WD 40 CO
Form 10-Q
July 09, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2013

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

For the transition period from to

Commission File Number: 000-06936

WD-40 COMPANY

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-1797918 (I.R.S. Employer Identification No.)
1061 Cudahy Place, San Diego, California (Address of principal executive offices)	92110 (Zip code)

Registrant’s telephone number, including area code: (619) 275-1400

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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 Exchange Act).

Yes ¨ No

The number of outstanding shares of the registrant’s common stock, par value $0.001 per share, as of July 2, 2013 was 15,314,881.

WD-40 COMPANY

QUARTERLY REPORT ON FORM 10-Q

For the Quarter Ended May 31, 2013

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PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

WD-40 COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except share and per share amounts)

	May 31, 2013	August 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$ 52,273	$ 69,719
Short-term investments	35,188	1,033
Trade accounts receivable, less allowance for doubtful accounts of $677 and $391 at May 31, 2013 and August 31, 2012, respectively	56,969	55,491
Inventories	33,925	29,797
Current deferred tax assets, net	5,532	5,551
Other current assets	4,074	4,526
Total current assets	187,961	166,117
Property and equipment, net	8,459	9,063
Goodwill	95,148	95,318
Other intangible assets, net	26,113	27,685
Other assets	2,810	2,687
Total assets	$ 320,491	$ 300,870
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 21,049	$ 21,242
Accrued liabilities	16,144	16,492
Revolving credit facility	63,000	45,000
Accrued payroll and related expenses	11,010	5,904
Income taxes payable	567	807
Total current liabilities	111,770	89,445

Long-term deferred tax liabilities, net	25,244	24,007
Deferred and other long-term liabilities	2,065	1,956
Total liabilities	139,079	115,408
Shareholders' equity:		
Common stock authorized 36,000,000 shares, $0.001 par value; 19,346,260 and 19,208,845 shares issued at May 31, 2013 and August 31, 2012, respectively; and 15,399,910 and 15,697,534 shares outstanding at May 31, 2013 and August 31, 2012, respectively	19	19
Additional paid-in capital	130,878	126,210
Retained earnings	210,674	193,265
Accumulated other comprehensive loss	(6,560)	(2,727)
Common stock held in treasury, at cost 3,946,350 and 3,511,311 shares at May 31, 2013 and August 31, 2012, respectively	(153,599)	(131,305)
Total shareholders' equity	181,412	185,462
Total liabilities and shareholders' equity	$ 320,491	$ 300,870

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands, except per share amounts)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2013	2012	2013	2012
Net sales	$ 93,103	$ 87,022	$ 275,079	$ 257,933
Cost of products sold	45,319	43,940	135,442	131,370
Gross profit	47,784	43,082	139,637	126,563
Operating expenses:				
Selling, general and administrative	25,662	22,736	74,947	67,280
Advertising and sales promotion	6,641	6,702	17,978	19,465
Amortization of definite-lived intangible assets	523	504	1,454	1,669
Total operating expenses	32,826	29,942	94,379	88,414
Income from operations	14,958	13,140	45,258	38,149
Other income (expense):				
Interest income	105	61	362	182
Interest expense	(182)	(159)	(483)	(484)
Other (expense) income, net	(94)	(170)	493	(342)
Income before income taxes	14,787	12,872	45,630	37,505
Provision for income taxes	4,520	3,736	13,958	10,993
Net income	$ 10,267	$ 9,136	$ 31,672	$ 26,512

Earnings per common share:				
Basic	$ 0.66	$ 0.57	$ 2.02	$ 1.65
Diluted	$ 0.66	$ 0.57	$ 2.01	$ 1.64
Shares used in per share calculations:				
Basic	15,460	15,872	15,579	15,966
Diluted	15,561	16,008	15,682	16,094
Dividends declared per common share	$ 0.31	$ 0.29	$ 0.91	$ 0.85

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited and in thousands)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2013	2012	2013	2012
Net income	$ 10,267	$ 9,136	$ 31,672	$ 26,512
Other comprehensive loss:				
Foreign currency translation adjustment	(56)	(1,776)	(3,833)	(3,837)
Total comprehensive income	$ 10,211	$ 7,360	$ 27,839	$ 22,675

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Unaudited and in thousands, except share and per share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock Shares	Treasury Stock Amount	Total Shareholders' Equity
Balance at August 31, 2012	19,208,845	$ 19	$ 126,210	$ 193,265	$ (2,727)	3,511,311	$ (131,305)	$ 185,462
Issuance of common stock upon settlements of stock-based equity awards	137,415		2,107					2,107
Stock-based compensation			1,859					1,859
Tax benefits from settlements of stock-based equity awards			702					702
Cash dividends ($0.91 per share)				(14,263)				(14,263)
Acquisition of treasury stock						435,039	(22,294)	(22,294)
Foreign currency translation adjustment					(3,833)			(3,833)
Net income				31,672				31,672
Balance at May 31, 2013	19,346,260	$ 19	$ 130,878	$ 210,674	$ (6,560)	3,946,350	$ (153,599)	$ 181,412

See accompanying notes to condensed consolidated financial statements.

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WD-40 COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	Nine Months Ended May 31,	
	2013	2012
Operating activities:		
Net income	$ 31,672	$ 26,512
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,765	3,691
Net (gains) losses on sales and disposals of property and equipment	(12)	4
Deferred income taxes	451	664
Excess tax benefits from settlements of stock-based equity awards	(666)	(449)
Stock-based compensation	1,859	2,169
Unrealized foreign currency exchange losses, net	1,326	1,128
Provision for bad debts	399	83
Changes in assets and liabilities:		
Trade accounts receivable	(4,395)	2,381
Inventories	(4,421)	(8,451)
Other assets	144	(1,293)
Accounts payable and accrued liabilities	276	2,195
Accrued payroll and related expenses	4,138	(2,960)
Income taxes payable	1,495	1,263
Deferred and other long-term liabilities	127	(536)
Net cash provided by operating activities	36,158	26,401
Investing activities:		
Purchases of property and equipment	(1,975)	(3,043)
Proceeds from sales of property and equipment	112	1,133
Purchases of short-term investments	(36,424)	(529)
Maturities of short-term investments	1,029	514
Net cash used in investing activities	(37,258)	(1,925)
Financing activities:		
Repayments of long-term debt	-	(10,715)
Proceeds from revolving credit facility	18,000	99,550

Repayments of revolving credit facility	-	(54,550)
Dividends paid	(14,263)	(13,625)
Proceeds from issuance of common stock	3,213	3,112
Treasury stock purchases	(22,294)	(30,901)
Excess tax benefits from settlements of stock-based equity awards	666	449
Net cash used in financing activities	(14,678)	(6,680)
Effect of exchange rate changes on cash and cash equivalents	(1,668)	(2,480)
Net (decrease) increase in cash and cash equivalents	(17,446)	15,316
Cash and cash equivalents at beginning of period	69,719	56,393
Cash and cash equivalents at end of period	$ 52,273	$ 71,709

See accompanying notes to condensed consolidated financial statements.

WD-40 COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1. The Company

WD-40 Company ("the Company"), based in San Diego, California, is a global consumer products company dedicated to delivering unique, high value and easy-to-use solutions for a wide variety of maintenance needs of "doer" and "on-the-job" users by leveraging and building upon the Company's fortress of brands. The Company markets multi-purpose maintenance products – under the WD-40®, 3-IN-ONE®, and BLUE WORKS® brand names. Currently included in the WD-40 brand are the WD-40 multi-use product and the WD-40 Specialist® and WD-40 Bike™ product lines. The Company launched the WD-40 Specialist product line in the United States ("U.S.") during the first quarter of fiscal year 2012 and continued to launch the product line in Canada and select countries in Latin America, Asia and Europe throughout fiscal year 2012 and going into fiscal year 2013. The WD-40 Specialist product line has contributed to sales of the multi-purpose maintenance products since its initial launch. In the fourth quarter of fiscal year 2012, the Company developed the WD-40 Bike product line, which is focused on a comprehensive line of bicycle maintenance products that include wet and dry chain lubricants, heavy-duty degreasers, foaming bike wash and frame protectants that are designed specifically for the avid cyclist, bike enthusiasts and mechanics. The Company started to launch certain products in this line in the U.S. during the first quarter of fiscal year 2013, but the focus for such sales is to smaller independent bike dealers rather than larger retailers. As a result of this, initial sales have been immaterial and sales are expected to remain immaterial in its initial year of launch. The Company also markets the following homecare and cleaning brands: X-14® mildew stain remover and automatic toilet bowl cleaners, 2000 Flushes® automatic toilet bowl cleaners, Carpet Fresh® and No Vac® rug and room deodorizers, Spot Shot® aerosol and liquid carpet stain removers, 1001® household cleaners and rug and room deodorizers and Lava® and Solvol® heavy-duty hand cleaners.

The Company's brands are sold in various locations around the world. Multi-purpose maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia and the Pacific Rim, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom ("U.K."), Australia and the Pacific Rim. The Company's products are sold primarily through mass retail and home center stores, warehouse club stores, grocery stores, hardware stores, automotive parts outlets, sport retailers, independent bike dealers and industrial distributors and suppliers.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Consolidation

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, according to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been condensed or omitted pursuant to such rules and regulations. The August 31, 2012 year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

In the opinion of management, the unaudited financial information for the interim periods shown reflects all adjustments necessary for a fair statement thereof. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2012, which was filed with the SEC on October 22, 2012.

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.

Foreign Currency Forward Contracts

In the normal course of business, the Company employs established policies and procedures to manage its exposure to fluctuations in foreign currency exchange rates. The Company's U.K. subsidiary, whose functional currency is Pound Sterling, utilizes foreign currency forward contracts to limit its exposure in converting forecasted cash balances denominated in non-functional currencies. The principal currency affected is the Euro. The Company regularly monitors its foreign currency exchange rate exposures to ensure the overall effectiveness of its foreign currency hedge positions. While the Company engages in foreign currency hedging activity to reduce its risk, for accounting purposes, none of its foreign currency forward contracts are designated as hedges.

Foreign currency forward contracts are carried at fair value, with net realized and unrealized gains and losses recognized currently in other income (expense) in the Company's condensed consolidated statements of operations. Foreign currency forward contracts in an asset position at the end of the reporting period are included in other current assets, while foreign currency forward contracts in a liability position at the end of the reporting period are included in accrued liabilities in the Company's condensed consolidated balance sheets. At May 31, 2013, the Company had a notional amount of $10.9 million outstanding in foreign currency forward contracts, which mature from June 2013 through September 2013. Unrealized net gains and losses related to foreign currency forward contracts were not material at May 31, 2013 and August 31, 2012.

Long-lived Assets

The Company's long-lived assets consist of property and equipment and definite-lived intangible assets. Long-lived assets are depreciated or amortized, as applicable, on a straight-line basis over their estimated useful lives. The Company assesses potential impairments to its long-lived assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and/or its remaining useful life may no longer be appropriate. Any required impairment loss would be measured as the amount by which the asset's carrying amount exceeds its fair value, which is the amount at which the asset could be bought or sold in a current transaction between willing market participants and would be recorded as a reduction in the carrying amount of the related asset and a charge to results of operations. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset.

Income Taxes

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax liability or asset is established for the expected future tax consequences resulting from the differences in financial reporting and tax bases of assets and liabilities. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. In addition to valuation allowances, the Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by the authoritative guidance on income taxes. Amounts for uncertain tax positions are adjusted in periods when new information becomes available or when positions are effectively settled. The Company recognizes accrued interest and penalties related to uncertain tax positions as a component of income tax expense.

U.S. federal income tax expense is provided on remittances of foreign earnings and on unremitted foreign earnings that are not indefinitely reinvested. U.S. federal income taxes and foreign withholding taxes are not provided when foreign earnings are indefinitely reinvested. The Company determines whether its foreign subsidiaries will invest their undistributed earnings indefinitely based on the capital needs of the foreign subsidiaries and reassesses this determination each reporting period. Changes to the Company’s determination may be warranted based on the Company’s experience as well as its plans regarding future international operations and expected remittances.

Earnings per Common Share

Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities that are required to be included in the computation of earnings per common share pursuant to the two-class method. Accordingly, the Company’s outstanding unvested, if any, and outstanding vested restricted stock units that provide such nonforfeitable rights to dividend equivalents are included as participating securities in the calculation of earnings per common share (“EPS”) pursuant to the two-class method.

The Company calculates EPS using the two-class method, which provides for an allocation of net income between common stock and other participating securities based on their respective participation rights to share in dividends. Basic EPS is calculated by dividing net income available to common shareholders for the period by the weighted-average number of common shares outstanding during the period. Net income available to common shareholders for the period includes dividends paid to common shareholders during the period plus a proportionate share of undistributed net income allocable to common shareholders for the period; the proportionate share of undistributed net income allocable to common shareholders for the period is based on the proportionate share of total weighted-average common shares and participating securities outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders for the period by the weighted-average number of common shares outstanding during the period increased by the weighted-average number of potentially dilutive common shares (dilutive securities) that were outstanding during the period if the effect is dilutive. Dilutive securities are comprised of stock options, restricted stock units, performance share units and market share units granted under the Company’s prior stock option plan and current equity incentive plan.

Recently Adopted Accounting Standards

In February 2013, the FASB issued ASU No. 2013-02, “Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income”, which is effective for reporting periods beginning after December 15, 2012. This authoritative guidance was issued to improve the reporting of reclassifications out of accumulated other comprehensive income (“AOCI”). This guidance requires companies to provide information about the amounts reclassified out of AOCI either in a single note or on the face of the financial statements. Significant amounts reclassified out of AOCI should be presented by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same reporting period. For amounts not required to be reclassified in their entirety to net income, a cross-reference to other disclosures provided for in accordance with U.S. GAAP is required. The adoption of this new authoritative guidance did not have an impact on the Company’s consolidated financial statement disclosures.

In June 2011, the FASB issued updated authoritative guidance to amend the presentation of comprehensive income. Under these new presentation rules, companies have the option to present other comprehensive income in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The updated authoritative guidance on comprehensive income is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. The amendments in this guidance also require that reclassifications from other comprehensive income to net income be presented on the face of the consolidated financial statements, but this portion of the guidance was indefinitely deferred in accordance with the Accounting Standards Update (“ASU”) No. 2011-12 which was issued by the FASB in December 2011. In September 2012, the Company adopted this updated authoritative guidance and elected to present comprehensive income in two separate but consecutive statements as part of the condensed consolidated financial statements included in its Quarterly Reports on Form 10-Q. Other than a change in presentation, the adoption of this new authoritative guidance did not have an impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards

In December 2011, the FASB issued ASU No. 2011-11, "Disclosures about Offsetting Assets and Liabilities", which is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. This authoritative guidance was issued to enhance disclosure requirements on offsetting financial assets and liabilities. The new rules require companies to disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position, as well as instruments and transactions subject to a netting arrangement. In January 2013, the FASB further issued ASU No. 2013-01, "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" to address implementation issues surrounding the scope of ASU No. 2011-11 and to clarify the scope of the offsetting disclosures and address any unintended consequences. The Company has evaluated this updated authoritative guidance, and it does not expect the adoption of this guidance to have a material impact on its consolidated financial statement disclosures.

Note 3. Fair Value Measurements

Financial Assets and Liabilities

The Company categorizes its financial assets and liabilities measured at fair value into a hierarchy that categorizes fair value measurements into the following three levels based on the types of inputs used in measuring their fair value:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities;

Level 2: Observable market-based inputs or observable inputs that are corroborated by market data; and

Level 3: Unobservable inputs reflecting the Company’s own assumptions.

The Company’s financial assets recorded at fair value are summarized below, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value (in thousands):

	May 31, 2013											
	Total	Level 1	Level 2	Level 3								
Assets:												
Money market funds	$ 7,055	$ -	$ 7,055	$ -								
Time deposits	16,795	-	16,795	-								
Term deposits	966	-	966	-								
Callable time deposits	34,222		-	-	$(1,588)	-	-	-	-	$(1,588)		
Balance June 30, 2006	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)
September 30, 2011
and for the cumulative period July 1, 2002
(inception of exploration activities) to September 30, 2011
(Unaudited) Continued

	Shares 000's	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 Compen-sation CDN$000's	Accumulated Other Compre-hensive Loss 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 unrealized gain on foreign exchange	-	-	-	-	-	-	-	$ 48	-	$ 48
Net (loss)	-	-	-	-	$ (1,965)	-	-	-	-	$ (1,965)
Balance June 30, 2007	2,671	$ -	$ (19)	$ 34,191	$ (8,964)	$ (24,748)	$ -	$ (378)	-	$ 82
Amortization of 465,000 options under 2006 stock option plan	-	-	-	$ 333	-	-	-	-	-	$ 333
Net unrealized gain on foreign exchange	-	-	-	-	-	-	-	$ 27	-	$ 27
Net (loss)	-	-	-	-	$ (1,073)	-	-	-	-	$ (1,073)
Balance June 30, 2008	2,671	$ -	$ (19)	$ 34,524	$ (10,037)	$ (24,748)	$ -	$ (351)	-	$ (631)
Amortization of 465,000 options under 2006 stock option plan	-	-	-	$ 173	-	-	-	-	-	$ 173
Sale of 10,000,000 shares	10,000	$ 1	-	$ 681	-	-	-	-	-	$ 682

Net unrealized (loss) on foreign exchange	-	-	-	-	-	-	-	$ (43)	-	$ (43)
Forgiveness of advances from affiliate	-	-	-	$ 588	-	-	-	-	-	$ 588
Net (loss)	-	-	-	-	$ (1,252)	-	-	-	-	$ (1,252)
Balance June 30, 2009	12,671	$ 1	$ (19)	$ 35,966	$ (11,289)	$ (24,748)	$ -	$ (394)	-	$ (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
Issuance of 300,000 shares as part purchase price of mining properties	300	-	-	$ 627	-	-	-	-	-	$ 627
Re-purchase of warrants	-	-	-	$ (579)	-	-	-	-	-	$ (579)
Net unrealized gain on foreign exchange	-	-	-	-	-	-	-	$ 22	-	$ 22
Net profit	-	-	-	-	$ 10,261	-	-	-	-	$ 10,261
Adjustment for additional investment in consolidated subsidiary	-	-	-	$ 1,994	-	-	-	-	$ (1,994)	$ 0
Fair value of non-controlling interest	-	-	-	-	-	-	-	-	$ 20,552	$ 20,552
Net loss attributable to non-controlling interests	-	-	-	-	$ 1,404	-	-	-	$ (1,404)	$ 0
Balance June 30, 2010	22,931	$ 2	$ (19)	$ 48,810	$ 376	$ (24,748)	$ -	$ (372)	$ 17,154	$ 41,203

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
September 30, 2011
and for the cumulative period July 1, 2002
(inception of exploration activities) to September 30, 2011
(Unaudited) Continued

	Shares 000's	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 Compen-sation CDN$000's	Accumulated Other Compre-hensive Loss CDN$000's	Non-Controlling Interests CDN$000's	Total CDN$000's
Issue of 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)	-	-	-	-	$ (7,775)	-	-	-	-	$ (7,775)
Adjustment for additional investment in consolidated subsidiary	-	-	-	$ 1,512	-	-	-	-	$ (1,512)	$ 0
Adjustment due to issue of shares by subsidiary	-	-	-	-	-	-	-	-	$ 10	$ 10
Net loss attributable to non-controlling interests	-	-	-	-	$ 846	-	-	-	$ (846)	$ 0
Balance June 30, 2011	56,807	$ 5	$ (19)	$ 53,578	$ (6,553)	$ (24,748)	$ -	$ (372)	$ 14,806	$ 36,697
Amortization of 900,000 options under employee stock option plan	-	-	-	$ 21	-	-	-	-	-	$ 21
Net (loss)	-	-	-	-	$ (1,542)	-	-	-	-	$ (1,542)

Adjustment for additional investment in consolidated subsidiary	-	-	-	$ 168	-	-	-	-	$ (248)	$ (80)
Net loss attributable to non-controlling interests	-	-	-	-	$ 398	-	-	-	$ (398)	$ 0
Balance September 30, 2011	56,807	$ 5	$ (19)	$ 53,767	$ (7,697)	$ (24,748)	$ -	$ (372)	$ 14,160	$ 35,096

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

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
September 30, 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 September 30, 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. As of September 30, 2011, Golden River Resources held 38,994,020 common shares in Acadian for a 71.96% 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 generally accepted accounting principles 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 sustained recurring losses since inception, all of which raises substantial doubt as to its ability to continue as a going concern.

In addition, Golden River Resources has historically relied on loans and advances from corporations affiliated with the President of Golden River Resources and fund raising through the sale of equity instruments. Based on discussions with these affiliate companies, the Company believes this source of funding will continue to be available.

Other than the arrangements noted above, the Company has not confirmed any other arrangement for ongoing funding. The Company's ability to continue operations through fiscal 2012 is dependent upon future funding from capital raisings, or its ability to commence revenue producing operations and positive cash flows.

(2) Recent Accounting Pronouncements

In September 2011, FASB issued Accounting Standard Update ("ASU") No. 2011-08, Testing Goodwill for Impairment. This ASU is intended to simplify how entities test goodwill for impairment. ASU 2011-08 permits an entity to first assess qualitative factors to determine whether it is "more likely than not" that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350, Intangibles-Goodwill and Other. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. The Company does not expect this guidance to have a significant impact on our consolidated financial position, results of operations or cash flows.

(3) 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 three months ended September 30, 2010, AXIS advanced the Company CDN$222,996 and provided services in accordance with the service agreement of CDN$61,413. During the three months ended September 30, 2010 AXIS did not charge interest. The amount owed to AXIS at June 30, 2011 CDN$54,242 and is reflected in non-current liabilities – advances from affiliates.

During the three months ended September 30, 2011, AXIS advanced the Company CDN$168,310 and provided services in accordance with the service agreement of CDN$92,985. The amount owed to AXIS at September 30, 2011 was CDN$315,537 and is reflected in non-current liabilities – advances from affiliates. During the three months ended September 30, 2011, AXIS did not charge interest.

During fiscal 2010, the Company sold shares of common stock to Northern Capital Resources Corp, a Nevada corporation ("NCRC"), pursuant to certain subscription agreements. Mr Joseph Gutnick, the Company's President, is the Chairman and Chief Executive Officer of NCRC and certain companies with which Mr Gutnick is affiliated owned approximately 38.08% 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 31.46% of NCRC. As of September 30, 2011, NCRC owned approximately 96.6% of the outstanding common stock of the Company.

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. On July 8, 2011, the Company repaid the amount owing in full.

(4) Issue of Options under Stock Option Plan

In October 2004, the Board of Directors and Remuneration Committee of the Company adopted a Stock Option Plan. The Company issued 605,000 options under the plan. At September 30, 2011, the options are fully vested.

Since the issue of the options, 120,000 options have lapsed following the termination of participants to the issue.

A summary of the options outstanding and exercisable at September 30, 2011 are as follows:

	Outstanding	Outstanding	Exercisable	Exercisable
Number of options	80,000	405,000	80,000	405,000
Exercise price	CDN$10.00	CDN$3.08	CDN$10.00	CDN$3.08
Expiration date	October 15, 2014	October 15, 2016	October 15, 2014	October 15, 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:

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 three months ending September 30, 2011, stock based compensation expense relating to stock options was CDN$5,782.

A summary of the Acadian options outstanding and exercisable at September 30, 2011 are as follows:

	Outstanding	Exercisable
Number of options	500,000	333,333
Exercise price	CDN$0.45	CDN$0.45
Expiration date	June 15, 2015	June 15, 2015

As at September 30, 2011, there was CDN$17,346 of unrecognized compensation cost, before income taxes, related to unvested stock options.

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 three months ending September 30, 2011, stock based compensation expense relating to stock options was CDN$5,748.

A summary of the options outstanding and exercisable at September 30, 2011 are as follows:

	Outstanding	Exercisable
Number of options	300,000	200,000
Exercise price	CDN$0.45	CDN$0.45
Expiration date	August 18, 2015	August 18, 2015

As at September 30, 2011, there was CDN$8,609 of unrecognized compensation cost, before income taxes, related to unvested stock options.

On June 23, 2011, Acadian granted 100,000 options to its Chief Financial Officer with an exercise price of CDN$0.45 per share, expiry date of June 23, 2016 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$12,338 and such amount is amortized over the vesting period. For the three months ended September 30, 2011, stock based compensation expense relating to stock options was CDN$1,542.

A summary of the options outstanding and exercisable at September 30, 2011 are as follows:

	Outstanding	Exercisable
Number of options	100,000	33,333
Exercise price	CDN$0.45	CDN$0.45
Expiration date	June 23, 2016	June 23, 2016

As at September 30, 2011, there was CDN$6,683 of unrecognized compensation cost, before income taxes, related to unvested stock options.

On July 13, 2011, the Company granted an aggregate of 200,000 options to seven employees with an exercise price of $0.45 per share, expiring July 13, 2016, to be vested one third on grant date, one third 12 months from grant date and one third 24 months from grant date. The total value of the options equates to CDN$20,712 and such amount is amortised over the vesting period. For the three months ending September 30, 2011, stock based compensation expense relating to stock options was CDN$8,630.

A summary of the options outstanding and exercisable at September 30, 2011 are as follows:

	Outstanding	Exercisable
Number of options	200,000	66,666
Exercise price	CDN$0.45	CDN$0.45
Expiration date	July 13, 2016	July 13, 2016

As at September 30, 2011, there was CDN$12,082 of unrecognized compensation cost, before income taxes, related to unvested stock options.

(5) Profit(Loss) per share

The Company calculates profit/(loss) per share in accordance with ASC Topic 260, Earnings per Share. Basic profit/(loss) per share is computed based on the weighted average number of common shares outstanding during the period.

The following table reconciles the diluted weighted average shares outstanding used for the computation:

	Three months ended September 30	
	2011	2010
Diluted weighted average shares	‘000	‘000
Basic	56,807	24,158
Effect of employee stock based awards	-	-
Diluted weighted average shares outstanding	56,807	24,158

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.

(6) Commitments

In July 2011, the Company entered into a lease for an office premises with minimum annual lease payments of CDN$112,682. The lease begins on July 1, 2011 and ends on June 30, 2016 with a right to terminate after June 30, 2013 for a penalty equal to four months base rent.

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 equivalent of the lease commitment.

Future minimum contractual obligations under operating leases are as follows:

	CDN$
2012	216,289
2013	216,289
2014	112,682
2015	112,682
2016	112,682
	770,624

The Company has an obligation to spend CDN$611,252 on its exploration properties or make payments in lieu of expenditure during fiscal 2012 to maintain its properties.

Total rent expense incurred by the Company amounted to CDN$15,061 for the three months ended September 30, 2011and CDN$27,811 for the three months ended September 30, 2010

Acadian has an obligation to spend CDN$363,100 and issue 29,118 Acadian shares on its exploration properties during fiscal 2012 to maintain its properties.

(7) Fair Value Of Financial Instruments

The Company’s financial instruments consist of cash, receivables, accounts payable, accrued expenses and advances from affiliates. The carrying amounts of receivables, accounts payable and accrued expenses approximate their respective fair values because of the short maturities of these expenses. 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.

(8) Investments/Subsidiaries

At June 30, 2011, the Company's holding in Acadian was 71.48%. During the three months ended September 30, 2011, the Company purchased an additional 259,500 shares in Acadian through on-market purchases in the Toronto Stock Exchange, increasing its holding in Acadian to 71.96% at September 30, 2011. The cost to the Company was CDN$79,985. As a result of this transaction, the Company recorded a CDN$168,000 adjustment to additional paid in capital and CDN$248,000 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 three months ended September 30, 2011 and September 30, 2010 included in the Consolidated Statement of Operations were CDN$nil and CDN$nil and the amount of loss was CDN$1,417,000 and CDN$1,599,000 respectively.

(9) 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 had attributed a fair value of CDN$43,790,000 to mineral rights. On May 31, 2011, Acadian sold 100% of its shares in ScoZinc Limited, a wholly owned subsidiary, the attributed fair value of CDN$4,026,855 to ScoZinc mineral rights was included in the assets sold.

The carrying value of mineral rights at September 30, 2011 is CDN$39,763,000.

Under US GAAP, exploration expenditure is expensed to the income statement as incurred, unless there is a reserve on the property.

(10) 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$109,000 on deposit with the relevant authorities in Canada to cover the cost of this remediation work.

(11) 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. Assets sold or retired, together with the related accumulated depreciation are removed from the appropriate accounts and the resultant gain or loss is included in net income (loss).

	At September 30, 2011			At June 30, 2011		
	Cost CDN$	Accumulated Depreciation CDN$	Net Book Value CDN$	Cost CDN$	Accumulated Depreciation CDN$	Net Book Value CDN$
Office	274,371	(25,141)	249,230	260,119	(21,986)	238,133
Automotive equipment	93,726	(15,699)	78,027	93,726	(9,373)	84,353
Office fixtures and computer equipment	375,430	(104,175)	271,255	339,238	(88,321)	250,917
Land	184,717	-	184,717	405,617	-	405,617
	928,244	(145,015)	783,229	1,098,700	(119,680)	979,020

The depreciation expense for the three months ended September 30, 2011 amounted to CDN$26,000 and for the three months ended September 30, 2010 amounted to CDN$125,000. Net book value of assets disposed of for the three months ended September 30, 2011 amounted to CDN$221,000.

(12) Comprehensive Income (Loss)

The Company follows ASC Topic 220 Comprehensive Income (“ASC 220”). ASC 220 requires a company to report comprehensive profit/(loss) and its components in a full set of financial statements. Comprehensive profit/(loss) is the change in equity during a period from transactions and other events and circumstances from non-owner sources, such as unrealized gains (losses) on foreign currency translation adjustments. Changes in unrealized foreign currency translation adjustments during the three months ended September 30, 2011 and 2010 amounted to CDN$nil and CDN$nil respectively. Accordingly, comprehensive (loss) for the three months ended September 30, 2011 and 2010 amounted to CDN$(1,144,000) and CDN$(1,551,000) respectively.

(13) 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 September 30, 2011 is summarized as follows:

	USA CDN$000s	Canada CDN$000s	Total CDN$000s
Deferred tax assets			
Net operating loss carry-forward	2,060	150	2,210
Exploration expenditure	556	1,560	2,116
	2,616	1,710	4,326
Less valuation allowance	(2,616)	(1,710)	(4,326)

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	USA CDN$000s	Canada CDN$000s	Total CDN$000s
	-	-	-
Deferred tax liability			
Investment in subsidiary	(6,333)	-	(6,333)
Net deferred taxes	(6,333)	-	(6,333)

Total available net operating loss carryforwards in the United States, which are subject to limitations, amount to approximately CDN$5,900,000 at June 30, 2011 and expire in years 2023 through 2030. Net operating loss carryforwards in Canada do not have a definite expiration date and amounted to CDN$4,869,000.

Included in accounts payable and accrued expenses is an amount of CDN$260,688 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.

(14) 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.

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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:

3 months ended September 30, 2010	CDN$1.00 = US$0.97190
3 months ended September 30, 2011	CDN$1.00 = US$.96818
3 months ended September 30, 2010	CDN$1.00 = A$1.00210
3 months ended September 30, 2011	CDN$1.00 = A$0.98860

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.

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 three months ended September 30, 2011 to the three months ended September 30, 2010 does not always present a true comparison.

GENERAL

Golden River Resources as part of its business strategy increased its gold exploration activity in Canada. As part of this strategy in fiscal 2009, the Company acquired an interest in Acadian Mining Corporation ("Acadian"), a Canadian gold, lead and zinc exploration corporation. Effective May 31, 2011, Acadian sold its lead and zinc assets, including Scotia Mine for CDN$10 million. During the three months ended September 30, 2011, the Company purchased an additional 259,500 shares in Acadian at a cost of CDN$79,985. As at September 30, 2011, Golden River Resources held a 71.96% interest in Acadian.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010.

As a result of the sale by Acadian of all of the shares in ScoZinc Limited on May 31, 2011, there is a lack of comparability between the Company's results for the three months ended September 30, 2011 compared to the three months ended September 30, 2010.

Costs and expenses decreased from CDN$1,803,000 in the three months ended September 30, 2010 to CDN$1,566,000 in the three months ended September 30, 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 September 30, 2010 to CDN$21,000 for the three months ended September 30, 2011 as a result of options issued to Directors by Acadian which are being progressively expensed over the vesting period. See Note 4 concerning the Company's outstanding stock options.

b) an increase in the exploration expenditure expense from CDN$829,000 for the three months ended September 30, 2010 to CDN$1,020,000 for the three months ended September 30, 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 September 30, 2010 or 2011 by the Company. Included within exploration expenditure expense for the three months ended September 30, 2011 is CDN$962,000 for work undertaken by Acadian for field exploration activities on its gold properties. The increase in exploration expenditure during the three months ended September 30, 2011 was primarily due to completion by Acadian of a drill program on the Fifteen Mile project. Included within exploration expenditure expense for the three months ended September 30, 2010 is CDN$460,000 for certain maintenance work undertaken by Acadian on its Scotia mine which was on care and maintenance until its sale on May 31, 2011.

c) a decrease in depreciation and amortization expense from CDN$125,000 for the three months ended September 30, 2010 to CDN$26,000 for the three months ended September 30, 2011. The depreciation and amortization expense relates to the activities of Acadian. For the three months ending September 30, 2010 depreciation and amortization for Acadian included amortization of the ScoZinc mine and mill and equipment.

d) a decrease in interest expense from CDN$42,000 for the three months ended September 30, 2010 to CDN$3,000 for the three months ended September 30, 2011. The interest expense for the three months ended September 30, 2010 relates to the activities of Acadian which was paying interest on capital debt and the final cost of having the debtor in possession financing in place. During May 2011 the debt was settled and satisfied.

e) a decrease in legal, accounting and professional expense from CDN$236,000 for the three months ended September 30, 2010 to CDN$111,000 for the three months ended September 30, 2011. Included within legal, accounting and professional expense for the three months ended September 30, 2011 is CDN$24,000 for costs associated with the Company's SEC compliance obligations and CDN$87,000 for Acadian which relates to general legal work, audit and stock transfer costs. The decrease is primarily the result of a reduction in secretarial services, financial reporting reviews and taxation services.

f) a decrease in administrative costs including salaries from CDN$571,000 in the three months ended September 30, 2010 to CDN$385,000 in the three months ended September 30, 2011. Included within administrative expense for the three months ended September 30, 2011 is CDN$321,000 for Acadian compared to CDN$535,000 for the three months ended September 30, 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 increased from CDN$1,803,000 for the three months ended September 30, 2010 to CDN$1,566,000 for the three months ended September 30, 2011.

The Company recorded a foreign currency exchange loss of CDN$16,000 for the three months ended September 30, 2011 and CDN$126,000 for the three months ended September 30, 2010, primarily due to revaluation of advances from affiliates which are denominated in Australian dollars.

The loss before income taxes and equity in (losses) of unconsolidated entities for the three months ended September 30, 2011 was CDN$1,582,000 compared to CDN$1,894,000 for the three months ended September 30, 2010.

The Company has recorded a benefit for deferred tax of CDN$(40,000) for the three months ended September 30, 2011 compared to a provision for tax of CDN$105,000 for the three months ended September 30, 2010, as a result of acquisition of further shares in Acadian and an update of net operating loss carry-forward in Canada..

The loss before equity in (losses) of unconsolidated entities for the three months ended September 30, 2011 was CDN$1,542,000 compared to CDN$1,999,000 for the three months ended September 30, 2010.

The net loss was CDN$1,542,000 for the three months ended September 30, 2011 compared to CDN$1,999,000 for the three months ended September 30, 2010.

The share of the loss attributable to the non-controlling interests of Acadian amounted to CDN$398,000 for the three months ended September 30, 2011 compared to CDN$448,000 for the three months ended September 30, 2010. At September 30, 2010, the Company's interest in Acadian was 71.48% and at September 30, 2011, its interest was 71.96%. During the three months ended September 30, 2011, the Company purchased a further 259,500 shares in Acadian through on-market purchase in the Toronto Stock Exchange at a cost of CDN$79,985, which resulted in a decrease in non-controlling interest of CDN$248,000

The net loss attributable to Golden River Resources stockholders amounted to CDN$1,144,000 for the three months ended September 30, 2011 compared to CDN$1,551,000 for the three months ended September 30, 2010.

Liquidity and Capital Resources

For the three months ended September 30, 2011, net cash used by operating activities was CDN$1,433,000 primarily consisting of the net loss of CDN$1,542,000; and a decrease in accounts payable and accrued expenses of CDN$274,000; net cash provided by investing activities of CDN$91,000 being primarily proceeds from sale of land CDN$221,000 and the net cost of the additional investment in Acadian; and net cash used in financing activities of CDN$638,000 consisting of net repayment to affiliates.

As of September 30, 2011, the Company had short-term obligations of CDN$1,101,000 comprising accounts payable and accrued expenses.

We have CDN$1,810,000 in cash at September 30, 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 2013, we will be required to bring the Committee Bay properties to lease status by completing a survey and making application for lease status. In respect to the Slave properties, the Company will be required to incur expenditure or make payments in lieu of expenditure of CDN$577,000 prior to the end of 2011 and CDN$611,252 prior to the end of 2012. Further, Acadian has an obligation to spend amounts on its mineral properties in order to maintain the leases and is required to spend CDN$363,100 and issue 29,118 Acadian shares on gold exploration properties during fiscal 2012. Our budget for general and administration costs for fiscal 2012 is CDN$500,000 and Acadian's budget for the general and administration costs for fiscal 2012 is CDN$1,400,000. We are currently investigating 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 become 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.

The Company reports in CDN$ and holds cash in Australian dollars. At September 30, 2011, this amounted to A$40,001. A change in the exchange rate between the A$ 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$400 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 first quarter of fiscal 2012 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 September 30, 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
101	The following materials from the Golden River Resources Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Operations, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows and (iv) related notes.
	#101.INS XBRL Instance Document.

#101.SCH XBRL Taxonomy Extension Schema Document.
#101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
#101.LAB XBRL Taxonomy Extension Label Linkbase Document.
#101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
#101.DEF XBRL Taxonomy Extension Definition Linkbase Document.

Filed herewith. In accordance with Rule 406T of Regulation S-T, these interactive data files are deemed “not filed” for purposes of section 18 of the Exchange Act, and otherwise are not subject to liability under that section.

(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: November 14, 2011

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