

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

FORM 10-Q

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

For the quarterly period ended March 31, 2017

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: 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. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging Growth Company

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

Number of shares of issuer's common stock outstanding at June 11, 2017: 131,232,809

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Goldrich Mining Company Consolidated Balance Sheets

	(Unaudited) March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 37,814	\$ 30,080
Prepaid expenses	104,792	80,456
Other receivable	-	10,999
Total current assets	142,606	121,535
Property, plant, equipment, and mining claims:		
Equipment, net of accumulated depreciation	14,848	19,597
Mining properties, claims and royalty option	649,746	649,746
Total property, plant, equipment and mining claims	664,594	669,343
Total assets	\$ 807,200	\$ 790,878
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 342,731	\$ 278,239
Related party payables	342,253	277,890
Notes payable in gold	431,571	412,261
Note payable, net of discount	300,000	297,508
Dividends payable on preferred stock	30,618	30,618
Total current liabilities	1,447,173	1,296,516
Long-term liabilities:		
Remediation and asset retirement obligation	374,755	371,540
Total long-term liabilities	374,755	371,540
Total liabilities	1,821,928	1,668,056
Commitments and contingencies (Notes 3, 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 issued and outstanding, \$300,000 liquidation preference	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
Convertible preferred stock series D; no par value, 150 shares authorized, issued and outstanding, \$150,000 liquidation preference	-	-
Convertible preferred stock series E; no par value, 300 shares authorized, issued and outstanding, \$300,000 liquidation preference	10,829	10,829
Convertible preferred stock series F; no par value, 153 and 50 shares authorized, issued and outstanding, \$153,000 and \$50,000 liquidation preference	-	-
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	13,976,669	13,873,668
Accumulated deficit	(28,385,853)	(28,145,303)
Total stockholders' deficit	(1,014,728)	(877,178)
Total liabilities and stockholders' deficit	\$ 807,200	\$ 790,878

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,	
	2017	2016
Operating expenses:		
Exploration	\$ 15,497	\$ 12,989
Depreciation and amortization	4,750	8,628
Management fees and salaries	59,500	53,906
Professional services	4,843	31,341
General and admin	62,079	53,225
Office supplies and other	3,595	1,778
Directors' fees	6,200	10,800
Mineral property maintenance	21,193	20,893
Total operating expenses	177,656	193,560
Other (income) expense:		
Change in fair value of notes payable in gold	19,310	-
Interest expense and finance costs	43,583	29,410
Total other expense	62,893	29,410
Net loss	240,549	222,970
Deemed dividends	52,900	-
Preferred dividends	1,875	1,896
Net loss available to common stockholders	\$ 295,324	\$ 224,866
Net loss per common share – basic and diluted	\$ (Nil)	\$ Nil
Weighted average common shares outstanding-basic and diluted	131,232,809	131,232,809

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,	
	2017	2016
Cash flows from operating activities:		
Net loss	\$ (240,549)	\$ (222,970)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,750	8,628
Change in fair value of notes payable in gold	19,310	-
Amortization of discount on note payable and notes payable in gold	2,492	5,076
Amortization of deferred financing costs	-	3,322
Accretion of asset retirement obligation	3,216	3,092
Change in:		
Other receivable	10,999	-
Prepaid expenses	(24,336)	(24,869)
Accounts payable and accrued liabilities	64,491	100,866
Related party payable	64,363	55,991
Net cash used - operating activities	<u>(75,266)</u>	<u>(70,864)</u>
Cash flows from financing activities:		
Proceeds from issuance of preferred stock and warrants, net of offering costs	103,000	-
Financing fee paid on note payable	(20,000)	-
Net cash provided - financing activities	<u>83,000</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	7,734	(70,864)
Cash and cash equivalents, beginning of period	30,080	78,609
Cash and cash equivalents, end of period	<u>\$ 37,814</u>	<u>\$ 7,745</u>
Non-Cash Investing and Financing Activities:		
Beneficial conversion feature on preferred stock	\$ 52,900	\$ -
Warrants issued with preferred stock	\$ 50,100	\$ -

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

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, 2017 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2017.

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, 2016.

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 in 2016 was allocated its first distribution from the joint venture (Note 3). If these distributions increase in future years and the Company profitably executes its business plan, its ability to continue as a going concern may improve and become less dependent on the Company's ability to raise capital to fund its future exploration and working capital requirements. 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.

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 venture's 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.

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.

Earnings (Loss) Per Share

We are authorized to issue 250,000,000 shares of common stock, \$0.10 par value per share. At March 31, 2017, there were 131,232,809 shares of our common stock issued and outstanding.

For the three month periods ended March 31, 2017 and 2016, the effect of the Company's outstanding preferred shares, options and warrants, totaling 94,263,712 and 81,876,538, respectively, would have been anti-dilutive.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, we consider all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Reclassifications

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

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, notes payable in gold and deferred tax assets and related valuation allowances. Actual results could differ from those estimates.

Equipment, and Accumulated Depreciation

Property and equipment are stated at cost, which is determined by cash paid or fair value of the shares of the Company's common stock issued. The Company's property and equipment are located on the Company's unpatented state mining claims located in the Chandalar mining district of Alaska.

Equipment purchased prior to 2009 is fully depreciated. The Company's equipment is located at the Chandalar property in Alaska, with a small amount of office equipment located at Company offices in Spokane, Washington. Assets are depreciated on a straight-line basis. Improvements which significantly increase an asset's value or significantly extend its useful life are capitalized and depreciated over the asset's remaining useful life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

When equipment is sold at a price either higher or lower than its carrying amount, or undepreciated cost at the date of disposal, the difference between the sale proceeds over the carrying amount is recognized as gain, while a loss is recognized when the carrying amount exceeds the sale proceeds. The gain or loss is recognized in the Consolidated Statements of Operations.

Mining Properties, Claims, and Royalty Option

The Company capitalizes costs for acquiring mineral properties, claims and royalty option and expenses costs to maintain mineral rights and leases as incurred. Should a property reach the production stage, these capitalized costs would be amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mineral properties are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Exploration Costs

Exploration costs are expensed in the period in which they occur.

Revenue Recognition

Revenue from the sale of gold is recorded net of smelter or refinery treatment and refining charges. Revenue is recognized when persuasive evidence of an arrangement exists, title and risk passes to the buyer, collection is reasonably assured and the price is reasonably determinable. When alluvial gold is placed with the smelter, revenue is recognized and cash is remitted for any ounces of alluvial gold sold to the smelter, converted to ounces of fine gold at an assumed smelting loss percentage. Pricing of the sale is at the market price of gold on the date of sale.

The number of gold ounces sold at deposit is limited to a certain percentage of the ounces of alluvial gold deposited, as agreed in each case with the smelter. Ounces not sold are smelted and retained in the Company's inventory in a secured metals account at the smelter. Subsequent sales of gold from inventory are made at then-current market prices, with smelter treatment and refining charges deducted, and net cash proceeds are remitted to the Company.

Stock-Based Compensation

The Company periodically issues common shares or options to purchase shares of the Company's common shares to its officers, directors or other parties. These issuances are recorded at fair value. The Company uses a Black Scholes valuation model for determining fair value of options to purchase shares, and compensation expense is recognized ratably over the vesting periods on a straight line basis. Compensation expense for grants that vest immediately are recognized in the period of grant.

Remediation

The Company's operations have been, and are subject to, standards for mine reclamation that have been established by various governmental agencies. The Company records the fair value of an asset retirement obligation as a liability in the period in which the Company incurs a legal obligation for the retirement of tangible long-lived assets. A corresponding asset is also recorded and depreciated over the life of the long lived asset using a units of production method. After the initial measurement of the asset retirement obligation, the liability will be adjusted at the end of each reporting period to reflect changes in the estimated future cash flows underlying the obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Determination of any amounts recognized is based upon numerous estimates and assumptions, including future retirement costs, future inflation rates and the credit-adjusted risk-free interest rates.

For non-operating properties, the Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred and they are reasonably estimable. Such costs are based on management's estimate of amounts expected to be incurred when the remediation work is performed.

Fair Value Measurements

The Company discloses the following information for each class of assets and liabilities that are measured at fair value:

1. The fair value measurement;
2. The level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3);
3. For fair value measurements using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following:
 - a. total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of operations;
 - b. the amount of these gains or losses attributable to the change in unrealized gains or losses relating to those assets or liabilities still held at the reporting period date and a description of where those unrealized gains or losses are reported;
 - c. purchases, sales, issuances, and settlements (net); and
 - d. transfers into and/or out of Level 3
4. The amount of the total gains or losses for the period included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date and a description of where those unrealized gains or losses are reported in the statement of operations; and
5. In annual periods only, the valuation technique(s) used to measure fair value and a discussion of changes in valuation techniques, if any, during the period.

At March 31, 2017 and December 31, 2016, the Company determined fair value on a recurring basis and non-recurring basis as follows:

	<u>Balance</u> <u>December 31, 2016</u>	<u>Balance</u> <u>December 31, 2016</u>	<u>Fair Value</u> <u>Hierarchy level</u>
Assets:			
Cash and cash equivalents	\$ 37,814	\$ 30,080	1
Liabilities			
Recurring: Notes payable in gold (Note 6)	\$ (431,571)	\$ (412,261)	2

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Derivatives

The Company measures derivative contracts as assets or liabilities based on their fair value. Gains or losses resulting from changes in the fair value of derivatives in each period are recorded in current operating results. None of the Company's derivative contracts qualify for hedge accounting. The Company does not hold or issue derivative financial instruments for speculative trading purposes.

3. JOINT VENTURE

On May 7, 2012, the Company entered into a joint venture 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 Placer, LLC ("GP"), a subsidiary of Goldrich and NyacAU (together the "Members") 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.

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. 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. Operating Expenses. GNP will first pay all Operating Expenses as defined in the Operating Agreement for placer mining operations at the Claims for the current mining year. Until Commercial Production is achieved, GNP will drawdown or use a line of credit from NyacAU ("LOC1") to fund payment of the Operating Expenses and repay LOC1 to the extent of the current year's Operating Expenses.
2. Members' Distribution - Ten Percent (10%) Portion. After payment of Operating Expenses, GNP will distribute in kind twenty percent (20%) of the remaining gold produced, equally, ten percent (10%) to NyacAU as a Member of the GNP and ten percent (10%) to Goldrich as a Member of GNP; provided, however, that, for so long as any secondary line of credit from NyacAU to GNP ("LOC2") or loan from NyacAU to GNP to purchase the Jumbo Basin royalty ("Loan3") are not paid in full, GNP shall retain one hundred percent (100%) of this distribution to Goldrich and shall apply such funds as payment to reduce the balance of LOC2 and Loan3 until they are paid in full.
3. LOC1 Payments. After payment of Operating Expenses and the Members' distribution, GNP will apply any remaining revenue to reduce the remaining balance of LOC1, if any, until it is paid in full.
4. Reserves. After payment of Operating Expenses, the Members' distribution, and payment of LOC1, the Company may fund Reserves in an amount that is consistent with the annual budget.
5. Member Distributions, LOC2 Payments and Loan3 Recovery. After payment of Operating Expenses, the Members', payment of LOC1 under Section 10.1.3, and funding of any Reserves, from any remaining gold production or revenue, the Company will distribute fifty percent (50%) to NyacAU as a Member of GNP and fifty percent (50%) to Goldrich as a Member of GNP; provided, however, that, for so long as LOC2 or Loan3 are not paid in full, GNP shall retain one hundred percent (100%) of the distribution to Goldrich and shall apply such funds as payment to reduce the balance of LOC2 and Loan3 until they are paid in full.

Substantially all required allocations and distributions shall be made no later than October 31st of each year, with any remaining allocations or distributions being completed no later than December 31st of each year, unless otherwise agreed in writing by the Members.

3. JOINT VENTURE, CONTINUED

At the conclusion of 2016, Goldrich was allocated a distribution of \$67,580 under #2 above. The balance of LOC2 at December 31, 2016 was \$nil; therefore, the Company elected to have the distribution applied toward Loan3. The Company has challenged certain accounting procedures and methods applied by the JV's managing partner which, if the Company is successful at mediation or arbitration, may result in a significant increase for the 2016 distribution and revise the computation of this distribution in 2017 and future years.

In addition, the GNP must also meet the Minimum Production Requirements as defined by the operating agreement. The Minimum Production Requirement for each year is determined by the price of gold on December 1 in the preceding year. The Minimum Production Requirement for 2016 was 1,100 ounces of fine gold to each Goldrich and NyacAU. The value of this Minimum Production Requirement has been calculated at \$1,275,010 using the price of gold at \$1,159.10 per ounce at December 31, 2016. However, no receivable has been recorded for this amount due to the potential failure of the JV to meet the Minimum Production Requirements by 2018, which may force the dissolution of the JV and may make the collection of this amount uncertain.

The Minimum Production Requirement for 2017 is 1,200 ounces of fine gold. The Minimum Production Requirements for 2016, 2017 and 2018 must be paid in 2018 and, for each year thereafter, the annual Minimum Production Requirements shall be met if GNP distributes an average of a minimum of fifteen hundred (1,500 ounces) per year to each member of GNP over a rolling three-year period, subject to modification based on the price of gold. If the price of gold falls below \$1,500 per ounce, the annual Minimum Production Requirement of 1,500 ounces of gold will be reduced one hundred (100) ounces for each one hundred dollars per ounce decrease in the price, to the minimum price of one thousand dollars (\$1,000). If the price of gold falls below one thousand dollars (\$1,000) per ounce on December 1 in any year, there will be no minimum production required for the next year and such year will be eliminated from the average minimum calculation. If the Minimum Production Requirements are not met, GNP shall be dissolved unless agreed in writing by the members.

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"), paid in cash under items #2 and #5 above, 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. At March 31, 2017, the Company accrued a liability of \$8,110 for 12% of the \$67,580 distribution made in 2016.

4. RELATED PARTY TRANSACTIONS

Beginning in January 2016, the salary of the Company's Chief Executive Officer ("CEO") has not been paid. An amount of \$127,500 had been accrued at December 31, 2016. An amount of \$172,500 has been accrued at March 31, 2017 compared to \$37,500 at March 31, 2016. An amount of \$35,093 has been accrued for fees due to the Company's Chief Financial Officer ("CFO") at December 31, 2016. An amount of \$48,255 and \$16,917 has been accrued for fees at March 31, 2017 and 2016 respectively. These amounts are included in related party payable.

At December 31, 2016, an amount of \$115,298 had been accrued for consultants and directors' fees. At March 31, 2017 and 2016, \$121,498 and \$98,398, respectively, has been accrued for consultants and directors' fees and is included in related party payable.

5. NOTE PAYABLE

The Company has a three-year unsecured senior note for \$300,000 with a private investment firm (“the lender”). The note bears interest at 15%, payable at the end of each quarter. Interest of \$11,250 and \$11,250 had been paid and expensed during the three month periods ended March 31, 2017 and 2016 respectively.

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, 2017, the Company had outstanding total notes payable of \$300,000

On January 27, 2017, The Company and lender amended the terms of the note. The note was originally set to mature on January 29, 2017. The amendment granted a 120-day extension on the principal of the loan to May 29, 2017 in exchange for the Company paying an extension fee in the amount of \$20,000 to the lender by February 7, 2017. This amount was paid on February 7, 2017. On May 30, 2017, the lender agreed to extend the note to June 12, 2017 for a \$5,000 fee. This fee was paid on May 30, 2017. In June 2017, the lender agreed to extend the note to June 30, 2017 for an additional \$5,000 fee. This fee has not yet been paid.

6. 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 initially contained standard terms regarding delivery and receipt of gold and payment of delivery costs.

On November 30, 2014 and 2015, the Company renegotiated terms with the holders. A default condition arising from the non-delivery of the gold was alleviated by agreements with the other three note holders to extend the delivery dates of gold with the following significant terms:

- 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.
- 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.
- 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.

6. NOTES PAYABLE IN GOLD, CONTINUED:

On November 30, 2016, the Company again renegotiated terms with the holders. A default condition arising from the non-delivery of the gold in 2016 was alleviated by agreements with the three note holders to extend the delivery date of gold to November 30, 2017, with the following terms:

- Ten percent (10%) of the required quantity of gold under the contract, prior to amendment one in 2014 and amendment two in 2015, which was originally due on the delivery date of November 30, 2014, was delivered on November 30, 2016. 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.
- The Company agreed to pay interest on the value of the delayed delivery required quantity at an annual non-compounding percentage rate of 9% payable quarterly with any remaining interest due and payable on the delivery date.
- If the delivery date index price on November 30, 2017 is less than the original purchase price, an additional adjusted required amount shall be delivered by December 31, 2017.

As newly amended, the gold to be delivered will not likely be produced from the Company's property. In addition, history has shown that the Company may satisfy the debt through cash payment instead of gold ounces for payment. Due to these provisions, the amended contracts are accounted for as derivatives requiring their value to be adjusted to fair value each period end. For the three months ended March 31, 2017, the Company recorded a change in the fair value of \$19,310.

At March 31, 2017 and December 31, 2016, the Company had outstanding total notes payable in gold of \$431,571 and \$412,261, respectively, representing 342.788 ounces of fine gold deliverable at November 30, 2017.

7. STOCKHOLDERS' EQUITY

Private Placement Offerings - Unit Private Placements

Series F Convertible Preferred Stock:

On December 30, 2016, February 7, 2017, March 1, 2017 and March 31, 2017, the Company completed an offer and sale of 153 shares of Series F Preferred stock, resulting in net proceeds of \$50,000 in 2016 and \$103,000 to the Company in the three months ended March 31, 2017. 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 F Preferred Stock, the Company issued a total of 5,100,000, five-year Class S warrants to purchase shares of the Company's common stock. The Class S warrants have an exercise price of \$0.03 per share of the Company's common stock and had a relative fair value of \$24,138 at December 31, 2016 and \$54,138 in the three months ended March 31, 2017, as determined using a Black Scholes model and allocation between the preferred shares and the warrants.

Additionally, a beneficial conversion feature of \$78,762 was determined to exist, which represented a deemed dividend to the holders of the preferred shares recognizable immediately upon issue due to the ability to convert the shares concurrent with issuance of the preferred shares. The fair value of the warrants and the beneficial conversion feature, which together consumed the value of the net proceeds, were charged to additional paid in capital at the date of issuance, resulting in no credit to Convertible preferred stock series F on the Company's balance sheet.

Goldrich Mining Company
Notes to the Consolidated Financial Statements (unaudited)

7. STOCKHOLDERS' EQUITY, CONTINUED

The Company has 153 shares of Series F Convertible Preferred Stock outstanding at March 31, 2017. These shares were issued from the designated 300 shares of Series F Preferred Stock, no par value. Conversion of outstanding shares of Series F Preferred stock would result in dilution of 5,100,000 and nil common shares for the three-month periods ended March 31, 2017 and 2016, respectively.

The fair value of the warrants of Series D, E and F, were estimated on the issue dates using the following weighted average assumptions:

Preferred Series	F	F	F
Issue Date	February 7, 2017	March 1, 2017	March 31, 2017
Risk-free interest rate	1.85%	1.99%	1.93%
Expected dividend yield	0	0	0
Expected term (in years)	5	5	5
Expected volatility	153.3%	155.4%	157.4%

8. COMMITMENTS AND CONTINGENCIES

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. Following are the annual claims and labor requirements for 2017 and 2018.

	November 30, 2018	November 30, 2017
Claims Rental	\$ 90,670	\$ 90,570
Annual Labor	61,100	61,100
Yearly Totals	<u>\$ 151,770</u>	<u>\$ 151,670</u>

The Company has a carryover to 2017 of approximately \$22.1 million to satisfy its annual labor requirements. This carryover expires in the years 2017 through 2022 if unneeded to satisfy requirements in those years.

9. SUBSEQUENT EVENTS

The Company amended its Note payable to Gold Rich Asia Investment Limited in May of 2017 as disclosed in Note 6.

On April 11, 2017, April 25, 2017, and May 30, 2017, the Company received \$10,000, \$45,000, and \$48,000, respectively, in funding from a director of the Company. The terms for this funding have not been finalized.

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 2016, approximately US\$30.8 million has been invested in GNP for capital expenditures and working capital of which approximately \$7.0 million has already been paid back to NyacAU from revenue. Plant and mine construction for the first stage of extraction were completed during the 2015 season with initial extraction beginning. Extraction continued during the 2016 season and is projected to increase in coming years. 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).

We have 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

During 2015, we removed a mine waste road built in 2010 and completed related remediation activities. We 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.

During 2016, the plant ran from the beginning of May and continued through the end of September. A total of approximately 10,209 ounces of alluvial gold, equivalent to 8,227 ounces of fine gold, were extracted. Total revenue was \$10 million and total production represents an increase of 117% over the 2015 mining season.

2017 Production Forecast:

In June 2017, we announced the commencement of mining at the Chandalar gold project in Alaska. Mining of pay gravel is expected to continue through mid-September, subject to weather conditions. The Chandalar mine is owned by Goldrich NyacAU Placer, LLC (“GNP”), a joint venture between Goldrich and NyacAU, to mine the various placer deposits that occur throughout Goldrich’s 23,000-acre Chandalar gold project in Alaska. NyacAU acts as project manager.

GNP’s revised forecast for 2017 production is approximately 13,500 ounces of fine gold at a cost of approximately US\$700 per ounce. This compares to actual production of 3,857 and 8,227 ounces of fine gold in 2015 and 2016, respectively, and a 2016 cost of approximately US\$960 per ounce. Final numbers for the 2017 forecast and the 2016 costs may change as Goldrich and NyacAU are currently in discussions concerning certain accounting items.

The revised 2017 forecast assumes 109 days of plant operation, 19 hours a day, with a processing rate of 308 bank cubic yards (“bcy”) per hour. In 2016, the plant operated approximately 15 hours a day at a processing rate of 183 bcy per hour.

GNP has made modifications to the plant to increase efficiency since 2016. Total plant capacity after modifications is budgeted to increase approximately 119% to 400 bcy per hour.

2017 Drill Program:

Beginning in June 2017, GNP plans to conduct a 122-hole sonic drill program. Drill hole footage is expected to total 7,700 feet with an average hole depth of 63 feet. The drill plan is designed to further define mineralized placer material between Line 8.6 to Line 12 as well as test for potential mineralized material from Lines 13 to 17.5. Each Line is approximately 500 feet apart and drill lines will be spaced roughly 250 feet apart.

Goldrich previously completed a reverse circulation drill program that delineated approximately 10.5 million cubic yards of mineralized material at an average grade of 0.025 ounces (0.78 grams) gold per cubic yard containing an estimated 250,000 ounces of gold. This mineralized material and the pay gravel referenced in this report does not constitute a mineral reserve as defined in SEC Industry Guide 7. In 2016, GNP surveyed the area beyond Line 11 and received a permit to mine Lines 11 to 18 in addition to permits already received to mine from Line 1 to Line 11. GNP work indicates the gold mineralization extends further along strike beyond Line 11.

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 2017 and beyond. We anticipate that we will incur approximately \$650,000 for general operating expenses and property maintenance, \$52,300 for interest, \$431,571 for payment of the gold notes, and \$300,000 for the payment of the senior unsecured loan over the next 12 months as of March 31, 2017. Additional funds will be needed for any exploration expenditures. 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.

During the three-month period ended March 31, 2017, we completed financings totaling approximately \$103,000 consisting of equity financings for \$103,000 net cash in February and March for placements of our securities.

If we are unable to timely satisfy our obligations under the notes payable in gold due November 2017, 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, 2017, we had outstanding total notes payable in gold of \$431,571, representing 342.789 ounces of fine gold deliverable at November 30, 2017.

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, 2016, 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 only a brief recent history of a recurring source of revenue and in 2016 received our first cash distribution from the joint venture. If these distributions increase in future years and we profitably execute our business plan, our ability to continue as a going concern may improve and become less dependent on our ability to raise capital to fund our future exploration and working capital requirements. Our plans for the long-term include the profitable exploitation of our mining properties and financing our future operations through sales of our 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 our ability to continue as a going concern. In 2015, GNP completed its mine and plant and extracted approximately 3,857 ounces of fine gold. In 2016, GNP extracted approximately 8,227 ounces of fine gold. GNP's forecast for 2017 production is approximately 13,500 ounces of fine gold at a cost of approximately US\$700 per ounce. 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, 2017 we had total liabilities of \$1,821,928 and total assets of \$807,200. This compares to total liabilities of \$1,668,056 and total assets of \$790,878 on December 31, 2016. As of March 31, 2017, our liabilities consist of \$374,755 for remediation and asset retirement obligations, \$431,571 of notes payable in gold, \$300,000 of notes payable, \$342,731 of trade payables and accrued liabilities, \$342,253 due to related parties, and \$30,618 for dividends payable. Of these liabilities, \$1,447,173 is due within 12 months. The increase in liabilities compared to December 31, 2016 is largely due to an increase in trade and related party payables. The increase in total assets was due to an increase in prepaid expenses during the quarter ended March 31, 2017.

On March 31, 2017 we had negative working capital of \$1,304,567 and a stockholders' deficit of \$1,014,728 compared to negative working capital of \$1,174,981 and stockholders' deficit of \$877,178 for the year ended December 31, 2016. Working capital decreased during the quarter ended March 31, 2017 due to the 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, 2017.

During the three months ended March 31, 2017, we used cash from operating activities of \$75,266 compared to \$70,864 for 2016. Net losses increased marginally year over year due to decreases in depreciation of equipment sold in prior years and an increase in the fair value of notes paid in gold. Net operating losses were \$232,440 and \$222,970 for the three months ended March 31, 2017 and 2016, respectively, including depreciation of \$4,750 and \$8,628 for the respective quarters.

During the three months ended March 31, 2017, and 2016 respectively, we used no cash in investing activities.

During the three months ended March 31, 2017, cash of \$83,000 was provided by financing activities, compared to cash of \$nil provided during the same period of 2016.

Private Placement Offerings

Unit Private Placement

Series F Convertible Preferred Stock:

On December 30, 2016, February 7, 2017, March 1, 2017 and March 31, 2017, the Company completed an offer and sale of 153 shares of Series F Preferred stock, resulting in net proceeds of \$153,000 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 F Preferred Stock, the Company issued a total of 5,100,000, five-year Class S warrants to purchase shares of the Company's common stock. The Class S warrants have an exercise price of \$0.03 per share of the Company's common stock and had a relative fair value of \$74,238, as determined using a Black Scholes model and allocation between the preferred shares and the warrants.

Additionally, a beneficial conversion feature of \$78,762 was determined to exist, which represented a deemed dividend to the holders of the preferred shares recognizable immediately upon issue due to the ability to convert the shares concurrent with issuance of the preferred shares. The fair value of the warrants and the beneficial conversion feature, which together consumed the value of the net proceeds, were charged to additional paid in capital at the date of issuance, resulting in no credit to Convertible preferred stock series F on the Company's balance sheet.

The Company has 153 shares of Series F Convertible Preferred Stock outstanding at March 31, 2017. These shares were issued from the designated 300 shares of Series F Preferred Stock, no par value. Conversion of outstanding shares of Series F Preferred stock would result in dilution of 5,100,000 and nil common shares for the three-month periods ended March 31, 2017 and 2016, respectively.

The fair value of the warrants of Series F, were estimated on the issue dates using the following weighted average assumptions:

Preferred Series	F	F	F	F
Issue Date	December 30, 2016	February 7, 2017	March 1, 2017	March 31, 2017
Risk-free interest rate	1.93%	1.85%	1.99%	1.93%
Expected dividend yield	0	0	0	0
Expected term (in years)	5	5	5	5
Expected volatility	153.70%	153.3%	155.4%	157.4%

Series F Preferred Stock were issued with the following rights and preferences:

- **Liquidation Preference:** Upon a liquidation event, an amount in cash equal to \$1,000 per share (adjusted appropriately for stock splits, stock dividends and the like), shall be paid prior to liquidation payments to holders of Company securities junior to the Series F Preferred Stock. Holders of the Company's Series A, B and C Preferred Stock shall be paid in advance of holders of the Series D, E and F Preferred Stock on the occurrence of a Liquidation Event.
- **Voting:** Each holder of Series F Preferred Stock shall be entitled to vote on all matters upon which holders of common stock would be entitled to vote and shall be entitled to that number of votes equal to the number of whole shares of common stock into which such holder's shares of Series F Preferred Stock could be converted. Holders of Series F Preferred Stock vote as a single class respectively with the common shares on an as-if-converted basis. No holder of Series F Preferred Stock is entitled to pre-emptive voting rights.
- **Conversion:** Shares of Series F Preferred Stock may, at the option of the holder, be converted at any time into a number of fully-paid and non-assessable shares of common stock as is equal to the product obtained by multiplying the Series F shares by \$1,000, then dividing by the Series F conversion price of \$0.03 per common share. The Series F conversion price is subject to adjustment in accordance with the provisions of the statement of designation.
- **Dividend Rate:** The holders of Series F Preferred Stock shall not be entitled to receive dividends.
- The Series F Preferred Stock includes a redemption feature as described above.

The Series F Preferred Stock and the Series S Warrants were issued and sold to the purchasers thereof pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") pursuant to Section 4(a)(2) thereof and Rule 506 of Regulation D under the Securities Act in reliance on the representations and warranties of the purchasers of such securities.

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"). The note bears interest at 15%, payable at the end of each quarter. Interest of \$11,250 and \$11,250 had been paid and expensed during the three month periods ended March 31, 2017 and 2016 respectively.

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, 2017, the Company had outstanding total notes payable of \$300,000

On January 27, 2017, The Company and lender amended the terms of the note. The note was originally set to mature on January 29, 2017. The amendment granted a 120-day extension on the principal of the loan to May 29, 2017 in exchange for the Company paying an extension fee in the amount of \$20,000 to the lender by February 7, 2017. This amount was paid on February 7, 2017. On May 30, 2017, the lender agreed to extend the note to June 12, 2017 for a \$5,000 fee. This fee was paid on May 30, 2017. In June 2017, the lender agreed to extend the note to June 30, 2017 for an additional \$5,000 fee. This fee has not yet been paid.

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 initially contained 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 November 30, 2014 and 2015, the Company renegotiated terms with the holders. A default condition arising from the non-delivery of the gold was alleviated by agreements with the other three note holders to extend the delivery dates of gold with the following significant terms:

- 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.
- 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.
- 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.

On November 30, 2016, the Company again renegotiated terms with the holders. A default condition arising from the non-delivery of the gold in 2016 was alleviated by agreements with the three note holders to extend the delivery date of gold to November 30, 2017, with the following terms:

- Ten percent (10%) of the required quantity of gold under the contract, prior to amendment one in 2014 and amendment two in 2015, which was originally due on the delivery date of November 30, 2014, was delivered on November 30, 2016. 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.
- The Company agreed to pay interest on the value of the delayed delivery required quantity at an annual non-compounding percentage rate of 9% payable quarterly with any remaining interest due and payable on the delivery date.
- If the delivery date index price on November 30, 2017 is less than the original purchase price, an additional adjusted required amount shall be delivered by December 31, 2017.

As newly amended, the gold to be delivered will not likely be produced from the Company's property. In addition, history has shown that the Company may satisfy the debt through cash payment instead of gold ounces for payment. Due to these provisions, the amended contracts are accounted for as derivatives requiring their value to be adjusted to fair value each period end. For the three months ended March 31, 2017, the Company recorded a change in the fair value of this derivative of \$19,310.

At March 31, 2017 and December 31, 2016, the Company had outstanding total notes payable in gold of \$431,571 and \$412,261, respectively, representing 342.788 ounces of fine gold deliverable at November 30, 2017.

Subsequent Events

On January 27, 2017, we amended our Senior Unsecured Promissory Note to Gold Rich Asia Investment Limited. The loan was originally set to mature on January 29, 2017. The amendment allows for a 120-day extension on the principal of the loan to May 29, 2017 in exchange for us paying an extension fee in the amount of \$20,000 to the lender by February 7, 2017. This amount was paid on February 7, 2017. On May 30,

2017, the lender agreed to extend the due date to June 12, 2017 for a \$5,000 fee. This fee was paid on May 30, 2017. In June 2017, the lender agreed to extend the note to June 30, 2017 for an additional \$5,000 fee. This fee has not yet been paid.

On April 11, 2017, April 25, 2017, and May 30, 2017, the Company received \$10,000, \$45,000, and \$48,000, respectively, in funding from a director of the Company. The terms for this funding have not been finalized.

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:

- 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.
- 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.
- 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.
- 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, 2017.

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, 2017, 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: June 21, 2017

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: June 21, 2017

GOLDRICH MINING COMPANY

By /s/ Ted R. Sharp
Ted R. Sharp, Chief Financial Officer