  | (4,406 )  | 11,257 | (5,434 )  |
| Net loss attributable to non-controlling interests                         | 209       | 415       | 1,004     | 1,387  | 2,408     |
| Net profit/(loss) attributable to Golden River Resources Stockholders      | (650 )    | (1,200 )  | (3,402 )  | 12,644 | (3,026 )  |
| Basic and diluted net profit/(loss) per common equivalent shares           | (\$0.01 ) | \$(0.07 ) | (\$0.10 ) | \$0.77 | \$(0.42 ) |
| Weighted average number of common equivalent shares                        | 56,807    | 17,783    | 35,068    | 16,473 | 7,201     |

The accompanying notes are an integral part of the consolidated financial statements.

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES  
 (An Exploration Stage Company)  
 Consolidated Statements of Cash Flows  
 Nine Months Ended March 31, 2011 and 2010 and for the cumulative period  
 July 1, 2002 (inception of exploration activities) to March 31, 2011  
 (Unaudited)

|   | Nine months<br>ended March<br>31, 2011<br>CDN\$000's | Nine months<br>ended March<br>31, 2010<br>CDN\$000's | July 1, 2002<br>to<br>March 31,<br>2011<br>CDN\$000's |
|---|--|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |  |   |
| Net profit/(loss)   | (4,406 )   | 11,257   | (5,434 )  |
| Adjustments to reconcile net profit (loss) to net cash (used) in operating activities |  |  |   |
| Foreign currency exchange (gain)/ loss  | 149  | (3 )   | 266   |
| Depreciation /amortization of plant and equipment                                     | 356  | 354  | 844   |
| Stock based compensation  | 134  | 39   | 2,894   |
| Provision for deferred income tax   | 105  | 2,624  | 2,729   |
| Equity in profits/(losses) of non-consolidated entities                               | -  | (234 )   | 26  |
| Adjustment to fair value on stepped acquisition                                       | -  | (7,433 )   | (7,433 )  |
| Bargain purchase of controlled entities   | -  | (10,305 )  | (10,305 )   |
| Profit from sale of equity investment   | -  | -  | (1,355 )  |
| Profit on disposal of plant and equipment   | (48 )  | -  | (48 )   |
| Write off of exploration costs  | 377  | -  | 377   |
| Write off of plant and equipment  | 170  | -  | 170   |
| Accrued interest added to principal   | -  | 139  | 320   |
| Net change net of acquisition in:   |  |  |   |
| Receivables   | (6 )   | (41 )  | (83 )   |
| Staking deposit   | -  | -  | 22  |
| Prepaid expenses and deposits   | 10   | (182 )   | (131 )  |
| Accounts payable and accrued expenses   | 682  | (606 )   | 1,286   |
| Accrued site remediation  | (200 )   | -  | (200 )  |
| <b>Net Cash (Used) in Operating Activities</b>  | <b>(2,677 )</b>                                      | <b>(4,391 )</b>                                      | <b>(16,055 )</b>                                      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |  |  |   |
| Proceeds of sale of equity investment   | -  | -  | 1,963   |
| Investment in consolidated entity   | (1,477 )   | (7,585 )   | (10,062 )   |
| Proceeds of disposal of plant and equipment   | 76   | -  | 76  |
| Purchase of plant and equipment   | (19 )  | -  | (199 )  |
| <b>Net Cash (Used) in Investing Activities</b>  | <b>(1,420 )</b>                                      | <b>(7,585 )</b>                                      | <b>(8,222 )</b>                                       |
| <b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>                                     |  |  |   |

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|   |            |            |            |
|---|------------|------------|------------|
| Borrowings from affiliates                      | 1,747      | 5,178      | 8,091      |
| Repayments to affiliates                        | (1,622 )   | (3,166 )   | (4,788 )   |
| Proceeds from issuance of stock                 | 3,097      | 10,764     | 13,861     |
| Repayment of borrowings                         | -          | (139 )     | (139 )     |
| Sale of warrants (net)                          | -          | -          | 4,749      |
| Re-purchase of warrants                         | -          | (579 )     | (579 )     |
| Proceeds from loan payable                      | -          | -          | 3,261      |
| <br>Net Cash Provided by Financing Activities   | <br>3,222  | <br>12,058 | <br>24,456 |
| <br>Effects of Exchange Rate on Cash            | <br>-      | <br>-      | <br>(97 )  |
| <br>Net (Decrease)/Increase in Cash             | <br>(875 ) | <br>82     | <br>82     |
| Cash at Beginning of Period                     | 957        | 19         | -          |
| <br>Cash at End of Period                       | <br>82     | <br>101    | <br>82     |
| Supplemental Disclosures                        |            |            |            |
| Interest Paid                                   | 42         | 139        | 521        |
| <br>NON CASH FINANCING ACTIVITY                 |            |            |            |
| Debt repaid through issuance of shares          | -          | -          | 5,771      |
| Stock options recorded as deferred compensation | -          | -          | 1,258      |
| Extinguishment of related party debt            | -          | -          | 593        |
| Stock issued for acquisition of properties      | -          | -          | 627        |

The accompanying notes are an integral part of the consolidated financial statements.

## GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES

(An Exploration Stage Company)

Consolidated Statements of Stockholders' Equity (Deficit)

March 31, 2011

and for the cumulative period July 1, 2002

(inception of exploration activities) to March 31, 2011

(Unaudited)

|   | Common<br>Stock<br>Shares | Treasury<br>Stock<br>Amount | Retained<br>Profit/(Deficit)<br>during the<br>Exploration<br>stage | Retained<br>Profit/(Deficit)<br>prior to<br>Exploration<br>stage | Retained<br>Profit/(Deficit)<br>during the<br>Exploration<br>stage | Retained<br>Profit/(Deficit)<br>prior to<br>Exploration<br>stage | Accumulated<br>Other<br>Compre-<br>hensive<br>Losses | Controlling<br>Interests | Total      |
|---|---------------------------|-----------------------------|--|--|--|--|--|--------------------------|------------|
|   | CDN\$000's                | CDN\$000's                  | CDN\$000's   | CDN\$000's   | CDN\$000's   | CDN\$000's   | CDN\$000's   | CDN\$000's               | CDN\$000's |
| Balance June 30, 2002   | 635                       | -\$19                       | \$24,061   | -  | \$(24,748)   | -  | \$(461)  | -                        | \$(1,167)  |
| Net loss  | -                         | -                           | -  | \$(639)  | -  | -  | -  | -                        | \$(639)    |
| Balance June 30, 2003   | 635                       | -\$19                       | \$24,061   | \$(639)  | \$(24,748)   | -  | \$(461)  | -                        | \$(1,806)  |
| Issuance of 175,398 shares and warrants in lieu of debt repayment | 175                       | -                           | \$2,331  | -  | -  | -  | -  | -                        | \$2,331    |
| Sale of 167,000 shares and warrants                               | 167                       | -                           | \$2,221  | -  | -  | -  | -  | -                        | \$2,221    |
| Issuance of 694,306 shares on cashless exercise of options        | 694                       | -                           | -  | -  | -  | -  | -  | -                        | \$0        |
| Net unrealized (loss) on foreign exchange                         | -                         | -                           | -  | -  | -  | -  | \$(317)  | -                        | \$(317)    |
| Net (loss)  | -                         | -                           | -  | \$(1,616)  | -  | -  | -  | -                        | \$(1,616)  |
| Balance June 30, 2004   | 1,671                     | -\$19                       | \$28,613   | \$(2,255)  | \$(24,748)   | -  | \$(778)  | -                        | \$813      |
| Issuance of 140,000 options                                       | -                         | -                           | \$1,646  | -  | -  | \$(1,646)  | -  | -                        | \$0        |

|   |       |   |         |            |            |            |          |          |   |           |
|---|-------|---|---------|------------|------------|------------|----------|----------|---|-----------|
| under 2004<br>stock option<br>plan  |       |   |         |            |            |            |          |          |   |           |
| Amortization of<br>140,000 options<br>under 2004<br>stock option<br>plan                          | -     | - | -       | -          | -          | -          | \$1,095  | -        | - | \$1,095   |
| Net unrealized<br>(loss) on foreign<br>exchange   | -     | - | -       | -          | -          | -          | -        | \$(17 )  | - | \$(17 )   |
| Net/(loss)  | -     | - | -       | -          | \$(3,156 ) | -          | -        | -        | - | \$(3,156) |
| Balance June<br>30, 2005  | 1,671 | - | \$(19 ) | \$30,259   | \$(5,411 ) | \$(24,748) | \$(551 ) | \$(795 ) | - | \$(1,265) |
| To eliminate<br>d e f e r r e d<br>compensation<br>a g a i n s t<br>Additional<br>Paid-In Capital | -     | - | -       | \$(551 )   | -          | -          | \$551    | -        | - | \$0       |
| Issuance of<br>1,000,000<br>shares and<br>2,000,000<br>options in lieu<br>of d e b t<br>repayment | 1,000 | - | -       | \$3,321    | -          | -          | -        | -        | - | \$3,321   |
| Capital gain on<br>s h a r e s a n d<br>options issued<br>in lieu of debt<br>repayment            | -     | - | -       | \$(1,610 ) | -          | -          | -        | -        | - | \$(1,610) |
| S a l e o f<br>2,000,000<br>normal warrants   | -     | - | -       | \$827      | -          | -          | -        | -        | - | \$827     |
| S a l e o f<br>1,000,000<br>special warrants  | -     | - | -       | \$887      | -          | -          | -        | -        | - | \$887     |
| Amortization of<br>140,000 options<br>under 2004  | -     | - | -       | \$532      | -          | -          | -        | -        | - | \$532     |

stock option  
plan

Net unrealized  
gain on foreign  
exchange

Net (loss)

Balance June  
30, 2006

|       |   |        |          |           |            |     |         |   |           |
|-------|---|--------|----------|-----------|------------|-----|---------|---|-----------|
| -     | - | -      | -        | -         | -          | -   | \$369   | - | \$369     |
| -     | - | -      | -        | \$(1,588) | -          | -   | -       | - | \$(1,588) |
| 2,671 | - | \$(19) | \$33,665 | \$(6,999) | \$(24,748) | \$- | \$(426) | - | \$1,473   |

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES  
 (An Exploration Stage Company)  
 Consolidated Statements of Stockholders' Equity (Deficit)  
 March 31, 2011  
 and for the cumulative period July 1, 2002  
 (inception of exploration activities) to March 31, 2011  
 (Unaudited) Continued

|   | Shares<br>000's | Common<br>Stock<br>Amount<br>CDN\$000's | Treasury<br>Stock, at<br>Cost<br>CDN\$000's | Additional<br>Paid-in<br>Capital<br>CDN\$000's | Retained<br>Profit/(Deficit)<br>during the<br>Exploration<br>stage<br>CDN\$000's | Retained<br>(Deficit)<br>prior to<br>Exploration<br>stage<br>CDN\$000's | Deferred<br>Compen-sation<br>CDN\$000's | Accumula<br>Ot<br>Comp<br>hens<br>L<br>CDN\$000's |
|---|-----------------|---|---|--|--|---|---|---|
| C o s t s<br>associated with<br>sale of normal<br>and special<br>warrants | -               | -                                       | -   | \$(3 ) -                                       | -  | -   | -                                       | -   |
| Amortization of<br>140,000 options<br>under 2004<br>stock option<br>plan  | -               | -                                       | -   | \$19   | -  | -   | -                                       | -   |
| Amortization of<br>465,000 options<br>under 2006<br>stock option<br>plan  | -               | -                                       | -   | \$510  | -  | -   | -                                       | -   |
| Net unrealized<br>gain on foreign<br>exchange                             | -               | -                                       | -   | -  | -  | -   | -                                       | \$48  |
| Net (loss)  | -               | -                                       | -   | -  | \$(1,965 ) -   | -   | -                                       | -   |
| Balance June<br>30, 2007  | 2,671           | \$-                                     | \$(19 )                                     | \$34,191                                       | \$(8,964 )   | \$(24,748 )   | \$-                                     | \$(378)   |
| Amortization of<br>465,000 options<br>under 2006<br>stock option<br>plan  | -               | -                                       | -   | \$333  | -  | -   | -                                       | -   |
| Net unrealized<br>gain on foreign   | -               | -                                       | -   | -  | -  | -   | -                                       | \$27  |

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exchange

|  |        |     |       |            |           |             |       |        |
|--|--------|-----|-------|------------|-----------|-------------|-------|--------|
| Net (loss)   | -      | -   | -     | -          | \$(1,073  | ) -         | -     | -      |
| Balance June 30, 2008  | 2,671  | \$- | \$(19 | ) \$34,524 | \$(10,037 | ) \$(24,748 | ) \$- | \$(351 |
| Amortization of 465,000 options under 2006 stock option plan           | -      | -   | -     | \$173      | -         | -           | -     | -      |
| S a l e o f 10,000,000 shares  | 10,000 | \$1 | -     | \$681      | -         | -           | -     | -      |
| Net unrealized loss on foreign exchange                                | -      | -   | -     | -          | -         | -           | -     | \$(43  |
| Forgiveness of advances from affiliate                                 | -      | -   | -     | \$588      | -         | -           | -     | -      |
| Net (loss)   | -      | -   | -     | -          | \$(1,252  | ) -         | -     | -      |
| Balance June 30, 2009  | 12,671 | \$1 | \$(19 | ) \$35,966 | \$(11,289 | ) \$(24,748 | ) \$- | \$(394 |
| Amortization of 465,000 options under 2006 stock option plan           | -      | -   | -     | \$39       | -         | -           | -     | -      |
| S a l e o f 9,960,351 shares   | 9,960  | \$1 | -     | \$10,763   | -         | -           | -     | -      |
| Issuance of 300,000 shares as part purchase price of mining properties | 300    | -   | -     | \$627      | -         | -           | -     | -      |
| Re-purchase of warrants  | -      | -   | -     | \$(579     | ) -       | -           | -     | -      |
| Net unrealized gain on foreign   | -      | -   | -     | -          | -         | -           | -     | \$22   |

exchange

|   |        |     |       |            |          |           |       |        |
|---|--------|-----|-------|------------|----------|-----------|-------|--------|
| Net profit  | -      | -   | -     | -          | \$10,261 | -         | -     | -      |
| Adjustment<br>for additional<br>investment in<br>consolidated<br>subsidiary | -      | -   | -     | \$1,994    | -        | -         | -     | -      |
| Fair value of<br>non-controlling<br>interest                                | -      | -   | -     | -          | -        | -         | -     | -      |
| Net loss<br>attributable to<br>non-controlling<br>interests                 | -      | -   | -     | -          | \$1,404  | -         | -     | -      |
| Balance June<br>30, 2010  | 22,931 | \$2 | \$(19 | ) \$48,810 | \$376    | \$(24,748 | ) \$- | \$(372 |

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES  
 (An Exploration Stage Company)  
 Consolidated Statements of Stockholders' Equity (Deficit)  
 March 31, 2011  
 and for the cumulative period July 1, 2002  
 (inception of exploration activities) to March 31, 2011  
 (Unaudited) Continued

|  | Shares<br>000's | Common<br>Stock<br>Amount<br>CDN\$000's | Treasury<br>Stock, at<br>Cost<br>CDN\$000's | Additional<br>Paid-in<br>Capital<br>CDN\$000's | Retained<br>Profit/(Deficit)<br>during the<br>Exploration<br>stage<br>CDN\$000's | Retained<br>(Deficit)<br>prior to<br>Exploration<br>stage<br>CDN\$000's | Deferred<br>Compen-sation<br>CDN\$000's | Accumula<br>Ot<br>Comp<br>hens<br>L<br>CDN\$00 |
|--|-----------------|---|---|--|--|---|---|--|
| Issue of<br>33,875,000<br>shares   | 33,876          | \$3                                     | -   | \$3,094  | -  | -   | -                                       | -  |
| Amortization of<br>800,000 options<br>under employee<br>stock option<br>plan | -               | -                                       | -   | \$134  | -  | -   | -                                       | -  |
| Net (loss)   | -               | -                                       | -   | -  | \$(4,406)  | -   | -                                       | -  |
| Adjustment for<br>additional<br>investment in<br>consolidated<br>subsidiary  | -               | -                                       | -   | \$1,512  | -  | -   | -                                       | -  |
| Net loss<br>attributable to<br>non-controlling<br>interests                  | -               | -                                       | -   | -  | \$1,004  | -   | -                                       | -  |
| Balance March<br>31, 2011  | 56,807          | \$5                                     | \$(19)                                      | \$53,550                                       | \$(3,026)  | \$(24,748)  | \$-                                     | \$(372)  |

The accompanying notes are an integral part of the consolidated financial statements.

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES  
(An Exploration Stage Company)  
Notes to Consolidated Financial Statements  
March 31, 2011

(1) Organisation

Golden River Resources Corporation (“Golden River Resources” or the “Company”) is incorporated in the State of Delaware. The principal shareholders of Golden River Resources are companies associated with the President of Golden River Resources and his spouse. These companies owned 96.6% of Golden River Resources as of March 31, 2011.

In May 2002, the Company incorporated a new wholly owned subsidiary, Golden Bull Resources Corporation (formerly 4075251 Canada Inc), a corporation incorporated under the laws of Canada. Golden Bull Resources Corporation is undertaking exploration activities for gold in Canada.

Golden River Resources, as part of its business strategy, is increasing its gold and base metal exploration activity in Canada and is continually sourcing new ground in Canada which is one of the most prospective areas for new gold discoveries. On March 17, 2009, the Company announced that it had reached agreement with Acadian Mining Corporation (TSX: ADA) (“Acadian”) to subscribe in a private placement transaction giving Golden River Resources a 68.67% holding of Acadian. Golden River Resources currently holds 38,734,520 common shares in Acadian for a 71.5% interest. On November 17, 2010, Acadian consolidated its outstanding common shares on the basis of one post-consolidated share for every ten pre-consolidated shares as approved by Acadian shareholders.

The financial statements presented herein have been prepared on a consolidated basis to include the accounts of Golden River Resources, Acadian and its other subsidiaries (collectively “the Company”). All intercompany balances and transactions have been eliminated in consolidation.

The Company's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America (“US GAAP”) applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, Golden River Resources is an exploration stage company which has not yet commenced revenue producing operations and has incurred losses since its inception. The Company has historically relied on loans and advances from corporations affiliated with its President and fund raising through the sale of equity instruments. The Company's ability to continue operations through fiscal 2011 is dependent upon loans from affiliates, future funding from capital raisings, or its ability to commence revenue producing operations and positive cash flows.

(2) Restatement of Financial Statements

In February 2011, the Company filed an amendment to its previously filed 10-Q for the three and nine months ended March 31, 2010 to revise the fair value amounts related to the acquisition of the assets and liabilities of Acadian. Accordingly, the financial statements for the three and nine months ended March 31, 2010 reflect the restatement adjustments noted below.

During the fourth quarter of fiscal 2010, the Company completed the accounting for the acquisition of Acadian and as a result, adjustments were made to the preliminary fair value accounting at the date of acquisition. The following table discloses the preliminary fair value estimates and the final fair value amounts of the assets and liabilities of Acadian at acquisition date.

|   | Preliminary<br>Fair Value<br>Amounts<br>CDN\$000's | Final<br>Fair Value<br>Amounts<br>CDN\$000's |
|---|--|--|
| Cash and cash equivalents                           | 1,414  | 1,414  |
| Receivables   | 45   | 45   |
| Property, plant & equipment (net)                   | 10,033   | 7,089  |
| Prepayments   | 71   | 71   |
| Investment in Royal Roads Corp                      | 855  | 855  |
| Cash held for remediation                           | 925  | 925  |
| Mineral rights (i)                                  | 86,798   | 43,790                                       |
| <br>Fair value of assets                            | <br>100,141  | <br>54,189                                   |
| Accounts payable & accrued expenses                 | (3,807 )   | (3,152 )                                     |
| Other current liability                             | (4,723 )   | (2,099 )                                     |
| Equipment loans payable                             | (371 )   | (371 )                                       |
| Advance from Royal Roads Corp                       | (2,654 )   | (2,654 )                                     |
| Accrued site remediation                            | (1,400 )   | (2,400 )                                     |
| <br>Fair value of liabilities                       | <br>(12,955 )                                      | <br>(10,676 )                                |
| <br>Net assets acquired                             | <br>87,146   | <br>43,513                                   |
| less: Cash consideration of additional 32.875%      | (4,000 )   | (4,000 )                                     |
| less: Fair value of previously held equity interest | (17,430 )  | (8,655 )                                     |
| less: Fair value of non-controlling interest        | (41,130 )  | (20,553 )                                    |
| <br>Bargain purchase gain                           | <br>24,626   | <br>10,305                                   |

(i) At the date of acquisition, management estimated the provisional fair value of the mineral rights using known information at the time. Subsequently, the Company retained an investment banking firm to provide a formal valuation which has been used in the final fair value calculations.

(3) Recent Accounting Pronouncements

In January 2010, the FASB issued ASU 2010-01, Equity (Topic 505) – Accounting for Distributions to Shareholders with Components of Stock and Cash. ASU 2010-01 clarifies that the stock portion of a distribution to shareholders that allows them to elect to receive cash or shares with a potential limitation on the amount of cash that all shareholders can elect to receive is considered a share issuance. ASU 2010-01 is effective for interim and annual periods ending on or after December 15, 2009 and should be applied on a retrospective basis. The adoption of ASU 2010-01 did not have any impact on our financial position, results of operations or cash flows.

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements, under ASC No. 820-10. The update requires new disclosures about significant transfers in and out of Level 1 and Level 2 fair value measurements. ASU No. 2010-06 also clarifies disclosures required about inputs, valuation techniques and the level of disaggregation applied to each class of assets and liabilities. These updates are effective for interim and annual reporting periods beginning after December 15, 2009. These amendments have no material impact on the Company's financial results given that they relate to disclosure and presentation only.

In April 2010, the FASB issued ASU 2010-13, Share Based Payment Awards Denominated in Certain Currencies. The ASU guidance issued to amend ASC 718, Compensation – Stock Compensation clarifies that an employee share-based payment award that has an exercise price denominated in the currency of the market in which a substantial portion of the entity's equity shares trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, an entity should not classify such an award as a liability if it otherwise qualifies as equity. This amended guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010, with early adoption permitted. The adoption of ASU 2010-13 did not have a material impact on our financial position, results of operations or cash flows.

In December 2010, the FASB issued ASU 2010-28 which amends "Intangibles- Goodwill and Other" (Topic 350). The ASU modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting entities, they are required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. An entity should consider whether there are any adverse qualitative factors indicating that impairment may exist. The qualitative factors are consistent with the existing guidance in Topic 350, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances changes that would more likely than not reduce the fair value of a reporting unit below its carrying amount. ASU 2010-28 is effective for fiscal years, and interim periods within those years beginning after December 15, 2010. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In December 2010, the FASB issued ASU 2010-29 which address diversity in practice about the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations (Topic 805). This ASU specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This ASU also expands the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro-forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. ASU 2010-29 is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.



(4) Affiliate Transactions

Golden River Resources advances to and receives advances from various affiliates. All advances between consolidated affiliates are eliminated on consolidation.

The Company has entered into an agreement with AXIS Consultants Pty Ltd (“AXIS”) to provide geological, management and administration services to the Company. AXIS is affiliated through common management. The Company is one of ten affiliated companies to which AXIS provides services. Each of the companies has some common Directors, officers and shareholders. Golden River Resources holds a 9.09% interest in AXIS at a cost of A\$1 and is accounted for under the cost method. Any profits generated by AXIS are returned to its shareholders in the form of dividends.

During the nine months ended March 31, 2011 and 2010, AXIS advanced the Company CDN\$1,260,008 and CDN\$403,729 respectively and provided services in accordance with the service agreement of CDN\$84,537 and CDN\$281,866 respectively. During the nine months ended March 31, 2011, the Company repaid CDN\$1,622,400. The amounts owed to AXIS at March 31, 2011 and 2010 was CDN\$1,022,646 and CDN\$1,053,524 respectively and are reflected in non-current liabilities – advances from affiliates. During the nine months ended March 31, 2011 and 2010, AXIS did not charge interest.

During the 2009 fiscal year, in order to settle the first tranche of the acquisition of Acadian, Wilzed Pty Ltd, a company associated with Mr Joseph I Gutnick, President and Chief Executive Officer of the Company advanced CDN\$582,790 (A\$650,000) to the Company. The Company repaid the advance on July 24, 2009. Wilzed did not charge interest on the advance.

In September, 2009, the Company entered into a subscription agreement with Northern Capital Resources Corp (“NCRC”) whereby NCRC would subscribe for 8.5 million shares at an issue price of US\$1.00 per share to raise US\$8.5 million. Pursuant to the subscription agreement, the Company (i) issued 5,056,671 shares of common stock at an issue price of US\$1.00 per share raising CDN\$5,582,790 during September 2009, (ii) on March 31, 2010, issued 4,903,680 shares of common stock at a purchase price of US\$1.00 per share for aggregate proceeds of CDN\$5,181,196, and (iii) on July 14, 2010, issued 1,427,580 shares at an issue price of US\$1.00 per share, raising CDN\$1,475,261. Effective as of December 31, 2010, the Company issued 32,448,000 shares at an issue price of US\$0.05 per share, raising CDN\$1,622,400. The proceeds have been utilized to help fund the acquisition of shares in Acadian and for working capital purposes. Mr Joseph Gutnick is the Chairman and Chief Executive Officer of NCRC and certain companies with which Mr Gutnick is affiliated owned approximately 14.4% of the outstanding common stock of NCRC. In addition, Legend International Holdings, Inc., of which Mr. Gutnick is the Chairman and Chief Executive Officer and a principal stockholder, owns 31.28% of NCRC. NCRC currently holds approximately 96.578% of the outstanding common stock of the Company. The amount owed to NCRC at March 31, 2011 under current liabilities – advances from affiliates was CDN\$605,211.

During the period ended March 31, 2010, Acadian shared office facilities with Royal Roads Corp and Buchans River Ltd (non-consolidated entities of Acadian) and Acadian charged common costs to these companies. The amount was offset against interest owing to Royal Roads on intercompany advances. The amount owing to Royal Roads Corp was repaid by Acadian in November 2009.

In July 2009, Acadian acquired the remaining 50% of the 15 Mile Stream mineral claims for a cash payment of CDN\$70,000 and a non-interest bearing note for CDN\$1.0 million due July 2010 and a 1% net smelter royalty payable to Mr. Will Felderhof, the former President and CEO of Acadian, and members of his family. On July 8, 2010, the Company extended the terms of the CDN\$1.0 million note for a further 12 months and paid a CDN\$100,000 principal payment. Amounts due are reflected in current liabilities – note payable at March 31, 2011.

(5) Stockholders' Equity

On September 2, 2010, the Board of Directors of the Company and the holder of a majority of the outstanding shares of Common Stock approved a 1-for-10 reverse stock split of the Common Stock and approved the mailing of an Information Statement to stockholders in relation to the reverse stock split, which became effective on November 1, 2010. The Company has accounted for this reverse stock split and accordingly, all share and per share data has been retroactively restated.

(6) Issue of Options under Stock Option Plan

The Company follows the provisions of ASC Topic 718 Compensation-Stock Compensation ("ASC 718"), which addresses the accounting for share-based payment transactions in which a company receives employee services in exchange for (a) equity instruments of that company or (b) liabilities that are based on the fair value of the Company's equity instruments or that may be settled by the issuance of such equity instruments.

The Company has accounted for all options issued based upon their fair market value using either the Black Scholes or Binomial option pricing method. Prior to 2006, the Company used the Black Scholes option pricing method to determine the fair market value of options issued. In 2006, the Company changed from using the Black Scholes option pricing method to the Binomial option pricing model. The Binomial option pricing model breaks down the time to expiration into a number of steps or intervals and can therefore be used to value American style options, taking into account the possibility of early exercise and reflect changing inputs over time. The options issued in 2006 have three vesting periods and therefore, the Company believed the Binomial option pricing model is a more accurate measure of the fair value of the options.

In October 2004, the Board of Directors and Remuneration Committee of the Company adopted a Stock Option Plan and agreed to issue 140,000 options to acquire shares of common stock in the Company, at an exercise price of US\$10.00 per option, subject to shareholder approval which was subsequently received on January 27, 2005. All such options were vested by July 2006. The exercise price of US\$10.00 was derived from the issue price of common stock from the placement of shares on September 30, 2004 and is considered by the Company's Directors to be the fair value of the common stock. The options expire on October 15, 2014.

The Company calculated the fair value of the 140,000 options using the Black Scholes valuation method using a fair value share price of US\$10.00, strike price of US\$10.00, maturity period of 5 years 7 ½ months, risk free interest rate of 5.15% and volatility of 20%. This equates to a value of US\$3.185 per option. The total value of the options equates to CDN\$1,645,780 (US\$1,352,820) and such amount was amortized over the vesting period. At March 31, 2011, the options are fully vested.

Consistent with the provisions of ASC 718, the Company recorded the fair value of stock option grants in stockholders equity. Under ASC 718 an equity instrument is not considered to be issued until the instrument vests. Accordingly, as provided in ASC 718 effective July 1, 2005, the Company has reversed CDN\$551,000 (US\$445,900) being the unamortized restricted stock compensation at June 30, 2005 included in stockholders equity for the unvested portions of stock option grants awarded prior to the effective date of ASC 718.

Since the issue of the options in 2004, 60,000 options have lapsed following the termination of participants to the issue.

A summary of the options outstanding and exercisable at March 31, 2011 are as follows:

|                   |             |                     |             |                     |
|-------------------|-------------|---------------------|-------------|---------------------|
| Number of options | Outstanding | 80,000              | Exercisable | 80,000              |
| Exercise price    | \$          | US\$10.00           | \$          | US\$10.00           |
| Expiration date   |             | October 15,<br>2014 |             | October 15,<br>2014 |

On October 19, 2006, the Directors of the Company agreed to offer a further 465,000 options under the Stock Option Plan. The options had no issue price, an exercise price of US\$3.084 and a latest exercise date of October 19, 2016. The options vested 1/3 on October 19, 2007 ("T1"), 1/3 on October 19, 2008 ("T2") and 1/3 on October 19, 2009 ("T3"). The Company obtained an external valuation on the options from an unrelated third party.

The Company, through an unrelated third party consultant, has calculated the fair value of the 465,000 options using the binomial option pricing model using a fair value share price of US\$3.00, exercise price of US\$3.08, expected life T1 - 5 years 6 months, T2 - 6 years, T3 - 6 years 6 months, risk-free interest rate of 4.75% and volatility of 90%. The total value of the options equates to CDN\$1,207,860 (US\$1,060,200) and such amount was amortised over the vesting period. At March 31, 2011, the options were fully vested.

Since the issue of the options in 2006, 60,000 options have lapsed following the termination of participants to the issue.

A summary of the options outstanding and exercisable at March 31, 2011 are as follows:

|                   |             |             |
|-------------------|-------------|-------------|
| Number of options | Outstanding | Exercisable |
|                   | 405,000     | 405,000     |
| Exercise price    | \$ US3.08   | \$ US3.08   |
|                   | October 19, | October 19, |
| Expiration date   | 2016        | 2016        |

#### Acadian

At the annual and special meeting of shareholders of Acadian held on June 14, 2007, the shareholders adopted a 10% "rolling" incentive stock option plan (the "Plan"). Options granted under the Plan have a five-year term. Options are granted at a price no lower than the market price of the common shares at the time of the grant. The rules of the Toronto Stock Exchange ("TSX") provide that all unallocated options issuable under a "rolling" stock option plan must be approved by shareholders every three years after institution of the stock option plan. The plan was approved at the Annual General Meeting of Acadian held June 24, 2010. In determining the stock-based compensation expense, in fiscal 2011, the fair value of the options issued were estimated using a Black-Scholes option pricing model with the weighted average assumptions used of risk-free interest rate of 1.50%, expected dividend yield of 0.00% expected stock price volatility of 62%, expected life of options of 5 years and grant date fair value CDN\$0.30.

Acadian options currently outstanding are:

- (a) On June 15, 2010, the Company granted 500,000 options to one director of the Company with an exercise price of CDN\$0.45 per share expiring June 15, 2015, to be vested one-third on grant date, one-third after 12 months from grant date and one-third after 24 months from grant date. The total value of the options equates to CDN\$138,765 and such amount is amortized over the vesting period. For the nine months ending March 31, 2011, stock based compensation expense relating to stock options was CDN\$98,292.

A summary of the Acadian options outstanding and exercisable at March 31, 2011 are as follows:

|                   |               |               |
|-------------------|---------------|---------------|
|                   | Outstanding   | Exercisable   |
| Number of options | 500,000       | 166,666       |
| Exercise price    | CDN\$0.45     | CDN\$0.45     |
| Expiration date   | June 15, 2015 | June 15, 2015 |

As at March 31, 2011, there was CDN\$40,473 of unrecognized compensation cost, before income taxes, related to unvested stock options.

- (b) On August 18, 2010, the Company granted 300,000 Acadian options to three directors of the Company with an exercise price of CDN\$0.45 per share expiring August 18, 2015, to be vested one-third on grant date, one-third after 12 months from grant date and one-third after 24 months from grant date. The total value of the options equates to CDN\$56,349 and such amount is amortized over the vesting period. For the nine months ending March 31, 2011, stock based compensation expense relating to stock options was CDN\$35,218.

A summary of the options outstanding and exercisable at March 31, 2011 are as follows:

|                   |                    |                    |
|-------------------|--------------------|--------------------|
|                   | Outstanding        | Exercisable        |
| Number of options | 300,000            | 100,000            |
| Exercise price    | CDN\$0.45          | CDN\$0.45          |
| Expiration date   | August 18,<br>2015 | August 18,<br>2015 |

As at March 31, 2011, there was CDN\$21,131 of unrecognized compensation cost, before income taxes, related to unvested stock options.

(7) Profit(Loss) per share

Basic profit/(loss) per share is computed based on the weighted average number of common shares outstanding during the period.

Profit/(Loss) per share

The Company calculates profit/(loss) per share in accordance with ASC Topic 260, "Earnings per Share".

The following tables reconcile the weighted average shares outstanding used for the computation:

|                         |                               |       |
|-------------------------|-------------------------------|-------|
|                         | Nine months ended<br>March 31 |       |
|                         | 2011                          | 2010  |
| Weighted average shares | '000s                         | '000s |

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|                                     |        |        |
|-------------------------------------|--------|--------|
| Outstanding - basic                 | 35,068 | 16,473 |
| Warrants                            | -      | -      |
| Weighted average shares outstanding | 35,068 | 16,473 |

|   | Three months ended<br>March 31 |        |
|---|--------------------------------|--------|
|   | 2011                           | 2010   |
| Diluted weighted average shares             | '000                           | '000   |
| Basic                                       | 56,807                         | 17,783 |
| Effect of employee stock based awards       | -                              | -      |
| Diluted weighted average shares outstanding | 56,807                         | 17,783 |

Options to acquire 485,000 shares of common stock were not included in the diluted weighted average shares outstanding as such effects would be anti-dilutive.

#### (8) Commitments

The Company is committed to minimum annual lease payments of CDN\$103,607 on its office premises until October 2013. Effective September 1, 2010 the Company has sublet the office premises for a rental the equivalent of its lease commitment.

The Company has an obligation to spend CDN\$2,381,000 on its exploration properties during fiscal 2011 to maintain its properties.

Total net rent expense incurred by the Company amounted to CDN\$1,500 and CDN\$30,841 for the three and nine months ending March 31, 2011 and CDN\$31,000 and CDN\$87,000 for the three and nine months ending March 31, 2010.

#### (9) Fair Value Of Financial Instruments

The Company's financial instruments consist of cash, note payable and advances from affiliates. The carrying amounts of cash and note payable approximate their respective fair values because of the short maturities of those instruments. The fair values of advances from affiliates are not practicable to estimate as no similar market exists for these instruments and as it does not have a specified date of repayment.

#### (10) Reclassifications

Certain amounts in the 2010 financial statements are reclassified to conform to the 2011 presentation with no effect on the results of operations.

#### (11) Investments/Subsidiaries

At June 30, 2010, the Company's holding in Acadian was 68.67%. During the nine months ended March 31, 2011, the Company purchased an additional 4,923,387 shares, increasing its holding in Acadian to 71.5% at March 31, 2011. The cost to the Company was CDN\$1,477,000. As a result of this transaction, the Company recorded a \$1,512,000 adjustment to additional paid in capital and to non-controlling interest, representing the difference between the amount paid for such additional shares and the carry amount of the investment..

The amount of revenue of Acadian for the nine months ended March 31, 2011 and March 31, 2010 included in the Consolidated Statement of Operations were CDN\$nil and CDN\$nil and the amount of loss was CDN\$3,501,302 and CDN\$2,191,000 respectively.

Acadian announced on February 8, 2011 that it had signed a letter of intent with Selwyn Resources Ltd. (“Selwyn”) whereby Selwyn would acquire the zinc and lead assets of Acadian for a cash consideration of CDN\$10 million. The sale may be consummated by Selwyn acquiring all of the issued and outstanding shares of ScoZinc Limited (“ScoZinc”), a wholly owned subsidiary of Acadian, which holds all of the assets associated with the Scotia Mine located in Nova Scotia (“Acquisition”) or by an asset sale. Upon completion of the Acquisition, Selwyn will own the mine-mill complex and an extensive mineral claims package owned by ScoZinc. The Acquisition is subject to completion of formal documentation, regulatory approval and the achievement of certain conditions prior to closing, including Selwyn being satisfied with the results of an environmental audit by an independent consulting group and Selwyn receiving an independent NI 43-101 Technical Report confirming the Mineral Resources reported by ScoZinc. The parties have agreed to act expeditiously and in good faith in finalizing a more formal agreement of purchase and sale. Acadian has agreed to the payment of a break fee in the amount of \$1.5 million if it receives and accepts an unsolicited superior proposal. Acadian estimates, after costs per the agreement including costs for site remediation, that the net proceeds from the sale of ScoZinc will be approximately CDN\$6,500,000.

The carrying value of ScoZinc assets are CDN\$10.0 million and liabilities CDN\$3.5 million as of March 31, 2011 and consist of the following:

|  | Estimate<br>CDN\$Millions |
|--|---------------------------|
| Assets                                   |                           |
| Property, plant and equipment            | 5.0                       |
| Mineral rights                           | 4.0                       |
| Cash held for site remediation           | 1.0                       |
|  | 10.0                      |
| Liabilities                              |                           |
| Accounts payable and accrued liabilities | 0.9                       |
| Accrued site remediation                 | 2.6                       |
|  | 3.5                       |
| Net Assets                               | 6.5                       |

The operating costs for ScoZinc for the three and nine months ended March 31, 2011 amounted to \$254,000 and \$1,119,000 respectively, and for the three and nine months ended March 31, 2010 are CDN\$322,000 and CDN\$1,724,000 respectively.

On February 24, 2011, Acadian announced that it has signed a letter of intent with respect to a proposed investment in Acadian by China Metallurgical Exploration Corp. ("CME"), which will raise an initial \$8.1 million with the potential to raise a further \$5.4 million if warrants are exercised. The transaction is subject to certain conditions precedent being met before April 30, 2011 including completion of formal documentation, regulatory approval and approval from the Government of China. The private placement is also conditional upon the completion of due diligence to the satisfaction of CME. The effect of the issue of shares will be to dilute Golden River Resources' interest in Acadian to approximately 54%.

#### (12) Mineral Rights

The fair-value of the mineral rights acquired in the acquisition of Acadian was based upon a valuation report prepared by an investment banking firm with substantial experience in merger and acquisition transactions including provision of fairness opinions and valuations. Accordingly, the Company has attributed a fair value of CDN\$43,790,000 to mineral rights.

#### (13) Cash held for Site Remediation

Acadian has agreed with the relevant authorities in Canada to remediate exploration and mine sites to an agreed status at the end of exploration and/or mining operations at the sites. Currently, Acadian has CDN\$1,033,000 on deposit with the relevant authorities in Canada to cover the cost of this remediation work.

#### (14) Property, Plant and Equipment

Property, plant and equipment is stated at cost. The Company records depreciation and amortization, when appropriate, using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, major renewals and replacements that increase the property's useful life are capitalized. Property sold or retired, together with the related accumulated depreciation is removed from the appropriate accounts and the resultant gain or loss is included in net income (loss).

A summary of the components of property, plant and equipment at March 31, 2011 is as follows:

| Cost | Accumulated | Net |
|------|-------------|-----|
|------|-------------|-----|

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|  | CDN\$     | Depreciation<br>CDN\$ | CDN\$     |
|--|-----------|-----------------------|-----------|
| Office                                 |           |                       |           |
| Building                               | 260,119   | 18,853                | 241,266   |
| Automotive equipment                   | 18,378    | 8,408                 | 9,970     |
| Office fixtures and computer equipment | 243,983   | 77,112                | 166,871   |
| Land                                   | 405,617   | -                     | 405,617   |
|  | 928,097   | 104,373               | 823,724   |
| <br>                                   |           |                       |           |
| Mine Site                              |           |                       |           |
| Land                                   | 566,950   | -                     | 566,950   |
| Building                               | 1,401,204 | 180,299               | 1,220,905 |
| Equipment                              | 3,636,602 | 411,342               | 3,225,260 |
|  | 5,604,756 | 591,641               | 5,013,115 |
| Other                                  | 6,589     | 6,589                 | -         |
| Balance March 31, 2011                 | 6,539,442 | 702,603               | 5,836,839 |

The depreciation expense for the nine months ended March 31, 2011 amounted to CDN\$356,459.

(15) Accrued Site Remediation

Acadian has agreed with the relevant authorities in Canada to remediate exploration and mine sites to an agreed status at the end of exploration and/or mining operations at the sites. The estimated cost of this remediation work at March 31, 2011 is CDN\$2,600,000.

(16) Other Current Liability

ScoZinc (a subsidiary of Acadian) entered into lease agreements for heavy equipment with an Equipment Supplier ("Equipment Supplier") which transferred substantially all the benefits and risks of ownership to ScoZinc. ScoZinc's obligations under the leases were guaranteed by Acadian. In addition, Acadian had guaranteed the payment obligations with regard to such lease agreements. The accompanying financial statements reflect an accrual of the estimated amount owing under this obligation which amounted to approximately CDN\$2.1 million and CDN\$1.5 million at June 30, 2010 and March 31, 2011, respectively.

During November 2010, Acadian entered into an agreement with the Equipment Supplier to make monthly installment payments through May 2011 totaling CDN\$900,000 which would satisfy in full the aforementioned obligation under the guarantee. Acadian has made payments aggregating CDN\$600,000 in accordance with the agreement through March 31, 2011.

The agreement contains a provision that states that in the event Acadian fails to make any of the payments as required, the Equipment Supplier shall be entitled to take any and all actions available to it to enforce its rights under the guarantee. In the period in which all of the payments required under the agreement have been made in full and upon being relieved of its obligation by the Equipment Supplier, the remaining balance of the accrued liability will be derecognized and a related gain of approximately CDN\$1.2 million will then be recorded by Acadian.

(17) Income Taxes

The Company recognises deferred tax assets or liabilities for the expected future consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

The Company's net deferred taxes at March 31, 2011 is summarized as follows:

|                                  | USA<br>CDN\$000s | Canada<br>CDN\$000s | Total<br>CDN\$000s |
|----------------------------------|------------------|---------------------|--------------------|
| Deferred tax assets              |                  |                     |                    |
| Net operating loss carry-forward | 1,865            | 343                 | 2,208              |
| Exploration expenditure          | 790              | 1,457               | 2,247              |
|                                  | 2,655            | 1,800               | 4,455              |
| Less valuation allowance         | (2,655 )         | (1,800 )            | (4,455 )           |
|                                  | -                | -                   | -                  |
| Deferred tax liability           |                  |                     |                    |
| Investment in subsidiary         | (2,729 )         | -                   | (2,729 )           |
| Net deferred taxes               | (2,729 )         | -                   | (2,729 )           |

Total available net operating loss carryforwards in the United States, which are subject to limitations, amount to approximately CDN\$5,300,000 at March 31, 2011 and expire in years 2023 through 2030. Net operating loss carryforwards in Canada do not have a definite expiration date.

Included in accounts payable and accruals is an amount of CDN\$250,276 being an estimated liability to the IRS in relation to late filing of prior year tax returns. The Company has estimated the potential maximum liability and is making representations to the IRS in relation to the quantum of this liability.

(18) Subsequent Events

The Company has evaluated significant events subsequent to the balance sheet date and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FUND COSTS CONVERSION

The consolidated statements of operations and other financial and operating data contained elsewhere here in and the consolidated balance sheets and financial results have been reflected in Canadian dollars unless otherwise stated.

The following table shows the average rate of exchange of the Canadian dollar as compared to the US dollar and Australian dollar during the periods indicated:

|                               |                        |
|-------------------------------|------------------------|
| 9 months ended March 31, 2010 | CDN\$1.00 = US\$.9815  |
| 9 months ended March 31, 2011 | CDN\$1.00 = US\$1.0283 |
| 9 months ended March 31, 2010 | CDN\$1.00 = A\$1.1720  |
| 9 months ended March 31, 2011 | CDN\$1.00 = A\$0.9973  |

Prior to July 1, 2009, the Company's functional and reporting currency was the Australian dollar and its subsidiary, Golden Bull Resources Corporation's functional currency was the Canadian dollar. However, as a result of the purchase of the controlling interest in Acadian Mining Corporation in Canada in July 2009, the Company's fiscal 2010 revenue and expenses are primarily denominated in Canadian dollars (CDN\$). ASC Topic 830 "Foreign Currency Matters" states that the functional currency of an entity is the currency of the primary economic environment in which the entity operates. Accordingly the Company determined that from July 1, 2009 the functional and reporting currency of the Company is the Canadian dollar. Assets, liabilities and portions of equity were translated at the rate of exchange at July 1, 2009 and portions of equity were translated at historical exchange rates. Revenue and expenses were translated at actual rates. Translation gains and losses were included as part of accumulated other comprehensive loss.

Restatement of comparative numbers was made for the change in functional and reporting currency. The change was adopted prospectively beginning July 1, 2009 in accordance with ASC Topic 830.

The Company's financial statements are prepared in Canadian dollars (CDN\$). A number of the costs and expenses of the Company are incurred in US and Australian dollars and the conversion of these costs to CDN\$ means that the comparison of the nine months ended March 31, 2011 to the nine months ended March 31, 2010 does not always present a true comparison.

Golden River Resources as part of its business strategy increased its gold exploration activity in Canada. On March 17, 2009, the Company announced that it had reached agreement with Acadian Mining Corporation ("Acadian") to subscribe in a private placement transaction for up to 33,811,133 common shares in Acadian for aggregate gross investment of up to CDN\$10 million. Throughout July 2009, Golden River Resources subscribed for further shares to a value of CDN\$4 million and at July 31, 2009, the Company held a 52.764% interest in Acadian. As a result, Golden River Resources has since that time consolidated the results of Acadian. On September 30, 2009, a further closing for an aggregate of CDN\$1 million occurred increasing the Company interest in Acadian to 57.145%; during October 2009, Golden River Resources subscribed for shares to the value of CDN\$4 million which increased its interest in Acadian to 68.765%; and in July 2010, Golden River Resources acquired further shares in Acadian and currently holds 71.5% of Acadian.

RESULTS OF OPERATION

Three Months Ended March 31, 2011 vs. Three Months Ended March 31, 2010.

Costs and expenses decreased from CDN\$1,521,000 in the three months ended March 31, 2010 to CDN\$857,000 in the three months ended March 31, 2011.

The decrease in costs and expenses is a net result of:

- a) an increase in stock based compensation from CDN\$nil for the three months ended March 31, 2010 to CDN\$134,000 for the three months ended March 31, 2011 as a result of options issued to Directors by Acadian which are being progressively expensed over the vesting period. See Note 6 concerning the Company's outstanding stock options.
- b) a decrease in the exploration expenditure expense from CDN\$386,000 for the three months ended March 31, 2010 to CDN\$27,000 for the three months ended March 31, 2011. For Golden River Resources, the costs related to consultants providing exploration reviews and advice on the Slave and Committee Bay properties as no field work was undertaken during the three months ended March 31, 2010 or 2011 by the Company. Included within exploration expenditure expense for the three months ended March 31, 2011 is work undertaken by Acadian for field exploration activities on its gold properties and certain maintenance work on its Scotia mine which is currently on care and maintenance. The decrease in exploration expenditure during the three months ended March 31, 2011 was primarily due to a decrease in site remediation accrual for Acadian's exploration and mining sites resulting from the revaluation of the remediation costs on the gold properties.

- c) a decrease in depreciation and amortization expense from CDN\$134,000 for the three months ended March 31, 2010 to CDN\$103,000 for the three months ended March 31, 2011. The depreciation and amortization expense relates to the activities of Acadian which is amortizing the mine and mill (which is on care and maintenance) and equipment.
- d) a decrease in interest expense from CDN\$2,000 for the three months ended March 31, 2010 to CDN\$nil for the three months ended March 31, 2011.
- e) a decrease in legal, accounting and professional expense from CDN\$119,000 for the three months ended March 31, 2010 to CDN\$107,000 for the three months ended March 31, 2011. Included within legal, accounting and professional expense for the three months ended March 31, 2011 is CDN\$45,000 for costs associated with the Company's SEC compliance obligations and CDN\$46,000 for Acadian which relates to general legal work, audit and stock transfer costs. The decrease is primarily the result of a reduction in legal costs of Acadian following the settlement of the CCAA proceedings and a legal dispute in the prior year.
- f) a decrease in administrative costs including salaries from CDN\$880,000 in the three months ended March 31, 2010 to CDN\$486,000 in the three months ended March 31, 2011. Included within administrative expense for the three months ended March 31, 2011 is CDN\$462,000 for Acadian compared to CDN\$699,000 for the three months ended March 31, 2010 which includes head office salaries, rent, office related costs and travel. The decrease relates to the decrease in head office salaries, and a decrease in office and statutory filing costs.

As a result of the foregoing, the loss from operations decreased from CDN\$1,521,000 for the three months ended March 31, 2010 to CDN\$857,000 for the three months ended March 31, 2011.

The Company recorded a foreign currency exchange loss of CDN\$2,000 for the three months ended March 31, 2011 and CDN\$2,000 for the three months ended March 31, 2010, primarily due to revaluation of advances from affiliates which are denominated in Australian dollars.

The loss before income taxes and equity in profits/(losses) of unconsolidated entities for the three months ended March 31, 2011 was CDN\$859,000 compared to CDN\$1,523,000 for the three months ended March 31, 2010.

There was no provision for income taxes in either the three months ended March 31, 2011 or the three months ended March 31, 2010.

The loss before equity in profits/(losses) of unconsolidated entities for the three months ended March 31, 2011 was CDN\$859,000 compared to CDN\$1,523,000 for the three months ended March 31, 2010.

The share of loss in unconsolidated entities for the three months ended March 31, 2010 amounted to CDN\$92,000 for which there was no comparable amount in 2011. The Company via Acadian, held a 29.18% interest in Royal Roads Corp which was accounted for using the equity method of accounting. Acadian sold its interest in Royal Roads Corp. in April 2010.

The net loss was CDN\$859,000 for the three months ended March 31, 2011 compared to CDN\$1,615,000 for the three months ended March 31, 2010.

The share of the loss attributable to the non-controlling interests of Acadian amounted to CDN\$209,000 for the three months ended March 31, 2011 compared to CDN\$415,000 for the three months ended March 31, 2010.

The net loss attributable to Golden River Resources stockholders amounted to CDN\$650,000 for the three months ended March 31, 2011 compared to CDN\$1,200,000 for the three months ended March 31, 2010.

Nine Months Ended March 31, 2011 vs. Nine Months Ended March 31, 2010.

In February 2011, the Company filed an amendment to its previously filed 10-Q for the nine months ended March 31, 2010 to revise the fair value amounts related to the acquisition of the assets and liabilities of Acadian. Accordingly, the financial statements for the nine months ended March 31, 2010 reflect the restatement adjustments noted below.

During the fourth quarter of fiscal 2010, the Company completed the accounting for the acquisition of Acadian and as a result, adjustments were made to the preliminary fair value accounting at the date of acquisition. The following table discloses the preliminary fair value estimates and the final fair value amounts of the assets and liabilities of Acadian at acquisition date.

|   | Preliminary<br>Fair Value<br>Amounts<br>CDN\$000's | Final<br>Fair Value<br>Amounts<br>CDN\$000's |
|---|--|--|
| Cash and cash equivalents                           | 1,414  | 1,414  |
| Receivables   | 45   | 45   |
| Property, plant & equipment (net)                   | 10,033   | 7,089  |
| Prepayments   | 71   | 71   |
| Investment in Royal Roads Corp                      | 855  | 855  |
| Cash held for remediation                           | 925  | 925  |
| Mineral rights (i)                                  | 86,798   | 43,790                                       |
| <br>Fair value of assets                            | <br>100,141  | <br>54,189                                   |
| <br>Accounts payable & accrued expenses             | <br>(3,807 )                                       | <br>(3,152 )                                 |
| Other current liability                             | (4,723 )   | (2,099 )                                     |
| Equipment loans payable                             | (371 )   | (371 )                                       |
| Advance from Royal Roads Corp                       | (2,654 )   | (2,654 )                                     |
| Accrued site remediation                            | (1,400 )   | (2,400 )                                     |
| <br>Fair value of liabilities                       | <br>(12,955 )                                      | <br>(10,676 )                                |
| <br>Net assets acquired                             | <br>87,146   | <br>43,513                                   |
| less: Cash consideration of additional 32.875%      | (4,000 )   | (4,000 )                                     |
| less: Fair value of previously held equity interest | (17,430 )  | (8,655 )                                     |
| less: Fair value of non-controlling interest        | (41,130 )  | (20,553 )                                    |
| <br>Bargain purchase gain                           | <br>24,626   | <br>10,305                                   |

- (i) At the date of acquisition, management estimated the provisional fair value of the mineral rights using known information at the time. Subsequently, the Company retained an investment banking firm to provide a formal valuation which has been used in the final fair value calculations.

Costs and expenses decreased from CDN\$4,095,000 in the nine months ended March 31, 2010 to CDN\$4,031,000 in the nine months ended March 31, 2011.

The decrease in costs and expenses is a net result of:

- an increase in stock based compensation from CDN\$39,000 for the nine months ended March 31, 2010 to CDN\$134,000 for the nine months ended March 31, 2011 as a result of options issued to Directors by Acadian which are being progressively expensed over the vesting period. See Note 6 concerning the Company's outstanding stock options.
- a decrease in the exploration expenditure expense from CDN\$1,670,000 for the six months ended March 31, 2010 to CDN\$1,617,000 for the nine months ended March 31, 2011. In relation to Golden River Resources, the costs related to consultants providing exploration reviews and advice on the Slave and Committee Bay properties as no field work was undertaken during the nine months ended March 31, 2010 or 2011. Included within exploration expenditure expense for the nine months ended March 31, 2011 is CDN\$1,347,000 for field exploration activities

on Acadian's gold properties and certain maintenance work on its Scotia mine which is currently on care and maintenance which was partially offset by a decrease in site remediation accrual for Acadian's exploration and mining sites.

- c) an increase in depreciation and amortization expense from CDN\$354,000 for the nine months ended March 31, 2010 to CDN\$356,000 for the nine months ended March 31, 2011. The depreciation and amortization expense relates to the activities of Acadian which is amortizing the mine and mill (which is on care and maintenance) and equipment.
- d) a decrease in interest expense from CDN\$141,000 for the nine months ended March 31, 2010 to CDN\$(65,000) for the nine months ended March 31, 2011. The interest expenses for the nine months ended March 31, 2011 relates to the reversal of accruals for interest on a third party liability following confirmation of the final amount owing.

- e) an increase in legal, accounting and professional expense from CDN\$425,000 for the nine months ended March 31, 2010 to CDN\$508,000 for the nine months ended March 31, 2011. Included within legal, accounting and professional expense for the nine months ended March 31, 2011 is CDN\$146,000 which relates to the Company's tax compliance work, CDN\$129,000 for costs associated with the Company's SEC compliance obligations and \$205,000 for Acadian which relates to general legal work, audit and stock transfer costs. The increase in the current year relates to professional services on tax related matters.
- f) an increase in administrative costs including salaries from CDN\$1,466,000 in the nine months ended March 31, 2010 to CDN\$1,481,000 in the nine months ended March 31, 2011. Included within administrative expense for the nine months ended March 31, 2011 is CDN\$1,402,000 for Acadian which includes head office salaries, rent, office related costs and travel. The increase relates to the increased cost of the new President & CEO of Acadian, increased travel and accommodation costs of Acadian in its activities, supplies and office and general costs.

As a result of the foregoing, the loss from operations decreased from CDN\$4,095,000 for the nine months ended March 31, 2010 to CDN\$4,031,000 for the nine months ended March 31, 2011.

The Company recorded a foreign currency exchange gain of CDN\$3,000 for the nine months ended March 31, 2010 compared to a foreign currency exchange loss of CDN\$149,000 for the nine months ended March 31, 2011, primarily due to revaluation of advances from affiliates which are denominated in A\$.

The Company recorded a profit on disposal of plant and equipment of CDN\$48,000 for the nine months ended March 31, 2011 for which there was no comparable amount for the nine months ended March 31, 2010. Acadian disposed of surplus equipment.

The Company has recorded a writeoff of plant and equipment of CDN\$170,000 for the nine months ended March 31, 2011 for which there was no comparable amount for the nine months ended March 31, 2010. Acadian wrote down the carrying value of plant and equipment after a physical review.

The Company obtained control of Acadian in July, 2009 and since that date the Company has consolidated the results of Acadian. In accordance with US GAAP, the Company calculated the difference between the fair value of assets acquired at acquisition date and the carrying value of its investment in an unconsolidated entity (Acadian) at acquisition date. For the nine months ended March 31, 2010, the Company recorded an adjustment to fair value on stepped acquisition of CDN\$7,433,000. There was no comparable adjustment in the nine months ended March 31, 2011.

The Company has recorded a gain on bargain purchase of CDN\$10,305,000 which is disclosed separately on the consolidated statement of operations for the nine months ended March 31, 2010. The gain represents the excess of the fair value of the net assets acquired over (i) fair value of the non controlling interest; (ii) fair value of the equity investment held prior to acquisition; and, (iii) the cash consideration paid, subsequent to acquiring a majority interest in Acadian.

The Company has recorded interest income of CDN\$1,000 for the nine months ended March 31, 2010 and for the nine months ended March 31, 2011.

The loss before income tax and equity in profits/(losses) of unconsolidated entities for the nine months ended March 31, 2011 was CDN\$4,301,000 compared to a profit for the nine months ended March 31, 2010 of CDN\$13,647,000.

The Company has recorded a provision for tax of CDN\$105,000 for the nine months ended March 31, 2011 compared to a provision for tax of CDN\$2,624,000 for the nine months ended March 31, 2010, as a result of the acquisition of

majority interest in Acadian. The accounting standards require the Company to recognize a provision for tax for the difference between the fair value of the net assets of Acadian and the acquisition cost.

The loss before equity in profits of unconsolidated entities for the nine months ended March 31, 2011 was CDN\$4,406,000 compared to a profit for the nine months ended March 31, 2010 of CDN\$11,023,000.

As noted above, the Company held a 19.89% interest in Acadian at June 30, 2009 which increased to 52.764% at July 31, 2009. The Company accounted for its 19.89% interest in Acadian for the month of July 2009 using the equity method of accounting. Further, the Company via Acadian, held a 29.18% interest in Royal Roads Corp which was accounted for using the equity method of accounting and its share of the loss of the unconsolidated entities for the nine months ended March 31, 2010 was CDN\$234,000. Acadian sold its interest in Royal Roads in April 2010.

The net loss was CDN\$4,406,000 for the nine months ended March 31, 2011 compared to a net profit of CDN\$11,257,000 for the nine months ended March 31, 2010.

The share of the loss attributable to the non-controlling interests of Acadian amounted to CDN\$1,004,000 for the nine months ended March 31, 2011 compared to CDN\$1,387,000 for the nine months ended March 31, 2010.

The net loss attributable to Golden River Resources stockholders amounted to CDN\$3,402,000 for the nine months ended March 31, 2011 compared to a net profit of CDN\$12,644,000 for the nine months ended March 31, 2010.

#### Liquidity and Capital Resources

For the nine months ended March 31, 2011, net cash used by operating activities was CDN\$2,677,000 primarily consisting of the net loss of CDN\$4,406,000; reversal of site remediation estimate of CDN\$200,000; write down of plant and equipment of CDN\$170,000, write-off of exploration costs of CDN\$377,000 and a decrease in accounts payable and accrued expenses of CDN\$682,000; net cash used in investing activities of CDN\$1,420,000 being primarily the net cost of the additional investment in Acadian; and net cash provided by financing activities of CDN\$3,222,000 primarily consisting of funds from the sale of common stock of CDN\$3,097,000, borrowings from affiliates of CDN\$1,747,000 and repayments to affiliates of CDN\$1,622,000.

In the nine months ended March 31, 2011, the Company raised, in private placement transactions with Northern Capital Resources Corp (“NCRC”), CDN\$3,097,661 through the issue of 33,875,000 shares of common stock.

As of March 31, 2011, the Company had short-term obligations of CDN\$4,477,000 comprising accounts payable and accrued expenses, lease liabilities, advances from affiliate and a note payable.

We have CDN\$82,000 in cash at March 31, 2011.

Since fiscal 2004, we have undertaken field exploration programs on our Committee Bay and Slave properties. In relation to the Committee Bay properties, this was more than the minimum required expenditure and as a result, we have not had a legal obligation to undertake further exploration on these properties. However, our properties are prospective for gold and other minerals and commencing in fiscal 2011, we will be required to undertake field exploration programs on both the Slave and Committee Bay properties in order to maintain the leases. The Company will be required to incur expenditure or make payments in lieu of expenditure of CDN\$397,000 prior to the end of 2011. Further, Acadian has an obligation to spend amounts on its mineral properties in order to maintain the leases and is required to spend CDN\$1,400,000 on gold exploration properties and CDN\$350,000 on base metal exploration properties during fiscal 2011. Our budget for general and administration costs for fiscal 2011 is CDN\$500,000 and Acadian’s budget for the general and administration costs for fiscal 2011 is CDN\$1,300,000.

Acadian announced on February 8, 2011 that it had signed a letter of intent with Selwyn Resources Ltd. (“Selwyn”) whereby Selwyn would acquire the zinc and lead assets of Acadian for a cash consideration of CDN\$10 million. The sale will be consummated by Selwyn acquiring all of the issued and outstanding shares of ScoZinc Limited (“ScoZinc”), a wholly owned subsidiary of Acadian, which holds all of the assets associated with the Scotia Mine located in Nova Scotia (“Acquisition”). Upon completion of the Acquisition, Selwyn will own the mine-mill complex and an extensive mineral claims package owned by ScoZinc. The Acquisition is subject to completion of formal documentation, regulatory approval and the achievement of certain conditions prior to closing, including Selwyn being satisfied with the results of an environmental audit by an independent consulting group and Selwyn receiving an independent NI 43-101 Technical Report confirming the Mineral Resources reported by ScoZinc. Acadian has agreed to the payment of a break fee in the amount of \$1.5 million if it receives and accepts an unsolicited superior proposal. During the period, Acadian has agreed to negotiate exclusively with Selwyn. Acadian estimates that the net proceeds from the sale of ScoZinc will be approximately CDN\$6,500,000. Acadian, at the time of sale, estimates the carrying value of ScoZinc assets will be CDN\$10.0 million and liabilities CDN\$3.5 million.

On February 24, 2011, Acadian announced that it has signed a letter of intent with respect to a proposed investment in Acadian by China Metallurgical Exploration Corp. ("CME"), which will raise an initial \$8.1 million with the potential to raise a further \$5.4 million if warrants are exercised. The transaction is subject to certain conditions precedent being met before April 30, 2011 including completion of formal documentation, regulatory approval and approval from the Government of China. The private placement is also conditional upon the completion of due diligence to the satisfaction of CME. The effect of the issue of shares will be to dilute Golden River Resources' interest in Acadian to approximately 54%.

We are currently investigating other capital raising opportunities which may be in the form of either equity or debt, to provide funding for working capital purposes and future exploration programs. There can be no assurance that such capital raising will be successful, or that even if an offer of financing was received by the Company, it is on terms acceptable to the Company.

Cautionary Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995.

Certain information contained in this Form 10-Q's forward looking information within the meaning of the Private Securities Litigation Act of 1995 (the "Act") which became law in December 1995. In order to obtain the benefits of the "safe harbor" provisions of the act for any such forwarding looking statements, the Company wishes to caution investors and prospective investors about significant factors which among others have affected the Company's actual results and are in the future likely to affect the Company's actual results and cause them to differ materially from those expressed in any such forward looking statements. This Form 10-Q report contains forward looking statements relating to future financial results. Actual results may differ as a result of factors over which the Company has no control including, without limitation, the risks of exploration and development stage projects, political risks of development in foreign countries, risks associated with environmental and other regulatory matters, mining risks and competition and the volatility of gold and copper prices, movements in the foreign exchange rate and the availability of additional financing for the Company. Investors are cautioned not to put undue reliance on forward-looking statements. We disclaim any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise. Additional information which could affect the Company's financial results is included in the Company's Form 10-K on file with the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

At March 31, 2011, the Company had outstanding loan facilities of CDN\$1,628,000. No interest is currently payable of the loan.

The Company reports in CDN\$ and holds cash in Australian dollars. At March 31, 2011, this amounted to A\$10,862. A change in the exchange rate between the A\$ and the CDN\$ will have an effect on the amounts reported in the Company's consolidated financial statements, and create a foreign exchange gain or loss. A movement of 1% in the A\$ versus the CDN\$ exchange rate will have a CDN\$109 effect on the consolidated balance sheet and statement of operations.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures

Our principal executive officer and our principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as amended) as of the end of the period covered by this report. Based on that evaluation, such principal executive officer and principal financial officer concluded that, the Company's disclosure controls and procedures were effective as of the end of the period covered by this report at the reasonable level of assurance.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the third quarter of fiscal 2011 that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

(c) Other

We believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of

the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurance of achieving our desired control objectives, and our principal executive officer and principal financial officer have concluded, as of March 31, 2011, that our disclosure controls and procedures were effective in achieving that level of reasonable assurance.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

Not Applicable

Item 1A. Risk Factors.

Not Applicable for Smaller Reporting Company

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not Applicable

Item 3. Defaults Upon Senior Securities.

Not Applicable

Item 4. Removed and Reserved.

Not Applicable

Item 5. Other Information.

See Item 2 above.

Item 6. Exhibits.

| (a)  | Exhibit No. | Description   |
|------|-------------|---|
| 31.1 |             | Certification of Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act  |
| 31.2 |             | Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act  |
| 32.1 |             | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley act of 2002 |
| 32.2 |             | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley act of 2002 |

(FORM 10-Q)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Golden River Resources Corporation

By: /s/ Joseph I. Gutnick

Joseph I. Gutnick  
Chairman of the Board, President and  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Peter Lee

Peter Lee  
Director, Secretary and  
Chief Financial Officer  
(Principal Financial Officer)

Dated: April 20, 2011

EXHIBIT INDEX

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