

GOLDEN RIVER RESOURCES CORP.

Form 10-Q

May 15, 2013

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, 2013

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

☒ Yes ☐ No

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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      ☐  
Non-accelerated filer      ☐

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 56,807,283 outstanding shares of Common Stock as of May 12, 2013.

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, 2012.

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, 2013, the results of its consolidated statements of comprehensive income for the three and nine month periods ended March 31, 2013 and March 31, 2012 and for the cumulative period July 1, 2002 (inception of exploration activities) to March 31, 2013, and the changes in its consolidated cash flows for the nine month period ended March 31, 2013 and March 31, 2012 and for the cumulative period July 1, 2002 (inception of exploration activities) to March 31, 2013 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.

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, 2013 CDN\$000's	June 30, 2012 CDN\$000's
<b>ASSETS</b>		
Current Assets:		
Cash	205	75
Receivables	28	102
Prepaid expenses and deposits	10	134
Total Current Assets	243	311
Non Current Assets:		
Cash held for site remediation	-	109
Property, plant and equipment	-	726
Receivables – affiliates	1,321	479
Investment in and receivable from other entity	1,105	-
Mineral rights	-	4,181
Total Non Current Assets	2,426	5,495
Total Assets	2,669	5,806
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	136	425
Convertible debenture	-	121
Total Current Liabilities	136	546
Total Liabilities	136	546
Stockholders' Equity:		
Common Stock: \$.0001 par value		
400,000,000 shares authorized		
56,807,408 and 56,807,408 issued	5	5
Additional paid-in-capital	52,171	52,170
Less treasury stock at cost, 125 shares	(19 )	(19 )
Retained (deficit) during exploration stage	(24,415 )	(27,878 )
Retained (deficit) prior to exploration stage	(25,209 )	(25,209 )
Golden River Resources Stockholders' Equity/(Deficit)	2,533	(931 )

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Non Controlling Interests of discontinued operations	-	6,191
Total Equity	2,533	5,260
Total Liabilities and Equity	2,669	5,806

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 Comprehensive Income  
Three and Nine Months Ended March 31, 2013 and 2012 and for the cumulative period  
July 1, 2002 (inception of exploration activities) to March 31, 2013  
(Unaudited)

	Three Months Ended March 31, 2013 CDN\$000's	Three Months Ended March 31, 2012 CDN\$000's	Nine Months Ended March 31, 2013 CDN\$000's	Nine Months Ended March 31, 2012 CDN\$000's	July 1, 2002 to March 31, 2013 CDN\$000's
Revenues	\$-	\$-	\$-	\$-	\$-
Costs and expenses:					
Stock based compensation	-	-	-	-	2,760
Exploration expenditure	-	22	-	119	4,537
Interest expense (income), net	-	-	-	-	397
Legal, accounting and professional	46	65	96	114	2,082
Administration expenses	19	(130)	330	(10)	4,349
Total costs and expenses	65	(43)	426	223	14,125
(Loss)/profit from operations	(65)	43	(426)	(223)	(14,125)
Foreign currency exchange gain/(loss)	24	(56)	9	(76)	(434)
Loss on sale of equity investment and impairment charge	(214)	-	(607)	-	(867)
Allowance for doubtful debt	(732)	-	(732)	-	(732)
Other income:					
Interest income – net, related entity	-	-	-	-	5
– Other	9	-	26	-	37
(Loss) from continuing operations before income taxes	(978)	(13)	(1,730)	(299)	(16,116)
Benefit for deferred income taxes	-	-	-	6,373	-
Net profit/(loss) from continuing operations	(978)	(13)	(1,730)	6,074	(16,116)
Discontinued Operations					
Gain on disposal of discontinued operations	-	-	5,542	-	5,542
Equity in profits of unconsolidated entities	-	-	-	-	234
Net profit/(loss) from discontinued operations	-	(621)	(662)	(36,012)	(10,501)
Impairment of mineral rights	-	-	-	-	(35,583)

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Adjustment to fair value on stepped acquisition	-	-	-	-	7,433
Gain on bargain purchase	-	-	-	-	10,305
Net profit/(loss) attributable to non-controlling interests of discontinued operations	-	266	313	10,191	14,182
Net profit/(loss) from discontinued operations	-	(355 )	5,193	(25,821 )	(8,388 )
Net profit/(loss) attributable to Golden River Resources stockholders	(978 )	(368 )	3,463	(19,747 )	(24,504 )
Other comprehensive income:					
Foreign currency translation adjustments	-	-	-	-	89
Comprehensive income/ (loss) attributable to Golden River Resources stockholders	(978 )	(368 )	3,463	(19,747 )	(24,415 )
Amounts attributable to Golden River Resources stockholders:					
Basic and diluted net gain/(loss) per common equivalent share					
Net gain/(loss) from continuing operations per share	(0.02 )	(0.00 )	(0.03 )	0.11	(0.98 )
Net gain/(loss) from discontinued operations per share	-	(0.01 )	0.09	(0.45 )	(0.51 )
Basic and diluted net gain/(loss) per common equivalent shares	(0.02 )	(0.01 )	0.06	(0.35 )	(1.49 )
Weighted average number of common equivalent shares used per share calculation	56,807	56,807	56,807	56,807	16,435

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, 2013 and 2012 and for the cumulative period  
July 1, 2002 (inception of exploration activities) to March 31, 2013  
(Unaudited)

	Nine Months Ended March 31, 2013 CDN\$000's	Nine Months Ended March 31, 2012 CDN\$000's	July 1, 2002 to March 31, 2013 CDN\$000's
<b>CASH FLOW FROM OPERATING ACTIVITIES – CONTINUING OPERATIONS</b>			
Net income/(loss)	(1,730 )	6,074	(16,116 )
Adjustments to reconcile net income/(loss) to net cash (used) in operating activities			
Foreign currency exchange (gain)/loss	(9 )	76	434
Stock based compensation	-	-	2,721
(Benefit) for deferred income taxes	-	(6,373 )	-
Loss on equity investment	607	-	867
Allowance for doubtful debt	732	-	732
Accrued interest added to principal	-	-	173
Net change net of disposition and acquisition in:			
Receivables	61	(10 )	(873 )
Staking deposit	-	-	22
Prepaid expenses and deposits	26	(4 )	(13 )
Accounts payable and accrued expenses	(208 )	(232 )	(48 )
Net Cash (Used) in Operating Activities	(521 )	(469 )	(12,101 )
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of majority owned subsidiary, net of cash acquired	-	(80 )	(11,555 )
Proceeds of disposal of subsidiary(net)	2,430	1,618	4,048
Purchase of plant and equipment	-	-	(25 )
Net Cash Provided by/(Used) In Investing Activities	2,430	1,538	(7,532 )
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowings from affiliates	540	467	6,393
Advances and repayments to affiliates	(2,257 )	(597 )	(7,721 )
Proceeds from issuance of stock	-	-	13,861
Sale of warrants (net)	-	-	4,749
Re-purchase of warrants	-	-	(579 )

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Proceeds from loan payable	-	-	3,261
Net Cash Provided by/(Used) In Financing Activities	(1,717 )	(130 )	19,964
Discontinued Operations			
Net gain/(loss)	5,193	(1,913 )	(8,388 )
Operating activities	349	1,913	13,930
Gain on disposal of subsidiary	(5,542 )	-	(5,542 )
Net cash flows provided by discontinued operations	-	-	-
Effects of Exchange Rate on Cash	2	(47 )	(126 )
Net Increase/(Decrease) in Cash	194	892	205
Cash at Beginning of Period	11	11	-
Total Cash at End of Period	205	903	205
Supplemental Disclosures			
Interest Paid	-	-	340
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, 2013

and for the cumulative period July 1, 2002

(inception of exploration activities) to March 31, 2013

(Unaudited)

	Shares	Common Stock Amount CDN\$000's	Treasury Stock, at Cost CDN\$000's	Additional Paid-in Capital CDN\$000's	Retained Profit/(Deficit) during the Exploration stage CDN\$000's	Retained (Deficit) prior to Exploration stage CDN\$000's	Deferred Compensation CDN\$000's	Non- Controlling Interests CDN\$000's	Total CDN\$000's
Balance June 30, 2002	635	-	\$ (19 )	\$ 24,061	-	\$ (25,209)	-	-	\$ (1,167 )
Net (loss)	-	-	-	-	\$ (639 )	-	-	-	(639 )
Balance June 30, 2003	635	-	\$ (19 )	\$ 24,061	\$ (639 )	\$ (25,209)	-	-	\$ (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 (loss)	-	-	-	-	\$ (1,933 )	-	-	-	\$ (1,933 )
Balance June 30, 2004	1,671	-	\$ (19 )	\$ 28,613	\$ (2,572 )	\$ (25,209)	-	-	\$ 813
Issuance of 140,000 options under 2004 stock option plan	-	-	-	\$ 1,646	-	-	\$ (1,646 )	-	\$ 0

Amortization of 140,000 options under 2004 stock option plan	-	-	-	-	-	-	\$ 1,095	-	\$ 1,095
Net (loss)	-	-	-	-	\$ (3,173 )	-	-	-	\$ (3,173 )
Balance June 30, 2005	1,671	-	\$ (19 )	\$ 30,259	\$ (5,745 )	\$ (25,209)	\$ (551 )	-	\$ (1,265 )
To eliminate deferred compensation against Additional Paid-In Capital	-	-	-	\$ (551 )	-	-	\$ 551	-	\$ 0
Issuance of 1,000,000 shares and 2,000,000 options in lieu of debt repayment	1,000	-	-	\$ 3,321	-	-	-	-	\$ 3,321
Capital gain on shares and options issued in lieu of debt repayment	-	-	-	\$ (1,610 )	-	-	-	-	\$ (1,610 )
Sale of 2,000,000 normal warrants	-	-	-	\$ 827	-	-	-	-	\$ 827
Sale of 1,000,000 special warrants	-	-	-	\$ 887	-	-	-	-	\$ 887
Amortization of 140,000 options under 2004 stock option plan	-	-	-	\$ 532	-	-	-	-	\$ 532
Net (loss)	-	-	-	-	\$ (1,219 )	-	-	-	\$ (1,219 )
Balance June 30, 2006	2,671	-	\$ (19 )	\$ 33,665	\$ (6,964 )	\$ (25,209)	\$ -	-	\$ 1,473

## GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES

(An Exploration Stage Company)

Consolidated Statements of Stockholders' Equity (Deficit)

March 31, 2013

and for the cumulative period July 1, 2002

(inception of exploration activities) to March 31, 2013

(Unaudited) Continued

	Shares	Common Stock Amount CDN\$000's	Treasury Stock at Cost CDN\$000's	Additional Paid-in Capital CDN\$000's	Retained Profit/(Deficit) during the Exploration stage CDN\$000's	Retained (Deficit) prior to Exploration stage CDN\$000's	Deferred Compensation CDN\$000's	Non- Controlling Interests CDN\$000's	Total CDN\$000's
Costs associated with sale of normal and special warrants	-	-	-	\$ (3 )	-	-	-	-	\$ (3 )
Amortization of 140,000 options under 2004 stock option plan	-	-	-	\$ 19	-	-	-	-	\$ 19
Amortization of 465,000 options under 2006 stock option plan	-	-	-	\$ 510	-	-	-	-	\$ 510
Net (loss)	-	-	-	-	\$ (1,917 )	-	-	-	\$ (1,917 )
Balance June 30, 2007	2,671	\$ -	\$ (19 )	\$ 34,191	\$ (8,881 )	\$ (25,209 )	\$ -	-	\$ 82
Amortization of 465,000 options under 2006 stock option plan	-	-	-	\$ 333	-	-	-	-	\$ 333
Net (loss)	-	-	-	-	\$ (1,046 )	-	-	-	\$ (1,046 )
Balance June 30, 2008	2,671	\$ -	\$ (19 )	\$ 34,524	\$ (9,927 )	\$ (25,209 )	\$ -	-	\$ (631 )
Amortization of 465,000 options under 2006 stock	-	-	-	\$ 173	-	-	-	-	\$ 173

option plan

S a l e o f 10,000,000 shares	10,000	\$ 1	-	\$ 681	-	-	-	-	\$ 682
Forgiveness of advances from affiliate	-	-	-	\$ 588	-	-	-	-	\$ 588
Net (loss)	-	-	-	-	\$ (1,295 )	-	-	-	\$ (1,295 )
Balance June 30, 2009	12,671	\$ 1	\$ (19 )	\$ 35,966	\$ (11,222 )	\$ (25,209 )	\$ -	-	\$ (483 )
Amortization of 465,000 options under 2006 stock option plan	-	-	-	\$ 39	-	-	-	-	\$ 39
Sale of 9,960,351 shares	9,960	\$ 1	-	\$ 10,763	-	-	-	-	\$ 10,764
I s s u a n c e o f 300,000 shares as part purchase price of mining properties	300	-	-	\$ 627	-	-	-	-	\$ 627
Re-purchase of warrants	-	-	-	\$ (579 )	-	-	-	-	\$ (579 )
Net (loss) from c o n t i n u i n g operations	-	-	-	-	\$ (4,206 )	-	-	-	\$ (4,206 )
Net profit from discontinued operations	-	-	-	-	\$ 14,489	-	-	-	\$ 14,489
A d j u s t m e n t for additional investment in consolidated subsidiary	-	-	-	\$ 1,994	-	-	-	\$ (1,994 )	-
Fair value of non-controlling interest	-	-	-	-	-	-	-	\$ 20,552	\$ 20,552
N e t ( l o s s ) attributable to	-	-	-	-	\$ 1,404	-	-	\$ (1,404 )	-

non-controlling  
interests

Balance June 30, 2010	22,931	\$ 2	\$ (19 )	\$ 48,810	\$ 465	\$ (25,209)	\$ -	\$ 17,154	\$ 41,203
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## GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES

(An Exploration Stage Company)

Consolidated Statements of Stockholders' Equity (Deficit)

March 31, 2013

and for the cumulative period July 1, 2002

(inception of exploration activities) to March 31, 2013

(Unaudited) Continued

			Treasury		Retained Profit/(Deficit)	Retained (Deficit)			
	Common	Stock,	Additional		during the	prior to	Deferred	Non-	Total
	Stock	at	Paid-in		Exploration	Exploration	Compe	Controlling	
Shares	Amount	Cost	Capital		stage	stage	sation	Interests	
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
I s s u e o f									
33,875,000 shares	33,876	\$ 3	-	\$ 3,094	-	-	-	-	\$ 3,097
Amortization of									
800,000 options									
under employee									
stock option plan	-	-	-	\$ 162	-	-	-	-	\$ 162
Net (loss) from									
c o n t i n u i n g									
operations	-	-	-	-	\$ (4,827 )	-	-	-	\$ (4,827 )
Net (loss) from									
d i s c o n t i n u e d									
operations	-	-	-	-	\$ (2,948 )	-	-	-	\$ (2,948 )
Adjustment for									
a d d i t i o n a l									
investment in									
consolidated									
subsidiary	-	-	-	\$ 1,512	-	-			