GOLDRICH MINING CO
Form 10-Q
May 16, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2016

OR

o	**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: 001-06412

GOLDRICH MINING COMPANY

(Exact Name of Registrant as Specified in its Charter)

ALASKA	**91-0742812**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2607 Southeast Blvd, Ste. B211	
Spokane, Washington	**99223-4942**
(Address of Principal Executive Offices)	(Zip Code)

(509) 535-7367

(Registrant s Telephone Number, including Area Code)

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

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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. x Yes o 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). x Yes o 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 the definitions of large accelerated filer accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer o Accelerated filer o Non-accelerated filer o Smaller Reporting Company x

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

Number of shares of issuer s common stock outstanding at May 16, 2016: 131,232,809

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Goldrich Mining Company
Consolidated Balance Sheets

		(Unaudited) March 31, 2016	December 31, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	$	7,745 $	78,609
Gold Inventory		2,433	2,433
Prepaid claim fees		34,821	55,713
Prepaid expenses		67,226	21,466
Deferred financing costs		10,217	13,539
Other current assets		49,176	49,176
Total current assets		171,618	220,936
Property, plant, equipment, and mining claims:			
Equipment, net of accumulated depreciation		39,259	47,886
Mining properties and claims		582,166	582,166
Total property, plant, equipment and mining claims		621,425	630,052
Total assets	**$**	**793,043 $**	**850,988**
LIABILITIES AND STOCKHOLDERS DEFICIT			
Current liabilities:			
Accounts payable and accrued liabilities	$	320,589 $	219,723
Related party payable		115,315	96,824
Deferred compensation		37,500	-
Notes payable in gold		509,568	509,568
Note payable, net of discount		284,038	-
Dividend payable on preferred stock		30,618	30,618
Total current liabilities		1,297,628	856,733
Long-term liabilities:			
Note payable, net of discount		-	278,962
Remediation and asset retirement obligation		362,265	359,173
Total long-term liabilities		362,265	638,135
Total liabilities		**1,659,893**	**1,494,868**
Commitments (Note 8)			
Stockholders' deficit:			
Preferred stock; no par value, 8,999,450 shares authorized: shares		-	-

authorized; no shares issued or outstanding			
Convertible preferred stock series A; 5% cumulative dividends, no par value, 1,000,000 shares authorized; 150,000 shares issued and outstanding, $300,000 liquidation preferences		150,000	150,000
Convertible preferred stock series B; no par value, 300 shares authorized, 200 shares issued and outstanding, $200,000 liquidation preference		57,758	57,758
Convertible preferred stock series C; no par value, 250 shares authorized, issued and outstanding, $250,000 liquidation preference		52,588	52,588
Common stock; $.10 par value, 250,000,000 shares authorized; 131,232,809 issued and outstanding		13,123,281	13,123,281
Additional paid-in capital		13,384,498	13,384,498
Accumulated deficit		(27,634,975)	(27,412,005)
Total stockholders deficit		**(866,850)**	**(643,880)**
Total liabilities and stockholders' deficit	**$**	**793,043 $**	**850,988**

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

Goldrich Mining Company
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Operating expenses:		
Exploration	$ 12,989	$ 15,492
Depreciation and amortization	8,628	23,823
Management fees and salaries	53,906	65,188
Professional services	31,341	31,579
General and admin	53,225	56,185
Office supplies and other	1,778	2,177
Directors' fees	10,800	14,500
Mineral property maintenance	20,893	17,338
Loss on sale of gold purchased to satisfy notes payable in gold	-	8,476
Total operating expenses	193,560	234,758
Other (income) expense:		
Interest income	-	(2)
Interest expense and finance costs	29,410	31,822
Total other (income) expense	29,410	31,820
Net loss	222,970	266,578
Preferred dividends	1,896	4,424
Net loss available to common stockholders	$ 224,866	$ 271,001
Net loss per common share basic and diluted	$ Nil	$ Nil
Weighted average common shares outstanding-basic and diluted	131,232,809	127,537,062

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

Goldrich Mining Company
Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended March 31, 2016	2015
Cash flows from operating activities:		
Net loss	$ (222,970)	$ (266,578)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	8,628	23,823
Loss on sale of gold purchased	-	8,476
Amortization of discount on note payable and notes payable in gold	5,076	5,669
Amortization of deferred financing costs	3,322	3,852
Accretion of asset retirement obligation	3,092	2,973
Change in:		
Gold inventory	-	60,112
Prepaid claim fees	20,892	17,337
Prepaid expenses	(45,761)	(286,777)
Accounts payable and accrued liabilities	100,866	66,462
Deferred compensation	37,500	-
Related party payable	18,491	11,387
Net cash used - operating activities	(70,864)	(353,264)
Cash flows from financing activities:		
Proceeds from issuance of common stock and warrants, net of offering costs	-	239,193
Net cash provided - financing activities	-	239,193
Net (decrease) in cash and cash equivalents	(70,864)	(114,071)
Cash and cash equivalents, beginning of period	78,609	206,025
Cash and cash equivalents, end of period	**$ 7,745**	**$ 91,954**

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

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

1.

BASIS OF PRESENTATION:

The unaudited financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company s management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the three-month period ended March 31, 2016 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2016.

For further information refer to the financial statements and footnotes thereto in the Company s Annual Report on Form 10-K for the year ended December 31, 2015.

Going Concern

The accompanying consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company has incurred losses since its inception and does not have sufficient cash to fund normal operations and meet debt obligations for the next 12 months without deferring payment on certain current liabilities and/or raising additional funds.

The Company currently has no historical recurring source of revenue and its ability to continue as a going concern is dependent on the Company s ability to raise capital to fund its future exploration and working capital requirements or its ability to profitably execute its business plan. The Company s plans for the long-term return to and continuation as a going concern include the profitable exploitation of its mining properties and financing the Company s future operations through sales of its common stock and/or debt.

Additionally, the current capital markets and general economic conditions in the United States are significant obstacles to raising the required funds. These factors raise substantial doubt about the Company s ability to continue as a going concern.

The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. If the going concern basis were not appropriate for these financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

2.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting for Investments in Joint Ventures

For joint ventures in which the Company does not have joint control or significant influence, the cost method is used. Under the cost method, these investments are carried at the lower of cost or fair value. For those joint ventures in which there is joint control between the parties and in which the Company has significant influence, the equity method is utilized whereby the Company s share of the ventures earnings and losses is included in the statement of operations as earnings in joint ventures and its investments therein are adjusted by a similar amount.

Goldrich has no significant influence over its joint venture described in Note 3 *Joint Venture*, and therefore accounts for its investment using the cost method.

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

2.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

For joint ventures where the Company holds more than 50% of the voting interest and has significant influence, the joint venture is consolidated with the presentation of a non-controlling interest. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture s management committee. Goldrich currently has no joint venture of this nature.

The Company periodically assesses its investments in joint ventures for impairment. If management determines that a decline in fair value is other than temporary it will write-down the investment and charge the impairment against operations.

Net Loss Per Share

Basic earnings per share (EPS) is computed as net loss available to common shareholders after dividends to preferred shareholders, divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants, and other convertible debt and securities. The dilutive effect of vested convertible and exercisable securities would be:

For periods ended March 31,	**2016**	**2015**
Convertible preferred stock Series A	900,000	1,050,000
Convertible preferred stock Series B	2,857,142	2,857,142
Convertible preferred stock Series C	8,333,333	-
Stock options	3,200,000	3,350,000
Warrants	66,586,063	48,969,397
Total possible dilution	**81,876,538**	**56,226,539**

For the three-month periods ended March 31, 2016 and 2015, the effect of the Company s outstanding options and common stock equivalents would have been anti-dilutive. Accordingly, only basic EPS is presented.

Use of Estimates

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. Significant estimates used in preparing these financial statements include those assumed in estimating the recoverability of the cost of mining claims, accrued remediation costs, asset retirement obligations, stock based compensation, and deferred tax assets and related valuation allowances. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In April 2015, the FASB issued ASU No. 2015-03, Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs . The provisions of ASU No. 2015-03 require companies to present debt issuance costs the same way they currently present debt discounts, as a direct deduction from the carrying value of that debt liability. ASU 2015-03 does not impact the recognition and measurement guidance for debt issuance costs. The guidance in the ASU is effective for fiscal years beginning after December 15, 2015. Early adoption is allowed. The Company is currently assessing the impact of ASU No. 2015-03 on the Company s consolidated financial statements once adopted.

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

2.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

Reclassifications

Certain reclassifications have been made to conform prior period s data to the current presentation. These reclassifications have no effect on the results of reported operations, cash flows or stockholders deficit.

3.

JOINT VENTURE

On May 7, 2012, the Company entered into a joint venture (the JV) with NyacAU, LLC (NyacAU), an Alaskan private company, to bring Goldrich s Chandalar placer gold properties into production as defined in the joint venture agreement. In each case as used herein in reference to the JV, production is as defined by the JV agreement. As part of the agreement, Goldrich and NyacAU formed a 50:50 joint venture company, Goldrich NyacAU Placer LLC (GNP), to operate the Chandalar placer mines, with NyacAU acting as managing partner. Goldrich has no significant control or influence over the JV, and therefore accounts for its investment using the cost method, which totals $nil at March 31, 2016 and December 31, 2015.

Under the terms of the joint venture agreement (the Agreement), NyacAU provided funding to the JV. The loans are to be repaid from future production. No funding has been advanced to Goldrich itself. According to the Agreement, on at least an annual basis, the JV shall allocate and distribute all revenue (whether in cash or as gold) generated from the JV s placer operation in the following order:

1.

Current year operating expenses,

2.

Members distribution of 20% (10% to Goldrich and 10% to NyacAU) provided that, for so long as the loan (LOC2) to GNP from NyacAU for the purchase of a royalty is not paid in full, the JV shall retain 100% of Goldrich s distribution and apply against the loan,

3.

After payment of operating expenses and the member s distribution of 20%, the JV will apply any remaining revenue to reduce the remaining balance of the loan from NyacAU to GNP for the development of the mine (LOC1),

4.

Reserves for future operating expenses and capital needs, not to exceed $3,000,000 in any year, and

5.

Member distributions of any remaining gold production on a 50:50 basis to each of the JV partners provided that, for so long as the loan LOC2 is not paid in full, the JV shall retain 100% of Goldrich s distribution and apply against the loan.

On June 23, 2015, the Company raised net proceeds of $1.1 million through the sale of 12% of the cash flows Goldrich receives in the future from its interest in GNP (Distribution Interest) to Chandalar Gold, LLC (CGL), a non-related entity. Goldrich retained its ownership of its 50% interest in GNP but, after the transaction, subject to the terms of the GNP operating agreement, Goldrich will effectively receive approximately 44% and CGL will receive 6% (12% of Goldrich s 50% of GNP = 6%) of any cash distributions produced by GNP.

As part of the purchase, CGL received 2,250,000 Series P Warrants and an option to acquire an additional 10% Distribution Interest in the cash flows Goldrich receives from its interest in GNP. Each Series P Warrant is exercisable to purchase one share of common stock of the Company at $0.07, for a period of five (5) years. The Distribution Interest option to purchase an additional 10% of Goldrich s future cash flow from GNP must be exercised before July 1, 2016 in consideration of a one-time cash payment of $1.3 million.

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

3.

JOINT VENTURE, CONTINUED

Should the option be exercised, Goldrich would effectively receive, subject to the terms of the GNP operating agreement, approximately 38.5% and CGL would receive 11% (22% of Goldrich s 50% of GNP = 11%) of any cash distributions produced by GNP.

The lead agent for the sale received a commission equal to 5% of gross proceeds raised, was granted a perpetual undivided 0.5% interest in distributions paid out by GNP to Goldrich, and was issued 1.2 million Series P-2 Warrants. Each Series P-2 Warrant is exercisable into one share of common stock of the Company for a period of five (5) years at a price of $0.05 per share. Should CGL exercise its option, the same fee structure would apply as above, including an additional 0.5% interest in distributions paid out by GNP to Goldrich.

The gross fair values of the Series P and Series P-2 warrants were estimated on the issue date at $110,250 and $60,000, respectively, using the following weighted average assumptions:

Risk-free interest rate	1.71%
Expected dividend yield	0
Expected term (in years)	5
Expected volatility	141.7%

After applying the out of pocket costs of sale of $125,164 and recognizing the relative fair value of the Series P Warrants of $88,644, the Company recognized a gain of $930,892 on the sale of the joint venture cash distribution interest after applying an adjustment of $55,300 of the Investment in joint venture asset, reducing it to $nil at December 31, 2015.

4.

RELATED PARTY TRANSACTIONS

Beginning in January 2016, this Company s President and Chief Executive Officer (CEO) elected to defer a portion of his salary until the Company is successful in securing financing sufficient to fund future operations. An amount of $37,500 has been deferred and is recorded as deferred compensation at March 31, 2016.

An amount of $8,726 was accrued for fees due to the Company s Chief Financial Officer (CFO) at December 31, 2015. An amount of $16,917 and $10,406 has been accrued for fees at March 31, 2016 and March 31, 2015, respectively. These amounts are included in related party payable.

A total of $88,098 had been accrued for consultants and directors fees at December 31, 2015. At March 31, 2016, $98,398 is accrued for services performed, which is included in related party payable.

5.

NOTE PAYABLE

On January 24, 2014, the Company closed an unsecured senior note financing for $300,000 with a private investment firm (the lender) with a maturity date of January 24, 2017. Per the note agreement, the $300,000 is the first of six-staged loans for total aggregate amount of up to $2 million. The note bears interest at 15%, payable at the end of each quarter. Interest of $45,000 had been paid and expensed during the year ended December 31, 2015. During the three months ended March 31, 2016, interest of $11,250 has been paid and expensed.

Repayment of all amounts owed under the note is guaranteed by Goldrich Placer LLC, the Company s wholly owned subsidiary, which in turn owns a 50% interest in Goldrich NyacAU Placer LLC. See Note 3 Joint Venture. The note contains standard default provisions, including failure to pay interest and principal when due.

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

5.

NOTE PAYABLE, CONTINUED

At March 31, 2016, the Company had outstanding a total note payable of $300,000 less remaining unamortized discounts of $15,962 for a net liability of $284,038. The lender elected to defer at least the second through the fifth tranches of the note advances pending the resolution and additional due diligence related to a lien that was placed on our claims in December 2013 by our joint venture partner, which was subsequently released during the quarter ended March 31, 2014. At March 31, 2016, the lender retains the right to lend the contracted amounts of the second through fifth tranches of the note.

6.

NOTES PAYABLE IN GOLD

At December 31, 2015, and March 31, 2016, the Company had outstanding total notes payable in gold of $509,568, representing 394.788 ounces of fine gold deliverable at November 30, 2016.

The Company is not required to purchase gold on the open market to meet delivery obligations. In the event that sufficient gold is not produced to meet future distribution requirements, the Company may be required to renegotiate the terms of the notes with the holders to avoid default. A renegotiation or default may require a change in future accounting treatment to that of derivative accounting.

7.

STOCKHOLDERS EQUITY

Private Placement Offerings - *Unit Private Placements*

2015 Activity

On December 7, 2015, the Company completed the offer and sale of 250 shares of Series C Preferred stock, resulting in net proceeds of $225,000 to the Company. These shares were issued from the designated 10,000,000 share of Preferred Stock, par value as the Board may determine.

In connection with the issuance of the Series C Preferred Stock, the Company issued a total of 9,166,666, five-year Class Q warrants, including 833,333 broker warrants. The Class Q warrants have an exercise price of $0.03 per share of the Company s common stock with a fair value of $116,162 as determined using a Black Scholes model and allocation between the preferred shares and the warrants. The fair value of the warrants was estimated on the issue date using the following weighted average assumptions:

Risk-free interest rate	1.68%
Expected dividend yield	0
Expected term (in years)	5
Expected volatility	141.9%

Additionally, after accounting for the fair value of the warrant, a beneficial conversion feature of $81,250 was determined to exist, which represented a deemed dividend to the holder of the preferred shares recognizable immediately upon issue due to the ability to convert the shares concurrent with issuance of the preferred shares. Both the fair value of the warrants and the beneficial conversion feature were charged to Additional paid in capital at the date of issuance.

The Series C Preferred Stock includes a redemption feature which, in the event the Company sells any or all of its assets for aggregate total compensation greater than $3,000,000 within a one-year period following the date of issuance of the Series C Preferred Shares, the Purchaser has the right to redeem all or some of the outstanding securities. The redemption price would be equal to the purchase price plus an additional amount equivalent to the amount of interest that would have accrued on the purchase price at a rate of 15% from the date of issuance of the Series C Preferred Shares through the date of redemption.

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

7.

STOCKHOLDERS EQUITY, CONTINUED:

The holders of the Series C Preferred Stock cannot trigger or otherwise require the sale of the assets through representation on the board of directors, or through other rights, because the decision to sell all or substantially all of the issuer's assets and the distribution to common stockholders is solely within the Company s control. Company management has concluded under ASC 480 there could not be a "hostile" asset sale whereby a triggering event could occur without the Company s approval, and therefore, classifying the Series C Preferred Stock and associated warrants in permanent equity is appropriate.

On April 7, 2015, the Company completed a private placement consisting of 5,000,000 units issued at a price of $0.05 per unit and resulted in net proceeds of $241,832. Each unit consisted of one share of the Company s common stock and one full share Class O warrant. Each full Class O warrant is exercisable to purchase one additional common share of the Company at $0.06, for a period of five years following the date of issue.

Warrants

At March 31, 2016, there were 66,586,063 common stock warrants outstanding with a weighted average exercise price of $0.19. No warrants were issued and none expired during the period.

Stock Options and Stock-Based Compensation:

A summary of stock option transactions for the period ended March 31, 2016 is as follows:

	Shares	Weighted-Average Exercise Price (per share)	Weighted Average Remaining Contractual	Aggregate Intrinsic Value

			Term (Years)	
Options outstanding at December 31, 2015	3,350,000	$	0.243.81	$0
Granted	-		-	
Expired	(150,000)		0.52	
Options outstanding and exercisable at March 31, 2016	3,200,000	$	0.223.73	$0
Options available for future grants	2,075,672			

For the period ended March 31, 2016, the Company recognized total share-based compensation for employees and consulting directors of $nil.

8.

COMMITMENTS

The Company has 426.5 acres of patented claims and 22,432 acres of non-patented claims. We are subject to annual claims rental fees in order to maintain our non-patented claims. In addition to the annual claims rental fees due November 30 of each year, we are also required to meet annual labor requirements due November 30 of each year. The Company is able to carry forward costs for annual labor that exceed the required yearly totals for four years.

Goldrich Mining Company

Notes to the Consolidated Financial Statements (unaudited)

8.

COMMITMENTS, CONTINUED:

Following are the annual claims and labor requirements for 2016 and 2017.

	November 30, 2016		November 30, 2017	
Claims Rental	$	84,770	$	90,570
Annual Labor		61,100		61,100
Yearly Totals	$	145,870	$	151,670

The Company has a carryover to 2016 of approximately $20.7 million to satisfy its annual labor requirements. This carryover expires in the years 2016 through 2021 if unneeded to satisfy requirements in those years.

9.

SUBSEQUENT EVENTS

On April 6, 2016, the Company closed the first tranche of a private placement for total proceeds of $50,000. The Company sold 50 shares of Series D Preferred Stock of the Company and warrants at a price per preferred share of $1,000. Each share of Series D Preferred Stock is convertible into common shares of the Company equal in number to $1,000 divided by $0.03 per share. The purchaser of each share of Series D Preferred Stock also received warrants to purchase shares of common stock of the Company equal in number to the total purchase price divided by 0.03 (rounded down), exercisable at any time beginning one year after the closing date for a term ending five years from the closing date at an exercise price of $0.045 per common share. The placement agent received a sales commission of 5% of gross proceeds and warrants equal to 5% of the total number of warrants issued. Under certain specified circumstances, the shares are redeemable at the option of the purchaser at a rate of return on the purchase price of 15% from the date of issuance of the Preferred Shares through the date of the redemption.

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Item 2. Management s Discussion and Analysis of Financial Condition or Plan of Operation

As used in herein, the terms Goldrich, the Company, we, us, and our refer to Goldrich Mining Company.

This discussion and analysis contains forward-looking statements that involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Except for historical information, the matters set forth herein, which are forward-looking statements, involve certain risks and uncertainties that could cause actual results to differ. Potential risks and uncertainties include, but are not limited to, unexpected changes in business and economic conditions; significant increases or decreases in gold prices; changes in interest and currency exchange rates; unanticipated grade changes; metallurgy, processing, access, availability of materials, equipment, supplies and water; results of current and future exploration and production activities; local and community impacts and issues; timing of receipt and maintenance of government approvals; accidents and labor disputes; environmental costs and risks; competitive factors, including competition for property acquisitions; and availability of external financing at reasonable rates or at all, and those set forth under the heading Risk Factors in our Form 10-K filed with the United States Securities and Exchange Commission (the SEC) on April 15, 2013. Forward- looking statements can be identified by terminology such as may, will, should, expects, intends, plans, anticipates, believes, estimates, predicts, potential, continues or the negative of these terms or other comparable terminology. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements are made based on management s beliefs, estimates, and opinions on the date the statements are made, and the Company undertakes no obligation to update such forward-looking statements if these beliefs, estimates, and opinions should change, except as required by law.

This discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes. The discussion and analysis of the financial condition and results of operations are based upon the unaudited consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis the Company reviews its estimates and assumptions. The estimates were based on historical experience and other assumptions that the Company believes to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but the Company does not believe such differences will materially affect our consolidated financial position or results of operations. Critical accounting policies, the policies the Company believes are most important to the presentation of its consolidated financial statements and require the most difficult, subjective and complex judgments are outlined below in Critical Accounting Policies and have not changed significantly.

General

Overview

Our Chandalar, Alaska gold mining property has seen over a hundred years of intermittent mining exploration and extraction history. There has been small extraction of gold from several alluvial, or placer gold streams, and from an array of small quartz veins that dot the property. However, only in very recent times is the primary source of the gold becoming evident. As a result of our exploration we have discovered gold in prolific micro-fractures within schist in many places and have petrographic and geochemical evidence linking these and larger vein-hosted gold occurrences to an intrusive source. We are currently defining drilling targets for a hard-rock (lode) gold deposit in an area of interest approximately 1,800 feet wide and over five miles long, possibly underlain by a granitic, mineralized intrusion. Exploration therefore has taken on two directions; one toward defining a low-grade, large tonnage body of mineralization running beneath the headwaters of Little Squaw Creek, the other a deeper, larger mineralized body from which mineralizing fluids have migrated through Chandalar country rock. Our main focus continues to be the exploration of these hard-rock targets; however, weak financial markets prevented us from obtaining funds for any significant exploration in 2012 and 2013. It appears financial markets may be improving and we were successful in raising funds for a limited exploration program in 2014 and reclamation work in 2015.

Because of the weak financial markets suffered by the mining industry in recent years, we endeavored to develop our placer properties as a source of internal cash to protect us from future market fluctuations and to provide funds for future exploration. In 2012, Goldrich and NyacAU LLC (NyacAU) formed Goldrich NyacAU Placer LLC (GNP), a 50/50 joint-venture company, managed by NyacAU, to mine Goldrich s various placer properties at Chandalar.

Through 2015, approximately $23.8 million has been invested by GNP to develop the mine. Plant and mine construction for the first stage of extraction were completed during the 2015 season. All costs up to commercial production (as defined in the joint venture agreement) are required to be funded by NyacAU and will be paid back from cash flow from gold production (as defined in the joint venture agreement).

Goldrich has completed approximately 15,000 feet of drilling to date on the upper half of the Little Squaw Creek placer project and outlined 10.5 million cubic yards of mineralized material, at an average head grade of 0.025 ounces of gold per cubic yard for an estimated total of approximately 250,000 contained ounces. The mineralized material at Chandalar is not a mineral reserve as defined in SEC Industry Guide 7. Based on a targeted extraction rate of 20,000 ounces of gold per year and the mineralized material drilled out to date, the Little Squaw Creek mine would have a mine life of approximately 12 years. Little Squaw Creek is one of seven potential placer targets on the Chandalar property and is open to expansion. Mining operations at the Chandalar mine utilize conventional gravity technologies for gold recovery. All plants will employ a recirculating closed-loop water system to minimize water usage and protect the environment.

Chandalar Mine

Major accomplishments during 2014 included completion of the plant relocation to a lower and broader part of the valley, construction of new water ponds, and build out of the new expanded plant. GNP successfully mobilized and installed a new grizzly feeder on site as well as support frames for additional gravel screens and gold recovery tables, which will be mounted next spring. Full capacity of the feeder is expected to be approximately 600 bank cubic yards per hour and will be realized as additional gravel screens and gold recovery tables are added in stages..

During 2015, Goldrich removed a mine waste road built in 2010 and completed related remediation activities. The Company received a confirmation of completion and satisfaction from the ACE on September 23, 2015.

Concerning our placer operations, in 2015, the first stage of plant construction was completed and extraction began in early August and continued through September 12th. The plant will normally run from June to mid-September of each year. The plant began shakedown procedures during the first week of August. Initial gold extraction of approximately 53 ounces of fine gold was on August 9th and average daily extraction rose to approximately 103 ounces of fine gold per day for the extraction season. The 2015 extraction season was 35 days but the normal extraction season is approximately 107 days, subject to weather. A total of approximately 4,400 ounces of alluvial gold, equivalent to approximately 3,600 ounces of gold, were extracted. Experience with the equipment and the mineralized deposit should improve the average. Plant modifications and additional equipment are also being considered. During 2015, GNP transported seven additional forty-ton rock trucks over the winter trail to the mine site, bringing the fleet total to thirteen trucks in all

Liquidity and Capital Resources

We are an exploration stage company and have incurred losses since our inception. We currently do not have sufficient cash to support the Company through 2016 and beyond. We anticipate that we will incur approximately $650,000 for general operating expenses over the next 12 months as of March 31, 2016. In addition to these general operating expenses, we will remit approximately $554,000 to holders of gold notes payable and notes payable. We will need to raise approximately $1.5 million to $1.7 million in the next 12 months to completely fund our planned exploration expenditures, reclamation costs and general working capital requirements. The Company plans to raise the financing through a combination of debt and/or equity placements, sale of mining property interests, and revenue from the joint venture placer operation. Failure to raise needed financing could result in us having to scale back or discontinue exploration activities or some or all of our business operations. Under the joint venture operating agreement, revenue is allocated in accordance with the 5-point schedule outlined in the section *Joint Venture Agreement* above. In addition, if the minimum production requirement as defined by the operating agreement is not met for years beginning in 2018 and each year thereafter, the joint venture shall be dissolved unless agreed in writing by the members.

If we are unable to timely satisfy our obligations under the notes payable in gold due November 2016, the interest on the unsecured senior note due quarterly, or the principal of the unsecured senior note due in 2017 and we are not able to re-negotiate the terms of such agreements, the holders will have rights against us, including potentially seizing or selling our assets. The notes payable in gold are secured against our right to future distributions of gold extracted by our joint venture with NyacAU. At March 31, 2016, we had outstanding total notes payable in gold of $509,568, representing 394.788 ounces of fine gold deliverable at November 30, 2016.

Although the current capital markets and general economic conditions in the United States may be obstacles to raising the required financing, we believe we will be able to secure sufficient financing for further operations and exploration activities of our Company but we cannot give assurance we will be successful in attracting financing on terms acceptable to us, if at all. Additionally, as the placer mine begins extraction, we look forward to internal cash flow and additional options for financing appear to be coming available. To increase its access to financial markets, Goldrich intends to also seek a listing of its shares on a recognized stock exchange in Canada in addition to its listing on the OTCQB in the United States.

The audit opinion and notes that accompany our consolidated financial statements for the year ended December 31, 2015, disclose a going concern qualification to our ability to continue in business. The accompanying consolidated financial statements have been prepared under the assumption that we will continue as a going concern. We are an exploration stage company and we have incurred losses since our inception. We do not have sufficient cash to fund normal operations and meet debt obligations for the next 12 months without deferring payment on certain current liabilities and raising additional funds. We believe that the going concern condition cannot be removed with confidence until the Company has entered into a business climate where funding of its activities is more assured.

We currently have no historical recurring source of revenue and our ability to continue as a going concern is dependent on our ability to raise capital to fund our future exploration and working capital requirements or our ability to profitably execute our business plan. Our plans for the long-term return to and continuation as a going concern include financing our future operations through sales of our common stock and/or debt and the eventual profitable exploitation of our mining properties. Additionally, the current capital markets and general economic conditions in the United States are significant obstacles to raising the required funds. These factors raise substantial doubt about our ability to continue as a going concern.

On September 1, 2015, we reported GNP had completed its new mine and plant and had extracted approximately 3,600 ounces of gold before closing out the 2015 season. A successful mining operation may provide the long-term financial strength for the Company to remove the going concern condition in future years. For more information see *Joint Venture Agreement* above.

The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. If the going concern basis were not appropriate for these financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

Results of Operations

On March 31, 2016 we had total liabilities of $1,659,893 and total assets of $793,043. This compares to total liabilities of $1,494,868 and total assets of $850,988 on December 31, 2015. As of March 31, 2016, our liabilities consist of $362,265 for remediation and asset retirement obligations, $509,568 of notes payable in gold, $284,038 of notes payable, $320,589 of trade payables and accrued liabilities, $152,815 due to related parties, and $30,618 for dividends payable. Of these liabilities, $1,297,628 is due within 12 months. The increase in liabilities compared to December 31, 2015 is largely due to an increase in trade and related party payables. The decrease in total assets was due to payment of accounts and trade payables during the quarter ended March 31, 2016.

On March 31, 2016 we had negative working capital of $1,126,010 and a stockholders deficit of $866,850 compared to negative working capital of $635,797 and stockholders deficit of $643,880 for the year ended December 31, 2015. Working capital decreased during the quarter ended March 31, 2016 due to the classification of a Note payable to current status and accruals of accounts and trade payables that exceeded payments made against those same types of liabilities.. Stockholders equity decreased due to an operating loss for the period ended March 31, 2016.

During the three months ended March 31, 2016, we used cash from operating activities of $70,864 compared to $353,264 for 2015. Net losses decreased marginally year over year due to decreases in depreciation of equipment sold in prior years, reduced mine preparation and oversight costs. Net operating losses were $222,970 and $266,578 for the three months ended March 31, 2016 and 2015, respectively, including depreciation of $8,628 and $23,823 for the respective quarters.

During the three months ended March 31, 2016, and 2015 respectively, we used no cash in investing activities.

During the three months ended March 31, 2016, cash of $nil was provided by financing activities, compared to cash of $239,193 provided during the same period of 2015.

Private Placement Offerings

Unit Private Placement

None

Notes Payable

On January 24, 2014, the Company closed a three-year unsecured senior note financing for $300,000 with a private investment firm (the lender). Per the note agreement, the $300,000 is the first of six-staged loans for total aggregate amount of up to $2 million. The note bears interest at 15%, payable at the end of each quarter. Interest of $45,000 had been paid and expensed during the year ended December 31, 2015. During the three months ended March 31, 2016, interest of $11,250 has been paid and expensed.

Repayment of all amounts owed under the note is guaranteed by Goldrich Placer LLC, the Company s wholly owned subsidiary, which in turn owns a 50% interest in Goldrich NyacAU Placer LLC. See Note 3 Joint Venture. The note contains standard default provisions, including failure to pay interest and principal when due.

At March 31, 2016, the Company had outstanding a total note payable of $300,000 less remaining unamortized discounts of $15,962 for a net liability of $284,038. The lender elected to defer at least the second through the fifth tranches of the note advances pending the resolution and additional due diligence related to a lien that was placed on our claims in December 2013 by our joint venture partner, which was subsequently released during the quarter ended March 31, 2014. At March 31, 2016, the lender retains the right to lend the contracted amounts of the second through fifth tranches of the note.

Notes Payable in Gold

During 2013, the Company issued notes in principal amounts totaling $820,000, less a discount of $205,000, for proceeds of $615,000. Under the terms of the notes, the Company agreed to deliver gold to the holders at the lesser of $1,350 per ounce of fine gold or a 25% discount to market price as calculated on the contract date and specify delivery of gold in November 2014. The notes payable in gold contracts contain standard terms regarding delivery and receipt of gold and payment of delivery costs. The Company paid a finder s fee of $42,000, and incurred other placement costs of $2,143, for a total of $44,143 of deferred finance costs, which was fully amortized at the original maturity date in November 2014.

On October 22, 2014, the Company delivered 12.405 ounces of fine gold to one note holder and renegotiated terms with the other holders. This gold was purchased and delivered outside the original contract, which required delivery of produced gold, to settle the default condition with this note holder. The Company paid $1,245 per ounce on the date of delivery. A default condition arising from the non-delivery of the gold in 2014 was alleviated by agreements with the other three note holders to extend the delivery date of gold to November 30, 2015.

On November 30, 2015, the Company again renegotiated terms with the holders. A default condition arising from the non-delivery of the gold in 2015 was alleviated by agreements with the other three note holders to extend the delivery date of gold to November 30, 2016, with the following significant terms:

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Ten percent (10%) of the required quantity of gold under the contract, prior to amendment one in 2014, which was originally due on the Delivery Date of November 30, 2014, was delivered on November 30, 2015 In lieu of gold, the Company could elect to satisfy the delivery of the deliverable required quantity by paying, an amount equal to the deliverable required quantity times the greater of the original purchase price or the index price for the day preceding the date of payment.

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The Company agreed to pay interest on the value of the delayed delivery required quantity at an annual non-compounding percentage rate of 8% payable quarterly with any remaining interest due and payable on the delivery date.

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If the delivery date index price on November 30, 2016 is less than the original purchase price, an additional adjusted required amount shall be delivered by December 31, 2016.

The amendments to the notes have been accounted for as a debt modification because the changes were not considered substantial.

At December 31, 2015, and March 31, 2016, the Company had outstanding total notes payable in gold of $509,568, representing 394.788 ounces of fine gold deliverable at November 30, 2016.

The Company is not required to purchase gold on the open market to meet delivery obligations. In the event that sufficient gold is not produced to meet future distribution requirements, the Company may be required to renegotiate the terms of the notes with the holders to avoid default. A renegotiation or default may require a change in future accounting treatment to that of derivative accounting.

Subsequent Events

On April 6, 2016, the Company announced that it has closed the first tranche of a private placement for total proceeds of $50,000. The Company sold 50 shares of Series D Preferred Stock of the Company and warrants at a price per preferred share of $1,000. Each share of Series D Preferred Stock is convertible into common shares of the Company equal in number to $1,000 divided by $0.03 per share. The purchaser of each share of Series D Preferred Stock also received warrants to purchase shares of common stock of the Company equal in number to the total purchase price divided by 0.03 (rounded down), exercisable at any time beginning one year after the closing date for a term ending five years from the closing date at an exercise price of $0.045 per common share. NGB Capital Limited acted as the placement agent for the Offering and was paid a sales commission of 5% of gross proceeds raised from the Offering and placement agent warrants equal to 5% of the total number of warrants issued. Each placement agent warrant is exercisable to purchase one share of common stock of the Company at $0.045 and shall be exercisable for five years following the closing date. In the event that the Company sells any or all of its assets, in any combination, whether pursuant to a merger, share exchange, stock purchase, business combination or other similar transaction, for aggregate total compensation greater than $3,000,000 within a one-year period following the date of issuance of the Preferred Shares, the Purchaser shall have the right to demand that the Company redeem all or some of the outstanding Securities (the Preferred Shares, the Warrants, the Warrant Shares and the Conversion Shares) at a redemption price equal to the aggregate purchase price of such Securities being redeemed plus an additional amount equivalent to the amount of interest that would have accrued on the aggregate purchase price of the Securities being redeemed at a rate of 15% from the date of issuance of the Preferred Shares through to the date of redemption.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Inflation

We do not believe that inflation has had a significant impact on our consolidated results of operations or financial condition.

Contractual Obligations

See Subsequent Events above.

Critical Accounting Policies

We have identified our critical accounting policies, the application of which may materially affect the financial statements, either because of the significance of the financials statement item to which they relate, or because they require management s judgment in making estimates and assumptions in measuring, at a specific point in time, events which will be settled in the future. The critical accounting policies, judgments and estimates which management believes have the most significant effect on the financial statements are set forth below:

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Estimates of the recoverability of the carrying value of our mining and mineral property assets. We use publicly available pricing or valuation estimates of comparable property and equipment to assess the carrying value of our mining and mineral property assets. However, if future results vary materially from the assumptions and estimates used by us, we may be required to recognize an impairment in the assets carrying value.

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Expenses and disclosures associated with accounting for stock-based compensation. We used the Black-Scholes option pricing model to estimate the fair market value of stock options issued under our stock-based compensation plan, which determines the recognition of associated compensation expense.

This valuation model requires the use of judgment in applying assumptions of risk-free interest rate, stock price volatility and the expected life of the options. While we believe we have applied appropriate judgment in the assumptions and estimates, variations in judgment in applying assumptions and estimates used in this valuation could have a material effect upon the reported operating results.

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Estimates of our environmental liabilities. Our potential obligations in environmental remediation, asset retirement obligations or reclamation activities are considered critical due to the assumptions and estimates inherent in accruals of such liabilities, including uncertainties relating to specific reclamation and remediation methods and costs, the application and changing of environmental laws, regulations and interpretations by regulatory authorities.

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Accounting for Investments in Joint Ventures. For joint ventures in which we do not have joint control or significant influence, the cost method is used. Under the cost method, these investments are carried at the lower of cost or fair value. For those joint ventures in which there is joint control between the parties and in which we have significant influence, the equity method is utilized whereby our share of the ventures earnings and losses is included in the statement of operations as earnings in joint ventures and our investments therein are adjusted by a similar amount. We have no significant influence over our joint venture described in Note 5 *Joint Ventures* to the financial statements, and therefore account for our investment using the cost method. For joint ventures where we hold more than 50% of the voting interest and has significant influence, the joint venture is consolidated with the presentation of a non-controlling interest. In determining whether significant influence exists, we consider our participation in policy-making decisions and our representation on the venture s management committee. We currently have no joint venture of this nature.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision of, and with the participation of, our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a 15(e) and Rule 15d 15(e) of the Securities and Exchange Act of 1934, as amended (the Exchange Act)). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective, and that information required to be disclosed by the Company in its reports that it files or submits to the SEC under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in applicable rules and forms.

Our Chief Executive Officer and Chief Financial Officer have also determined that the disclosure controls and procedures are effective, and that material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for accurate required disclosure to be made on a timely basis.

Changes in internal controls over financial reporting

During the period covered by this Quarterly Report on Form 10-Q, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material developments or rulings during the period ended March 31, 2016.

Item 1A. Risk Factors

There have been no changes to our risk factors as reported in our annual report on Form 10-K for the year ended December 31, 2015.

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

See full disclosure in section entitled Sale of Unregistered Securities above, which is incorporated by reference to this Item 2.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Our exploration properties are subject to regulation by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (The "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During the quarter ended March 31, 2016, we had no such specified health and safety violations, orders or citations, related assessments or legal actions, mining-related fatalities, or similar events in relation to our United States operations requiring disclosure pursuant to Section 1503(a) of the Dodd-Frank Act.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Document
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14 of the Exchange Act
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14 of the Exchange Act
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant has caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 16, 2015

GOLDRICH MINING COMPANY

By *[/s/ William Schara]*

William Schara, Chief Executive Officer and President

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant has caused Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 16, 2015

GOLDRICH MINING COMPANY

By *[/s/ Ted R. Sharp]*

Ted R. Sharp, Chief Financial Officer