GOLDEN RIVER RESOURCES CORP.
Form 10QSB
February 14, 2007

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

FORM 10-QSB

(Mark one)

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

For the quarterly period ended December 31, 2006 or

[ ] 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 0-16097

GOLDEN RIVER RESOURCES CORPORATION
(formerly BAY RESOURCES LTD)
(Exact name of Registrant as specified in its charter)

Delaware	98-0079697
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Level 8, 580 St. Kilda Road, Melbourne, Victoria, 3004 Australia
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 X No

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. There were 26,711,630 outstanding shares of Common Stock as of February 12, 2007. (Does not include 10,000,000 shares of common stock that are issuable upon exercise of Special Warrants, without the payment of any additional consideration.)

Transitional Small Business Disclosure Format (Check one) Yes ___ No x

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Item 1. FINANCIAL STATEMENTS

Introduction to Interim Financial Statements.

The interim 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 financial statements prepared in accordance with generally accepted accounting principles 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 financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2006.

In the opinion of management, all adjustments, consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the financial position of the Company and subsidiaries as of December 31, 2006, the results of its operations for the three and six month periods ended December 31, 2006 and December 31, 2005, and the changes in its cash flows for the three and six month periods ended December 31, 2006 and December 31, 2005, have been included. The results of operations for the interim periods are not necessarily indicative of the results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 AUSTRALIAN DOLLARS.

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Consolidated Balance Sheet
December 31, 2006
(Unaudited)

	A$000's
ASSETS	
Current Assets	
Cash	821
Receivables	154
Prepayments and Deposits	47
Total Current Assets	1,022
Non Current Assets	
Property and Equipment, net	6
Total Non Current Assets	6
Total Assets	1,028
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	
Accounts Payable and Accrued Expenses	245
Total Current Liabilities	245

Total Liabilities	245
Stockholders' Equity:	
Common Stock: $.0001 par value 100,000,000 shares authorized, 26,714,130 issued	3
Additional Paid-in-Capital	34,370
Less Treasury Stock at Cost, 2,500 shares	(20)
Other Comprehensive Loss	(4)
Retained Deficit during exploration stage	(7,164)
Retained Deficit prior to exploration stage	(26,402)
Total Stockholders' Equity	783
Total Liabilities and Stockholders' Equity	1,028

See Notes to Consolidated Financial Statements

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Consolidated Statements of Operations
Three and Six Months Ended December 31, 2006 and 2005
and for the cumulative period July 1, 2002
(inception of exploration activities) to
December 31, 2006
(Unaudited)

	Three Months Ended December 31, 2006 A$000's	Three Months Ended December 31, 2005 A$000's	Mon En Dece 31, A$0
Revenues:			
Interest - net, related entity	4	-	
- other	-	-	
	4	-	
Costs and Expenses:			
Stock Based Compensation	36	58	
Exploration Expenditure	50	87	
Loss on Disposal of Equipment	-	-	
Interest Expense, net	-	37	

Legal, Accounting and Professional	55	24	
Administrative	106	164	
	247	370	
(Loss) from Operations	(243)	(370)	(
Foreign Currency Exchange Gain (Loss)	(45)	(16)	
(Loss) before Income Tax	(288)	(386)	(
Provision for Income Tax	-	-	
Net (Loss)	(288)	(386)	(
Basic net (Loss) Per Common Equivalent Shares	$ (0.01)	$ (0.02)	$ (0
Equivalent Shares Outstanding (000's)	26,714	16,714	26,

See Notes to Consolidated Financial Statements

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Consolidated Statements of Cash
Flows Six Months Ended December 31, 2006 and 2005
and for the cumulative period
July 1, 2002 (inception of exploration activities) to December 31, 2006
(Unaudited)

	2006 A$000's	A$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	(832)	
Adjustments to reconcile net (loss) to net cash used in Operating Activities		
Foreign Currency Exchange Loss/(Gain)	61	
Depreciation of Plant and Equipment	4	
Stock based compensation	43	
Accrued interest added to principal	-	
Net Change in:		
Receivables	(121)	
Staking Deposit	-	
Prepayments and Deposits	-	
Accounts Payable and Accrued Expenses	(342)	
Short Term Advance - Affiliates	(1)	

Net Cash (Used) in Operating Activities	(1,188)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Plant and Equipment	-
Net Cash (Used) in Investing Activities	-
CASH FLOW PROVIDED BY FINANCING ACTIVITIES	
Net Borrowings from Affiliates	-
Sale of Warrants (net)	(7)
Proceeds from Loan Payable	-
Net Cash Provided by (Used in)Financing Activities	(7)
Net Increase (decrease) in Cash	(1,195)
Cash at Beginning of Period	2,016
Cash at End of Period	821
Supplemental Disclosures	
Interest Paid	-
NON CASH FINANCING ACTIVITY	
Debt repaid through issuance of shares	-
Stock Options recorded as Deferred Compensation	-

See Notes to Consolidated Financial Statements

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
December 31, 2006
and for the cumulative period July 1, 2002
(inception of exploration activities) to December 31, 2006
(Unaudited)

	Shares	Common Stock Amount	Treasury Stock, at Cost	Additional Paid-in Capital	Retained (Deficit) (during the Exploration stage)	Retained (Deficit) (prior to Exploration stage)	De Co sa
	000's	A$000's	A$000's	A$000's	A$000's	A$000's	A

Balance June 30, 2002	6,347	$1	$(20)	$25,175	-	$(26,402)
Net loss	-	-	-	-	$(681)	-
Balance June 30, 2003	6,347	$1	$(20)	$25,175	$(681)	$(26,402)
Issuance of 1,753,984 shares and warrants in lieu of debt repayment	1,754	-	-	$2,273	-	-
Sale of 1,670,000 shares and warrants	1,670	-	-	$2,253	-	-
Issuance of 6,943,057 shares on cashless exercise of options	6,943	$1	-	$(1)	-	-
Net unrealized loss on foreign exchange	-	-	-	-	-	-
Net (loss)	-	-	-	-	$(1,723)	-
Balance June 30, 2004	16,714	$2	$(20)	$29,700	$(2,404)	$(26,402)
Amortization of 1,400,000 options under 2004 stock option plan	-	-	-	-	-	-
Net unrealized gain on foreign exchange	-	-	-	-	-	-
Net/(loss)	-	-	-	-	$(2,600)	-
Balance June 30, 2005	16,714	$2	$(20)	$30,275	$(5,004)	$(26,402)
To eliminate deferred compensation against Paid-In Capital	-	-	-	$(198)	-	-
Issuance of 10,000,000 shares and 20,000,000 options in lieu of debt repayment	10,000	$1	-	$1,999	-	-
Sale of 20,000,000 normal warrants	-	-	-	$997	-	-
Sale of 10,000,000 special warrants	-	-	-	$1,069	-	-

See Notes to Consolidated Financial Statements

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
December 31, 2006
and for the cumulative period July 1, 2002
(inception of exploration activities) to December 31, 2006
(Unaudited) Continued

	Shares	Common Stock Amount	Treasury Stock, at Cost	Additional Paid-in Capital	Retained (Deficit) (during the Exploration stage)	Retained (Deficit) (prior to Exploration stage)	De C s
	000's	A$000's	A$000's	A$000's	A$000's	A$000's	A
Net unrealized loss on foreign exchange	-	-	-	-	-	-	
Net (loss)	-	-	-	-	$(1,328)	-	

Balance June 30, 2006	26,714	$3	$(20)	$34,333	$(6,332)	$(26,402)
Costs associated with sale of normal and special warrants	-	-	-	$(5)	-	-
Amortization of 1,400,000 options under 2004 stock option plan	-	-	-	$7	-	-
Amortization of 4,650,000 options under 2006 stock option plan	-	-	-	$35	-	-
Net unrealized loss on foreign exchange	-	-	-	-	-	-
Net (loss)	-	-	-	-	$(832)	-
Balance December 31, 2006	26,714	$3	$(20)	$34,370	$(7,164)	$(26,402)

See Notes to Consolidated Financial Statements

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006

(1) Organisation

Golden River Resources Corporation ("Golden River Resources"), formerly Bay Resources Ltd, is incorporated in the State of Delaware. The principal shareholders of Golden River Resources are companies associated with Mr JI Gutnick and Mrs S Gutnick. These companies owned 77.48% of Golden River Resources as of December 31, 2006. During fiscal 1998, Golden River Resources incorporated a further subsidiary, Baynex.com Pty Ltd (formerly Bayou Australia Pty Ltd), under the laws of Australia. Baynex.com Pty Ltd has not traded since incorporation. On August 21, 2000, Golden River Resources incorporated a new wholly owned subsidiary, Bay Resources (Asia) Pty Ltd (formerly Bayou International Pty Ltd), a corporation incorporated under the laws of Australia. In June 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. On March 8, 2006, shareholders approved the change of the Company's name to Golden River Resources.

(2) Short-Term Advance - Affiliate

During the six months ended December 31, 2006 the Company repaid A$1,329 owing to Joseph Gutnick, President of Golden River Resources.

(3) Affiliate Transactions

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

Included in receivables at December 31, 2006 was A$112,374 due by AXIS, an affiliated management company. At December 31, 2005 the Company owed AXIS A$34,003. During the six months ended December 31, 2006 and 2005 AXIS advanced

Golden River Resources A$53,000 and A$577,500, respectively, provided services in accordance with the service agreement of A$183,169 and A$187,192 respectively and advanced/reimbursed AXIS A$362,000 and A$546,000 respectively for outstanding amounts, including carried forward outstanding amounts and a short term advance to assist with the payment of anticipated future costs incurred on the behalf of the Company. During the six months ended December 31, 2005 AXIS charged interest of A$18,366 at an interest rate of 9.35%. During the six months ended December 31, 2006 the Company charged AXIS interest of A$6,992 at an interest rate between 9.35% to 10.10%.AXIS is affiliated through common management and ownership.

Wilzed Pty Ltd, a company associated with the President of the Company, Joseph Gutnick, provided loan funds to enable the Company to meet its liabilities and has paid certain expenses on behalf of the Company. During the six months ended December 31, 2005, Wilzed loaned the Company A$742,199 and charged interest of A$36,893. The interest rate charged by Wilzed for the six months ended December 31, 2005 was 9.35%. At December 31, 2005, the Company owed Wilzed A$1,455,244. At December 31, 2006, there were no amounts owing to Wilzed as they had been repaid in full during the twelve months ended June 30, 2006.

Interest expense incurred on loans and advances due to affiliated entities approximated A$55,239 in the six months ended December 31, 2005 and $nil in the six months ended December 31, 2006.

(4) Going Concern

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of Golden River Resources as a going concern. Golden River Resources is in the exploration stage, has sustained recurring losses which raises substantial doubts as to its ability to continue as a going concern.

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GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006

(4) Going Concern (Cont'd)

In addition Golden River Resources has historically relied on loans and advances from corporations affiliated with the President of Golden River Resources. Based on discussions with these affiliate companies, Golden River Resources believes this source of funding will continue to be available. Other than the arrangements noted above, Golden River Resources has not confirmed any other arrangement for ongoing funding. As a result Golden River Resources may be required to raise funds by additional debt or equity offerings in order to meet its cash flow requirements during the forthcoming year.

The accumulated deficit of the Company from inception through December 31, 2006 amounted to A$33,566,000 of which A$7,164,000 has been accumulated from July 2002, the date the Company entered the Exploration Stage, through December 31, 2006.

(5) Income Taxes

Golden River Resources should have carried forward losses of approximately US$22.6 million as of June 30, 2006 which will expire in the year 2007 through 2025. Golden River Resources will need to file tax returns for those years having losses on which returns have not been filed to establish the tax benefits of the net operating loss carry forwards. Due to the uncertainty of the availability and future utilization of those operating loss carry forwards, management has provided a full valuation against the related tax benefit.

(6) Issue of Options under Stock Option Plan

On January 1, 2006, the Company adopted revised SFAS No.123, Share-Based payment, 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. Because the Company had previously adopted the fair value recognition provisions of SFAS No. 123, the revised standard did not have a material impact on its financial statements.

Consistent with the provisions of APB No.25, the Company recorded the fair value of stock option grants in stockholders equity. Under SFAS No.123R an equity instrument is not considered to be issued until the instrument vests. Accordingly, as provided in SFAS No.123R, effective July 1, 2005, the Company has reversed A$198,000 representing the unamortized restricted stock compensation included in stockholders equity, at June 30, 2005, for the unvested portions of stock option grants awarded prior to the effective date of SFAS No.123R.

The Company has accounted for all options issued based upon their fair market value using either the Black Scholes or Binomial option pricing model.

In October 2004, the Board of Directors and Remuneration Committee of the Company adopted a Stock Option Plan and agreed to issue 1,400,000 options and up to a further 500,000 options to acquire shares of common stock in the Company, at an exercise price of US$1.00 per option, subject to shareholder approval which was subsequently received on January 27, 2005. Of the total 1,400,000 options issued, 350,000 vested immediately following shareholder approval, 50,000 vested on September 30, 2005, 333,331 vested on July 27, 2005, 333,334 vested on January 27, 2006 and 333,335 vested on July 27, 2006. An additional 500,000 options were not granted as the proposed recipient had resigned prior to the date on which the options were issuable. The exercise price of US$1.00 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 has calculated the fair value of the 1,400,000 options using the Black Scholes valuation method using a fair value share price of US$1.00, strike price of US$1.00, maturity period of 5 years 7 1/2 months, risk free interest rate of 5.15% and volatility of 20%. This equates to a value of US31.85

(6) Issue of Options under Stock Option Plan (Cont'd)

cents per option. The total value of the options equates to A$575,100 (US$445,900) and is being amortized over the vesting period. For the six months ended December 31, 2006, the amortization amounted to A$6,771. At December 31, 2006, the options were fully vested.

During the three months ended September 30, 2005, 50,000 options lapsed when Mr P. Ehrlich resigned as a Director and during the three months ended September 30, 2006 250,000 options lapsed when Mr P. Althaus resigned as Chief Operating Officer.

A summary of the options outstanding and exercisable at December 31, 2006 are as follows:

	Outstanding	Exercisable
Number of options	1,100,000	1,100,000
Exercise price	US$1.00	US$1.00
Expiration date	October 15, 2014	October 15, 2014

On October 19, 2006, the Directors of the Company agreed to offer a further 4,650,000 options under the Stock Option Plan. The options have no issue price, an exercise price of US30.84 cents, and a latest exercise date of October 19, 2016. The options vest 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 has calculated the fair value of the 4,650,000 options using the binomial option pricing model using a fair value share price of US$0.166, exercise price of US30.84 cents, 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 A$696,976 (US$550,100) and is being amortized over the vesting periods. For the six months ended December 31, 2006, the amortization amounted to A$35,814. At December 31, 2006, the unamortized deferred compensation related to these 4,650,000 options amounted to A$494,628.

When aggregated with the amortization of the options issued in October 2004, for the six months ended December 31, 2006, the total amortization amounted to $42,585.

A summary of the options outstanding and exercisable at December 31, 2006 are as follows:

	Outstanding	Exercisable
Number of options	4,650,000	0
Exercise price	US$0.308	US$0.308
Expiration date	October 19, 2016	October 19, 2016

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

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 Australian dollars unless otherwise stated.

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

6 months ended December 31, 2005 A$1.00 = US$.7301
6 months ended December 31, 2006 A$1.00 = US$.7893
6 months ended December 31, 2005 A$1.00 = CDN$.8513
6 months ended December 31, 2006 A$1.00 = CDN$.9207

RESULTS OF OPERATION

Three Months Ended December 31, 2006 vs. Three Months Ended December 31, 2005.

Revenue increased from A$nil in the three months ended December 31, 2005 to A$4,073 in the three months ended December 31, 2006. The increase in revenue is a result of interest earned on monies owed to the Company by AXIS A$3,529 and from the monies held in bank accounts A$528.

Costs and expenses decreased from A$370,000 in the three months ended December 31, 2005 to A$247,000 in the three months ended December 31, 2006. The Company's financial statements are prepared in Australian dollars (A$). A number of the costs and expenses of the Company are incurred in US$ and CDN$ and the conversion of these costs to A$ means that the comparison of the three months ended December 31, 2006 to the three months ended December 31, 2005 does not always present a true comparison.

The decrease in expenses is a net result of:

a) a decrease in interest expense (net) from A$37,009 for the three months ended December 31, 2005 to A$nil for the three months ended December 31, 2006. For the three months ended December 31, 2006, the Company had no interest bearing liabilities as they had been repaid in full. AXIS provides management and geological services to the Company pursuant to a Service Deed dated November 25, 1988. AXIS charged A$10,460 in interest on outstanding amounts at a rate of 9.35% for the three months to December 31, 2005, Wilzed charged A$20,039 in interest and A$8,000 general interest was charged on outstanding accounts payable liabilities.

b) an increase in legal, accounting and professional expense from A$24,000 for the three months ended December 31, 2005 to A$55,000 for the three months ended December 31, 2006 primarily as a result of additional work in reviewing agreements for which there was no comparable amount in the three months ended December 31, 2005.

c) a decrease in administrative costs including salaries from A$164,000 in the three months ended December 31, 2005 to A$106,000 in the three months ended December 31, 2006, primarily as a result of reduced administrative salaries and costs following the resignation of the Chief Operating Officer.

d) a decrease in the exploration expenditure expense from

A$87,000 for the three months ended December 31, 2005 to A$50,000 for the three months ended December 31, 2006 primarily as a result of decreased exploration activity. The cost for the three months ended December 31, 2006 represents the field and sampling program undertaken at the Company's exploration properties within the Slave Craton in Nunavut, Canada and the cost of the Vice President Exploration and associated costs. No field exploration was undertaken during the 2005 field season due to the high level of field exploration in the 2004 field season and limited funding. During this period, exploration expenditure related to the cost of the Vice President Exploration and associated costs.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (Cont'd)

Three Months Ended December 31, 2006 vs. Three Months Ended December 31, 2005 Cont'd)

e) a decrease in stock based compensation from A$58,000 for the three months ended December 31, 2005 to A$36,000 for the three months ended December 31, 2006. Following shareholder approval on January 27, 2005 the Company issued 1,400,000 options pursuant to the 2004 Stock Option Plan.

Of the total 1,400,000 options issued, 350,000 vested immediately following shareholder approval, 50,000 vested on September 30, 2005, 333,331 vested on July 27, 2005, 333,334 vested on January 27, 2006 and the balance of 333,335 vested on July 27, 2006. The exercise price of US$1.00 was derived from the issue price of common stock from the placement of shares on March 31, 2004 and is considered by the Company's Directors to be the fair value of the common stock. The Company has calculated the fair value of the 1,400,000 options issued in January 2005 using the Black Scholes valuation method using a share price of US$1.00, strike price of US$1.00, maturity period of 5 years 7 1/2 months, risk free interest rate of 5.15% and volatility of 20%. This equates to a value of US31.85 cents per option or a total of A$575,100 (US$445,900). Of this amount, A$6,771 has been amortized and charged to operations in the December 2006 quarter.

A summary of the 2004 options outstanding and exercisable at December 31, 2006 are as follows:

	Outstanding	Exercisable
Number of options	1,100,000	1,100,000
Exercise price	US$1.00	US$1.00
Expiration date	October 15, 2014	October 15, 2014

On October 19, 2006, the Directors of the Company agreed to offer a further 4,650,000 options under the Stock Option Plan. The options have no issue price, an exercise price of US30.84 cents, and a latest exercise date of October 19, 2016. The options vest 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 for the purpose of determining the amortization of the options.

The Company has calculated the fair value of the 4,650,000 options using the binomial option pricing model using a share price of US$0.166, exercise price of US30.84 cents, expected life T1 - 5 years 6 months, T2 - 6 years, T3 - 6 years 6 months, risk-free interest rate of 4.75%, volatility of 90%. The total value of the options equates to A$696,976 (US$550,100) and is being amortized over the vesting periods. For the six months ended December 31, 2006, the amortization amounted to $35,814.

When aggregated with the amortization of the options issued in October 2004, for the six months ended December 31, 2006, the total amortization amounted to $42,585.

A summary of the 2006 options outstanding and exercisable at December 31, 2006 are as follows :

	Outstanding	Exercisable
Number of options	4,650,000	0
Exercise price	US$0.308	US$0.308
Expiration date	October 19, 2016	October 19, 2016

As a result of the foregoing, the loss from operations decreased from A$370,000 for the three months ended December 31, 2005 to A$243,000 for the three months ended December 31, 2006.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (Cont'd)

Six Months Ended December 31, 2006 vs. Six Months Ended December 31, 2005.

The net loss was A$288,000 for the three months ended December 31, 2006 compared to a net loss of A$386,000 for the three months ended December 31, 2005.

Revenue increased from A$nil in the six months ended December 31, 2005 to A$9,401 in the six months ended December 31, 2006. The increase in revenue is a result of interest earned on monies owed to the Company by AXIS (A$6,992) and from the monies held in bank accounts A$2,409.

Costs and expenses increased from A$678,000 in the six months December 31, 2005 to A$780,000 in the six months ended December 31, 2006. The Company's financial statements are prepared in Australian dollars (A$). A number of the costs and expenses of the Company are incurred in US$ and CDN$ and the conversion of these costs to A$ means that the comparison of the six months December 31 2006 to the six months December 31, 2005 does not always present a true comparison.

The increase in expenses is a net result of:

a) a decrease in interest expense (net) from A$63,000 for the six months ended December 31, 2005 to A$nil for the six months ended December 31, 2006. For the six months ended December 31, 2006, the Company had no interest bearing liabilities as they had been repaid in full. AXIS provides management and geological services to the Company pursuant to a Service Deed dated November 25, 1988. AXIS charged A$18,366 in interest on outstanding amounts at a rate of 9.35% for the six months to December 31, 2005, Wilzed charged A$36,873 in interest and A$8,000 general interest was charged on outstanding accounts payable liabilities.

b) an increase in legal, accounting and professional expense from A$39,000 for the six months ended December 31, 2005 to A$78,000 for the six months ended December 31, 2006. An increase in share register activity increased the fee for maintenance of the records by the external share registrar, and legal expenses for reviewing agreements.

c) a decrease in administrative costs including salaries from A$315,000 in the six months ended December 31, 2005 to A$235,000 in the six months ended December 31, 2006. In the six month period to December 31, 2005, the Company employed a Chief Operating Officer and the costs of his salary and operating costs were treated as administrative expenses. The Chief Operating officer resigned in April 2006 and this resulted in a reduction in administrative costs as the Company did not have to pay the salary and operating costs in the six months ended December 31, 2006.

d) an increase in the exploration expenditure expense from A$125,000 for the six months ended December 31, 2005 to A$424,000 for the six months ended December 31, 2006. The cost for the six months ended December 31, 2006 represents the field and sampling program undertaken of the Company's exploration properties within the Slave Craton in Nunavut, Canada. No field exploration was completed during the six months ended December 31,2005 due to the high level of field exploration in 2004 and limited funding.

e) a decrease in stock based compensation from A$136,000 for the six months ended December 31, 2005 to A$43,000 for the six months ended December 31, 2006. Following shareholder approval on January 27, 2005 the Company issued 1,400,000 options pursuant to the 2004 Stock Option Plan. Of the total 1,400,000 options issued, 350,000 vested immediately following shareholder approval, 50,000 vested on March 31, 2005, 333,331 vested on July 27, 2005, 333,334 vested on January 27, 2006 and the balance of 333,335 vested on July 27, 2006. An additional 500,000 options were not granted as the proposed recipient resigned prior to the date on which the options were issuable. The exercise price of US$1.00 was derived from the issue price of common stock from the placement of shares on stock.

The Company has calculated the fair value of the 1,400,000 options issued in January 2005 using the Black Scholes valuation method using a share price of US$1.00, strike price of US$1.00, maturity period of 5 years 7 1/2 months, risk free interest rate of 5.15% and volatility of 20%. This equates to a value of US31.85 cents per option or a total of A$575,100 (US$445,900).

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (Cont'd)

Six Months Ended December 31, 2006 vs. Six Months Ended December 31, 2005

(Cont'd)

Of this amount, A$6,771 has been amortized and charged to operations for the six month period to December 31, 2006.

A summary of the 2004 options outstanding and exercisable at December 31, 2006 are as follows:

	Outstanding	Exercisable
Number of options	1,100,000	1,100,000
Exercise price	US$1.00	US$1.00
Expiration date	October 15, 2014	October 15, 2014

On October 19, 2006, the Directors of the Company agreed to offer a further 4,650,000 options under the Stock Option Plan. The options have no issue price, an exercise price of US30.84 cents, and a latest exercise date of October 19, 2016. The options vest 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 for the purpose of determining the amortization of the options.

The Company has calculated the fair value of the 4,650,000 options using the binomial option pricing model using a share price of US$0.166, exercise price of US30.84 cents, expected life T1 - 5 years 6 months, T2 - 6 years, T3 - 6 years 6 months, risk-free interest rate of 4.75%, volatility of 90% and 20% discount on share price. The total value of the options equates to A$696,976 (US$550,100) and is being amortized over the vesting periods. For the six months ended December 31, 2006, the amortization amounted to $35,814.

When aggregated with the amortization of the options issued in October 2004, for the six months ended December 31, 2006, the total amortization amounted to $42,585.

A summary of the 2006 options outstanding and exercisable at December 31, 2006 are as follows:

	Outstanding	Exercisable
Number of options	4,650,000	-
Exercise price	US$0.308	-
Expiration date	October 19, 2016	-

As a result of the foregoing, the loss from operations increased from A$678,000 for the six months ended December 31, 2005 to A$771,000 for the six months ended December 31, 2006.

The net loss was A$832,000 for the six months ended December 31, 2006 compared to a net loss of A$701,000 for the six months ended December 31, 2005.

Liquidity and Capital Resources

For the six months ended December 31, 2006, net cash used in operating activities was A$1,188,000 primarily consisting of the net loss of A$832,000; an increase in receivables of A$121,000 and a decrease in accounts payable and accrued expenses of A$342,000.

Effective as of June 9, 2006, Golden River Resources, entered into a Subscription Agreement with RAB Special Situations Fund (Master) Limited ("RAB") pursuant to which the Company issued to RAB in a private placement transaction (the "Private Placement") for an aggregate purchase price of A$2,000,000 (US$1,542,000): (i)10,000,000 special warrants (the "Special Warrants"), each of which is

Liquidity and Capital Resources (Cont'd)

exercisable at any time to acquire, without additional consideration, one (1) share (the "Special Warrant Shares") of Common Stock, US$0.001 par value ("Common Stock"), of the Company, and (ii) warrants (the "Warrants") for the purchase of 20,000,000 shares of Common Stock, US$0.001 par value (the "Warrant Shares"), at an exercise price of A$0.20 (US$0.1542) to be exercisable until April 30, 2011.

The Company agreed to prepare and file with the Securities and Exchange Commission a registration statement covering the resale of the shares of Common Stock issuable upon exercise of the Special Warrants and the Warrants, which registration statement was declared effective on October 17, 2006.

The Company is obligated to keep such registration statement effective until the earlier of (i) the date that all of the Registrable Securities have been sold pursuant to such registration statement, (ii) all Registrable Securities have been otherwise transferred to persons who may trade such shares without restriction under the Securities Act, and the Company has delivered a new certificate or other evidence of ownership for such securities not bearing a restrictive legend, or (iii) all Registrable Securities may be sold at any time, without volume or manner of sale limitations pursuant to Rule 144(k) or any similar provision then in effect under the Securities Act; or (iv) 2 years from the effective date.

As of December 31, 2006 the Company had short-term obligations of A$245,000 comprising accounts payable and accrued expenses.

We have A$821,000 in cash at December 31, 2006.

During fiscal 2004 and 2005, we undertook a field exploration program 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 do not have a legal obligation to undertake further exploration on those properties during their life. However our properties are prospective for gold and other minerals. We undertook further exploration in August 2006 on the Slave Properties and to date we have spent A$374,000 on such exploration activities in fiscal 2007. 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 a capital raising will be successful, or that even if an offer of financing is 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-QSB'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-QSB 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. Additional information which could affect the Company's financial results is included in the Company's Form 10-KSB on file with the Securities and Exchange Commission.

Item 3. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange

Item 3. CONTROLS AND PROCEDURES (Cont'd)

Act Rule 13a-15 as of the end of the period covered by this report. Based upon that evaluation, such officers concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in this report is recorded, processed, summarized and reported on a timely basis.

Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Not Applicable

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not Applicable

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable

Item 5. OTHER INFORMATION

Not Applicable

Item 6. EXHIBITS

(a)

Exhibit No.	Description
3.1	Amendment to Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.7 to the Registrant's Registration Statement on Form SB-2, SEC file no. 333-135633)
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

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(FORM 10-QSB)

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

Dated February 12, 2007

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