RIVERSTONE RESOURCES INC.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 April 2008

Unaudited

MANAGEMENT COMMENT

These interim financial statements of Riverstone Resources Inc. for the six months ended 30 April 2008 have been prepared by management and have not been subject to review by the Company's auditors.

Riverstone Resources Inc. Statement 1

Interim Consolidated Balance Sheets

Canadian Funds
Unaudited

	As at 30 April 2008	As at 31 October 2007
ASSETS		
Current		
Cash	$ 16,306	$ 1,240,443
Accounts receivable	26,438	42,402
Prepaid expenses	16,152	117,706
	58,896	1,400,551
Resource Properties *(Note 4)*	10,885,813	7,617,103
Equipment *(Note 5)*	28,409	22,386
	$ 10,973,118	$ 9,040,040

LIABILITIES		
Current		
Accounts payable and accrued liabilities		
- trade and other	$ 1,224,832	$ 267,282
- related parties	21,457	8,240
	1,246,289	275,522
Non-Controlling Interest *(Note 11)*	288,758	-
SHAREHOLDERS' EQUITY		
Share Capital *(Note 6)*	12,121,986	11,427,736
Contributed Surplus *(Note 6b)*	1,641,234	1,129,280
Deficit - *Statement 2*	(4,325,149)	(3,792,498)
	9,438,071	8,764,518
	$ 10,973,118	$ 9,040,040

Going Concern *(Note 1)*
Commitments *(Note 9)*
Subsequent Events *(Note 13)*

ON BEHALF OF THE BOARD:

"Michael D. McInnis"
________________________________, Director

"James Robertson"
________________________________, Director

Riverstone Resources Inc. Statement 2

Interim Consolidated Statements of Loss, Comprehensive Loss and Deficit

Canadian Funds

Unaudited

	For the Three Months Ended 30 April		For the Six Months Ended 30 April	
	2008	2007	2008	2007
Indirect and Administrative				
Administration and management	$ 24,000	$ 24,000	$ 48,000	$ 48,000
Amortization	2,461	826	4,401	1,609
Consulting	13,207	8,310	23,903	17,123
General exploration	-	13,532	-	25,100
Office and general	4,044	3,551	7,285	7,281
Professional	54,770	12,361	77,326	33,814
Promotion and public relations	60,493	33,124	140,021	62,161
Rent and office services	12,000	12,000	24,000	24,000
Salaries and wages	33,867	29,512	63,385	57,549
Shareholder information	5,482	4,427	7,847	7,429
Stock-based compensation *(Note 6e)*	149,382	47,889	211,233	96,894
Stock exchange and filing fees	8,752	10,111	12,967	10,419
Transfer agent	4,250	3,895	6,130	6,081
Travel and accommodation	30,063	30,880	66,541	66,006
Loss before the Under-noted	402,771	234,418	693,039	463,466
Interest income	(1,160)	(6,267)	(10,991)	(18,218)
Foreign exchange gain	(3,270)	(2,939)	(11,109)	(4,785)
Loss for the Period before Income taxes	398,341	225,212	670,939	440,463
Future income tax recovery *(Note 8)*	-	-	(138,288)	-
Loss and Comprehensive Loss for the Period	398,341	225,212	532,651	440,463
Deficit - beginning of period	3,926,808	3,027,129	3,792,498	2,811,878
Deficit – End of Period	$ 4,325,149	$ 3,252,341	$ 4,325,149	$ 3,252,341
Loss Per Share - Basic and Diluted	$ 0.01	$ 0.01	$ 0.01	$ 0.01
Weighted-Average Shares Outstanding	41,618,030	31,399,610	41,478,607	30,313,296

- See Accompanying Notes -

Riverstone Resources Inc. Statement 3

Interim Consolidated Statements of Cash Flows

Canadian Funds

Unaudited

	For the Three Months Ended 30 April		For the Six Months Ended 30 April	
Cash Resources Provided By (Used In)	2008	2007	2008	2007
Operating Activities				
Loss for the period	$ (398,341)	$ (225,212)	$ (532,651)	$ (440,463)
Items not affecting cash				
Amortization	2,461	826	4,401	1,609
Future income tax recovery	-	-	(138,288)	-
Stock-based compensation	149,382	47,889	211,233	96,894
	(246,498)	(176,497)	(455,305)	(341,960)
Net change in non-cash working capital				
Accounts receivable	24,087	40,879	15,964	30,779
Prepaid expenses	58,132	1,995	101,554	8,777
Accounts payable and accrued liabilities				
- trade	117,816	(3,786)	76,930	2,901
- related	13,017	(16,069)	13,217	117
	(33,446)	(153,478)	(247,640)	(299,386)
Investing Activities				
Equipment	-	(1,734)	(10,424)	(1,734)
Resource property costs	(467,404)	(732,026)	(1,525,323)	(1,331,742)
	(467,404)	(733,760)	(1,535,747)	(1,333,476)
Financing Activities				
Shares issued for cash	-	371,456	559,250	986,956
Share issuance costs	-	(7,157)	-	(11,235)
	-	364,299	559,250	975,721
Net Decrease in Cash	(500,850)	(522,939)	(1,224,137)	(657,141)
Cash position - beginning of period	517,156	1,245,492	1,240,443	1,379,694
Cash Position - End of Period	$ 16,306	$ 722,553	$ 16,306	$ 722,553

Schedule of Non-Cash Investing and Financing Transactions				
Shares issued for resource properties	$ -	$ -	$ 135,000	$ 15,000
Future income taxes capitalized to resource properties	$ -	$ -	$ 138,288	$ -
Fair value of warrants issued for resource properties	$ -	$ -	$ 300,721	$ -
Non-controlling interest's share of resource properties acquired	$ -	$ -	$ 288,758	$ -
Fair value of stock options exercised	$ -	$ 11,910	$ -	$ 11,910
Increase (decrease) in resource property accounts payable	$ 988,060	$ 213,671	$ 880,620	$ 95,969

1. Going Concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other companies in the mining exploration industry, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and maintain its mineral interests. The ability to continue as a going concern is dependent upon its ability to locate economically recoverable reserves, to generate profitable operations from production or from the proceeds of disposition therefrom, and/or its ability to continue to obtain additional financing *(Note 13)* to maintain operations. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

2. Significant Accounting Policies and Basis of Presentation

a) Basis of Presentation

These unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. However, they do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

Except as noted below, these interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended 31 October 2007. All financial information presented herein is unaudited.

b) Consolidation

These interim consolidated financial statements include the accounts of the Company and its 80%-owned subsidiary, Liguidi Malguem Joint Venture-Sarl ("LM-Sarl"), a Burkina Faso corporation formed pursuant to the Company earning its 80% interest in the Liguidi Malguem property *(Note 4b)*. LM-Sarl has been accounted for under the purchase method from 15 February 2008, the date that the Company gained control of LM-Sarl. All significant inter-company transactions and balances have been eliminated.

c) Accounting Changes

Effective 1 November 2007, the Company adopted the recommendations of CICA Handbook Section 1506, *Accounting Changes.* This new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors, replacing former CICA Handbook Section 1506. The adoption of this new standard had no material effect on the Company's financial statements

2. Significant Accounting Policies and Basis of Presentation *- continued*

d) **Capital Disclosures**

Effective 1 November 2007, the Company adopted the recommendations of CICA Handbook Section 1535 – *Capital Disclosures*. This Section requires disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the Company's objectives, policies and processes of managing capital.

e) **Financial Instruments - Disclosures**

Effective 1 November 2007, the Company adopted the recommendations of CICA Handbook Section 3862 – *Financial Instruments – Disclosures*. This Section requires disclosure of quantitative and qualitative information that enable users to evaluate the significance of financial instruments for the Company's financial position and performance and the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Disclosure of the measurement basis used and the criteria used to determine classification for different types of instruments is also required.

f) **Non-Controlling Interest**

A non-controlling interest exists in a subsidiary of the Company and represents the outside interest's share of the carrying value of the subsidiary.

3. Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. All of the Company's financial instruments are carried at amortized cost and their fair value is considered to approximate their carrying value due to their short-term nature or capacity of prompt liquidation. The Company has no speculative financial instruments, derivatives, forward contracts, or hedges.

All of the Company's Canadian cash is held in an interest bearing account at a major Canadian bank and such balances earn interest at market rates. The Company also maintains cash in the currency of Francophone West Africa ("CFA"), which it uses to fund its foreign projects. The cash balances and payables that are denominated in CFA are subject to currency risk due to fluctuations in the exchange rate between the Canadian dollar and the CFA. To manage this currency risk, the Company maintains only the minimum amount of cash, in CFA, that is necessary to fund its ongoing exploration expenditures. Accounts payable are settled in a timely manner.

The Company is not exposed to any significant credit, interest rate, liquidity or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current period.

4. Resource Properties

a) Rambo Property, Burkina Faso, West Africa

The Company has entered into an agreement to acquire a 100% interest in the Rambo property located in Burkina Faso, West Africa. The property is subject to a 3% net smelter return royalty ("NSR"). The Company has acquired its interest by completing cash payments and share issuances to the optionors and minimum exploration expenditures as follows:

	Cash Payment U.S. Funds	Shares	Exploration Expenditures U.S. Funds
Upon signing of the agreement *(paid)*	$ 5,000	-	$ -
Upon regulatory approval *(paid, issued)*	35,000	50,000	-
On or before 15 December 2004 *(paid, issued)*	50,000	50,000	150,000
On or before 15 December 2005 *(paid, issued)*	50,000	50,000	150,000
On or before 15 December 2006 *(i)*	50,000	50,000	200,000
On or before 15 December 2007 *(i)*	50,000	50,000	-
	$ 240,000	250,000	$ 500,000

The Company has made all required share issuances and cash payments and has satisfied all exploration expenditure requirements under the agreement.

(i) The Company has issued 100,000 shares and paid US$100,000 into trust for the benefit of the optionors pending transfer of the title to the property to the Company.

b) Liguidi Malguem Property, Burkina Faso, West Africa

During fiscal 2007, the Company acquired an 80% interest in the Liguidi Malguem property located in Burkina Faso, West Africa by completing cash payments of US$95,000 to the optionors and incurring minimum exploration expenditures of US$210,000. During the current period, the Company and the optionor executed a joint venture agreement, with dilution provisions, as provided for in the option agreement, and will continue to develop the property through LM-Sarl, a Burkinabé subsidiary controlled by the Company *(Note 11)*. As at 30 April 2008, LM-Sarl had no operations or liabilities, and its only significant asset is the Liguidi Malguem property.

Also during the current period, the Company entered into a Memorandum of Understanding ("MOU") with Teck Cominco Limited ("Teck") in respect of the Liguidi Malguem property. As a result, Teck will subscribe for 1.75 million units of the Company on a private placement basis at a price of $0.60 per unit *(Note 13)*, representing the first tranche of a total 3.5 million unit private placement. Each unit will consist of one share and one share purchase warrant exercisable for a period of two years from the date of issue to acquire one additional common share at a price of $1.20. The second tranche of 1.75 million units will be completed upon transfer of the Liguidi Malguem licence into LM-Sarl. The Company is obliged to spend a minimum of 25% of the total private placement proceeds on an initial work program on the Liguidi Malguem property within 12 months of the funding of the initial tranche.

4. Resource Properties *- continued*

b) **Liguidi Malguem Property, Burkina Faso, West Africa** *- continued*

Following the results of the initial work program, Teck will be entitled to elect to acquire an initial 35% interest in the Company's interest in the Liguidi property by exercising sufficient share purchase warrants to provide Riverstone with at least $2 million for general corporate purposes and by incurring an aggregate of $4 million in expenditures over 3 years, including not less than $750,000 in year one of the option period.

After acquiring a 35% interest, Teck will have the right to acquire a further 16% interest (for an aggregate 51%) by funding an additional $4 million in expenditures on the property on or before the fifth anniversary of the option.

After earning a 51% interest or, if Teck Cominco elects to cease sole funding, after earning a 35% interest, the property will be explored and developed as a corporate joint venture with each party contributing its pro rata share of expenditures and subject to dilution provisions.

After the private placement is completed, Teck will have a right to participate in future equity financings of the Company on the same terms as arm's length investors to maintain its percentage shareholdings in the Company on a non-diluted basis until the earlier of termination of the MOU or formation of a joint venture.

c) **Bissa Area Properties, Burkina Faso, West Africa**

Bissa East: The Company has entered into an option agreement to acquire a 90% interest in the Tangapella and Sebila properties in the Bissa area of Burkina Faso. The agreement calls for cash payments and exploration expenditures as follows:

		Cash Payment U.S. Funds		Exploration Expenditures
Upon signing of the agreement *(paid)*	$	50,000	$	-
On or before 5 June 2007 *(completed)*		-		290,000
On or before 9 March 2007 *(paid)*		30,000		-
On or before 9 March 2008 *(paid)*		30,000		-
On or before 9 March 2009		30,000		-
	$	140,000	$	290,000

4. Resource Properties *- continued*

c) Bissa Area Properties, Burkina Faso, West Africa *- continued*

The Company has also acquired government exploration permits for the Biliga and Malgtaba properties located adjacent to the Tangapella and Sebila properties.

Bissa West: The Company has acquired government exploration permits for the Bissiga and Pella properties and has entered into an option agreement to acquire a 90% interest in the Bouboulou property, which is located adjacent to the Bissiga property. The Bouboulou agreement calls for the Company to incur exploration expenditures of $125,000 by 28 July 2009.

d) Goulagou and Rounga Properties, Burkina Faso, West Africa

During fiscal 2007, the Company entered into an agreement with Golden Star Resources Ltd. ("Golden Star"), which grants the Company the option to acquire a 90% interest in the Goulagou and Rounga properties located adjacent to the Company's Rambo and Kao properties. To maintain and exercise its option, the Company must issue 2,000,000 warrants, 2,000,000 shares, incur $4,000,000 in exploration expenditures, and pay US$18,600,000 in cash, shares, or a combination thereof, at the Company's option, on or before 10 December 2011.

The 2,000,000 warrants were issued on 10 January 2008 and are exercisable at any time for up to four years at a price of $0.30 in the first year, $0.35 in the second year, $0.40 in the third year, and $0.45 in the fourth year. The warrants were assigned a fair value of $300,721 using the Black-Scholes Option-Pricing Model with the following assumptions: risk-free interest rate of 3.34%, expected dividend yield of 0.00%, estimated stock price volatility of 78.9%, and an expected option life of 3.00 years. In addition, the Company has capitalized the estimated future income tax related to the warrants of $138,288 *(Note 8)*.

The share issuances and exploration expenditures to maintain the option are as follows:

	Shares	Exploration Expenditures
Upon signing of the agreement *(completed)*	300,000	$ -
On or before 10 December 2008	400,000	500,000
On or before 10 December 2009	600,000	750,000
On or before 10 December 2010	700,000	1,250,000
On or before 10 December 2011	-	1,500,000
	2,000,000	$ 4,000,000

Golden Star retains an NSR of between 0% and 2% depending on the quantity of gold produced.

The Company can increase its interest to 100% by paying a third party US$1,000,000 on or before 12 months after the first production of gold from the properties. Thereafter, the third party will retain a 5% net profits interest, which can be purchased by the Company for US$500,000.

A finder's fee to an arm's length party is payable with respect to the transaction. Accordingly, the Company has accrued $45,000 and is committed to issuing 150,000 shares.

4. Resource Properties *- continued*

e) Other Properties, Burkina Faso, West Africa

The Company has acquired government exploration permits granting the Company a 100% interest in the Solna, Kao, Yaramoko, Yantara, and Teyango properties located in Burkina Faso.

In addition, the Company has signed an option agreement to acquire a 90% interest in the Tao property. The agreement calls for cash payments and exploration expenditures as follows:

	Cash Payment U.S. Funds	Exploration Expenditures
Upon signing of the agreement *(paid)*	$ 42,000	$ -
On or before 19 October 2007 *(completed)*	-	110,000
On or before 9 April 2007 *(paid)*	30,000	-
On or before 9 April 2008 *(paid)*	30,000	-
On or before 9 April 2009	30,000	-
	$ 132,000	$ 110,000

f) Additions for the period and cumulative expenditures as at 30 April are as follows:

30 April 2008	Acquisition	Exploration	Total Additions	Cumulative Expenditures
Rambo	$ 65,470	$ 125,704	$ 191,174	$ 2,481,705
Liguidi Malguem *(Note 11)*	288,758	182,890	471,648	1,468,281
Solna	-	43,747	43,747	365,358
Kao	-	834,967	834,967	2,108,217
Yaramoko	-	222,246	222,246	514,343
Tao	30,000	46,661	76,661	420,697
Yantara	-	6,729	6,729	53,055
Teyango	-	13,806	13,806	62,347
Bissa East	30,916	180,236	211,152	1,715,058
Bissa West	-	32,287	32,287	503,807
Goulagou	687,830	439,874	1,127,704	1,156,356
Rounga	-	36,589	36,589	36,589
	$ 1,102,974	$ 2,165,736	$ 3,268,710	$ 10,885,813

30 April 2007	Acquisition	Exploration	Total Additions	Cumulative Expenditures
Rambo	$ 72,650	$ 2,613	$ 75,263	$ 2,325,031
Liguidi Malguem	34,516	18,274	52,790	979,827
Solna	-	5,519	5,519	314,567
Kao	-	281,026	281,026	773,871
Yaramoko	-	156	156	195,772
Tao	34,430	38,691	73,121	345,080
Yantara	-	-	-	5,895
Teyango	-	-	-	4,418
Bissa East	34,598	606,309	640,907	1,298,563
Bissa West	-	309,639	309,639	405,404
Other	-	4,290	4,290	13,686
	$ 176,194	$ 1,266,517	$ 1,442,711	$ 6,662,114

4. Resource Properties - *continued*

f) *(continued)*

All Burkina Faso properties are subject to a standard government 10% carried interest upon commencing production. To the best of the Company's knowledge, ownership of its mineral interests is in good standing as at 30 April 2008.

5. Equipment

Details are as follows:

	Cost	Accumulated Amortization	30 April 2008	31 October 2007
Computer equipment	$ 42,366	$ 13,957	$ 28,409	$ 22,386

6. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) **Share issuance details for the periods ended 30 April are as follows:**

	2008		2007	
	Shares	Amount	Shares	Amount
Balance - beginning of period	40,243,030	$ 11,427,736	28,524,905	$ 8,413,817
Private placement *(i)*			1,000,000	290,000
Private placement *(ii)*			1,050,000	325,500
Private placement *(iii)*			1,000,000	340,000
Share issuance costs			-	(11,235)
Shares issued for property *(Note 4a)*	50,000	15,000	50,000	15,000
Shares issued for property *(Note 4d)*	300,000	120,000		
Shares issued on exercise of options	-	-	75,625	20,206
Fair value of options exercised *(Note 6b)*	-	-	-	11,910
Shares issued on exercise of warrants	1,025,000	559,250	37,500	11,250
Balance - end of period	41,618,030	$ 12,121,986	31,738,030	$ 9,416,448

(i) During fiscal 2007, the Company completed a non-brokered private placement of 1,000,000 units at a price of $0.29 for gross proceeds of $290,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase one additional common share of the Company at a price of $0.35 until 19 December 2007.

(ii) During fiscal 2007, the Company completed a non-brokered private placement of 1,050,000 units at a price of $0.31 for gross proceeds of $325,500. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase one additional common share of the Company at a price of $0.37 until 10 January 2008.

(iii) During fiscal 2007, the Company completed a non-brokered private placement of 1,000,000 units at a price of $0.34 for gross proceeds of $340,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase one additional common share of the Company at a price of $0.40 until 12 March 2008.

6. Share Capital – *continued*

b) Contributed Surplus

Details for the periods ended 30 April are as follows:

	2008	2007
Balance - beginning of period	$ 1,129,280	$ 856,143
Stock-based compensation *(Note 6e)*	211,233	96,894
Fair value of warrants issued *(Note 4d)*	300,721	-
Fair value of stock options exercised in period *(Note 6e)*	-	(11,910)
Balance - end of period	$ 1,641,234	$ 941,127

c) Details of share purchase warrant activities for the periods ended 30 April are as follows:

	2008	2007
Balance - beginning of period	10,421,125	5,843,625
Issued	2,000,000	1,525,000
Exercised	(1,025,000)	(37,500)
Expired	(5,181,125)	(1,125,000)
Balance - end of period	6,215,000	6,206,125

As at 30 April, the Company had share purchase warrants outstanding entitling the holder to purchase the following:

2008	2007	Exercise Price	Expiry Date
-	4,106,250	$ 0.55	4 November 2007
-	574,875	$ 0.40	4 November 2007
-	500,000	$ 0.35	19 December 2007
-	525,000	$ 0.37	12 January 2008
-	500,000	$ 0.40	12 March 2008
4,050,000	-	$ 0.35	14 August 2008
165,000	-	$ 0.35	14 August 2008
2,000,000	-	$ 0.30*	10 January 2012
6,215,000	6,206,125		

* Warrants are exercisable at $0.30 to 10 January 2009, $0.35 to 10 January 1010, $0.40 to 10 January 2011, and $0.45 to 10 January 2012.

6. Share Capital – *continued*

d) The Company has a fixed stock option plan that provides for the issuance of up to 20% of the issued and outstanding shares of the Company. The board of directors is authorized to set the exercise price, expiry date, and vesting provisions for each grant, subject to the policies of the TSX Venture Exchange. The plan provides for a maximum grant period of five years, and minimum vesting provisions which extend over 18 months. Details for the periods ended 30 April are as follows:

	2008	Weighted Average Exercise Price	2007	Weighted Average Exercise Price
Balance - beginning of period	4,785,000	$ 0.29	3,515,000	$ 0.29
Granted	1,340,000	$ 0.33	-	$ -
Exercised	-	$ -	(75,625)	$ 0.27
Expired	-	$ -	(9,375)	$ 0.25
Balance - end of period	6,125,000	$ 0.29	3,430,000	$ 0.30

As at 30 April, the Company had stock options outstanding as follows:

Grant Date	2008	2007	Exercise Price	Expiry Date
19 August 2003	485,000	485,000	$ 0.14	19 August 2008
12 January 2004	345,000	345,000	$ 0.26	12 January 2009
5 May 2004	580,000	580,000	$ 0.38	5 May 2009
1 September 2004	50,000	50,000	$ 0.32	1 September 2009
13 April 2005	75,000	75,000	$ 0.40	13 April 2010
28 September 2005	60,000	60,000	$ 0.35	28 September 2010
26 January 2006	500,000	500,000	$ 0.26	26 January 2011
27 February 2006	250,000	250,000	$ 0.34	27 February 2011
18 April 2006	200,000	200,000	$ 0.42	18 April 2011
13 October 2006	885,000	885,000	$ 0.25	13 October 2011
1 July 2007	150,000	-	$ 0.275	30 June 2012
9 July 2007	1,205,000	-	$ 0.28	8 July 2012
18 October 2007	150,000	-	$ 0.375	18 October 2009
3 December 2007	180,000	-	$ 0.33	3 December 2009
6 February 2008	1,010,000	-	$ 0.32	6 February 2008
	6,125,000	3,430,000		

The outstanding options have a weighted-average remaining life of 2.95 years. As at 30 April 2008, 4,632,500 (2007 - 2,773,125) of these options had vested.

6. Share Capital – *continued*

e) Stock-Based Compensation

For the periods ended 30 April, the Company granted stock options to its directors, officers and employees and estimated stock-based compensation as follows:

	2008	2007
Total options granted	1,340,000	-
Average exercise price	$ 0.33	$ -
Estimated fair value of compensation	$ 273,350	$ -
Estimated fair value per option	$ 0.20	$ -

The fair value of the stock-based compensation to be recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2008	2007
Risk-free interest rate	3.47%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	87.22%	-
Expected option life in years	4.26	-

The Company has recorded stock-based compensation for options that vested during the periods ended 30 April as follows:

	2008	2007
Number of options vested in period	955,000	475,625
Stock-based compensation expense	$ 211,233	$ 96,894
Capitalized to mineral properties	-	-
Total compensation recognized for the period	211,233	96,894
Transfer to share capital – options exercised *(i)*	-	(11,910)
Net addition to contributed surplus for the period	$ 211,233	$ 84,984

(i) During the period, nil options (2007 – 75,625) were exercised for which the related fair value has been recorded as share capital in these financial statements.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimated, and therefore it is management's view that the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock option grants.

7. Related Party Transactions

Related party transactions not disclosed elsewhere in these financial statements are as follows:

a) administration and management fees paid to directors and companies controlled by directors - $48,000 (2007 - $48,000);

b) rent and office services fees paid to a company with directors in common - $24,000 (2007 - $24,000);

c) graphic design and drafting fees paid to parties related to directors $3,930 (2007 - $1,140).

The above transactions were conducted in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed upon between the Company and the related parties.

8. Income Taxes

During the period, the Company recognized non-capital tax loss carry-forwards, which had been subject to a full valuation allowance in previous years, producing a future income tax recovery and future income tax asset of $138,288. This future income tax asset has been offset against the future income tax liability created upon the capitalization of 2,000,000 warrants issued in the period pursuant to the Goulagou property agreement *(Note 4d)*.

9. Commitments

The Company has management services agreements with two of its directors that call for payment of an aggregate of $8,000 per month. The contracts are for rolling two-year terms that renew automatically each year, unless otherwise terminated or altered by mutual consent. Should the Company terminate these contracts without cause, it would become liable for the total amounts payable under the contracts for the remaining terms.

10. Capital Disclosures

The Company is in the business of mineral exploration and has no source of operating revenue. The Company has no short- or long-term debt and finances its operations through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the period.

11. Non-Controlling Interest

On 15 February 2008, by virtue of its 80% voting interest, the Company gained control of LM-Sarl *(Note 4b)*. The company's only function is to hold and explore the Liguidi Malguem property. The non-controlling interest is recorded at the carrying value in the records of the company and adjusted by the non-controlling interest's portion of any subsequent income or loss. The non-controlling interest's 20% share of the carrying value of the Liguidi Malguem property is $288,758. The company has no other assets or liabilities and had no results of operations for the period from inception to 30 April 2008.

12. Segmented Information

The company currently operates in only one operating segment, that being the mining exploration industry. The Company operates in the following geographical segments:

2008	Canada	Africa	Total
Resource properties	$ -	$ 10,885,813	$ 10,885,813
Equipment	$ 28,409	$ -	$ 28,409

2007	Canada	Africa	Total
Resource properties	$ -	$ 6,662,114	$ 6,662,114
Equipment	$ 10,562	$ -	$ 10,562

13. Subsequent Events

Subsequent to 30 April 2008, the Company:

a) completed a private placement of 4,165,311 units ("Units") at a price of $0.38 per Unit for gross proceeds of $1,582,818. Each Unit consists of one common share and one-half of one warrant, each whole warrant entitling the holder to purchase one additional common share at a price of $0.60 per share until 12 December 2008. The Company paid finders' fees of $33,330 and issued 87,701 compensation options exercisable to acquire a Unit at $0.38 per Unit with each Unit having the same terms and conditions as the Units issued under the private placement;

b) completed the first tranche of a private placement with Teck in respect of its option agreement on the Liguidi property *(Note 4b)*. The Company issued 1.75 million units at a price of $0.60 per unit for cash proceeds of $1,050,000 in accordance with the agreement. Each unit consists of one common share and one warrant entitling Teck to purchase one additional common share at a price of $1.20 per share until 16 June 2010. The option agreement was subject to a due diligence period, during which Teck advanced the Company $500,000 in the form of an interest free loan repayable in cash or shares at the Company's option. Upon completion of the due diligence and funding of the first tranche of the private placement, the loan was repaid by set-off against the private placement proceeds.

RIVERSTONE RESOURCES INC.
Report to Shareholders and
Management Discussion and Analysis
Of the Financial Position and Results of Operations
For the Six Months April 30, 2008

June 27, 2008

TO OUR SHAREHOLDERS:

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited consolidated financial statements of the Company and the notes thereto for the six months ended April 30 2008. Consequently, the following discussion and analysis of the financial condition and results of operations for Riverstone Resources Inc. ("Riverstone" or the "Company"), should be read in conjunction with the April 30 2008 unaudited consolidated financial statements and the audited annual financial statements for the year ended October 31, 2007 and related notes therein, which have been prepared in accordance with Canadian generally accepted accounting principles consistently applied.

Discussion of the Company, its operations and associated risks is further described in the Company's filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

GENERAL

Riverstone is a mineral exploration company that has interests in 17 mineral permits in Burkina Faso, West Africa. Eight of the Company's permits are subject to option agreements, four of which have net smelter return royalties. All property transactions have been conducted on an arm's length basis between the Company and the vendors. All of the properties are subject to a standard government 10% carried production interest. These properties are located in Proterozoic Birimian greenstone sequences that host most of the major gold deposits in West Africa. In addition, the Company is actively seeking additional properties for acquisition, exploration and development.

SIGNIFICANT EVENTS AND TRANSACTIONS

During the six-month period, the Company finalized its option to acquire a 90% interest in the Goulagou and Rounga permits from Golden Star Resources Ltd. ("Golden Star") – see *Mineral Exploration and Capital Resources and Commitments*.

The Company also executed a joint venture agreement on its Liguidi Malguem project and signed an option agreement granting Teck Cominco Limited ("Teck") the right to earn a 51% interest in the Company's 80% interest in the project – see *Mineral Exploration*. As part of the Teck option, subsequent to April 30, 2008, Teck subscribed for 1.75 million units of the Company at a price of $0.60 per unit – *see Subsequent Events.*

MINERAL EXPLORATION

Karma Project

The Karma project comprises four contiguous permits: Goulagou, Rounga, Kao and Rambo

- *Goulagou/Rounga Permits*

On October 10, 2007, the Company entered into an option agreement to acquire a 90% interest in the Goulagou and Rounga permits from Golden Star – see *Capital Resources and Commitments*. The property is contiguous with the Company's Rambo and Kao properties. The Goulagou property contains indicated gold resources of 280,000 ounces at a grade of 1.70 g/t gold and additional inferred resources of 270,000 ounces at a grade of 1.49 g/t gold compliant with NI 43-101 as disclosed in a Company news release dated October 11, 2007. A drill program comprising about 3,000 metres of RC drilling was carried out in early 2008 with positive results. Additional RC drilling is planned in Q2 of 2008.

- *Kao Permit*

The Kao permit is contiguous with the south side of the Rambo permit. Work completed in 2006 on this permit comprised grid soil sampling, rock sampling and rotary air blast ("RAB") drilling. Soil sampling in areas of new artisanal workings outlined one very strong gold anomaly, with dimensions of about 1 kilometre by 2 kilometres. Two other slightly smaller anomalies were delineated elsewhere on the permit. Several rock samples collected from scattered areas of artisanal workings returned very encouraging gold values.

These zones have been tested by 14,049 metres of reverse circulation drilling in four drill campaigns; with 2,200 metres in March of 2007, 2,096 metres in July of 2007, 5,703 metres in October of 2007, and 5,050 metres in January of 2008. The drilling has confirmed the presence of a shallow, flat lying gold zone that has been traced over almost 800 metres by 400 metres, and remains open in several directions. Additional RC drilling, metallurgical testwork and resource estimation are planned for the balance of 2008.

- *Rambo Permit*

The Rambo permit is located in the north-central part of Burkina Faso and is contiguous with the Goulagou project, and the Company's Kao permit. The permit comprises 150 square kilometres and covers six known areas of artisanal workings. The main Rambo artisanal pit consists of a 60 metre by 40 metre oval pit, which is about 15 metres deep.

Drilling by the Company in 2003 and 2004 identified a gold-bearing shoot within a sulphide-bearing structure. Other work completed to date on the Rambo permit has also included prospecting and rock sampling in several new artisanal sites.

RAB drilling was carried out during the current period, which identified several anomalous areas. Follow-up RC drilling is planned.

Liguidi Malguem Project

In fiscal 2007, the Company acquired an 80% interest in the Liguidi Malguem mineral permit in Burkina Faso. The permit covers an area of 225 square kilometres and is located 125 kilometres southeast of Ouagadougou and 50 kilometres southeast of the Bomboré property, presently being explored by Orezone Resources Inc. Geochemical surveying over most of the property together with a program of geological mapping and rock sampling has confirmed an extensive area with gold values in soils generally over 15 ppb, covering an area approximately 13 kilometres by 3 kilometres.

The 2006 program consisted of rock sampling and geological mapping. An extensive rock sampling program was undertaken over a 1.5 kilometre by 200 metre area within a quartz boulder field within one of the geochemical soil anomalies. An additional 340 samples were taken elsewhere on the property, both from surface outcrop and trenches. The assay results from this program are encouraging. In the fourth quarter of 2007, additional mapping, rock sampling and an IP survey were completed. Further mapping and sampling, as well as a program of RAB and RC drilling will be undertaken in the first half of 2008.

During the current period, the Company entered into a Memorandum of Understanding ("MOU") with Teck Cominco Limited ("Teck") in respect of the Liguidi Malguem property. As a result, Teck has subscribed for 1.75 million units of the Company on a private placement basis at a price of $0.60 per unit – see *Subsequent Events*. This represents the first tranche of a total 3.5 million unit private placement. Each unit will consist of one share and one share purchase warrant exercisable for a period of two years from the date of issue to acquire one additional common share at a price of $1.20. The second tranche of 1.75

million units will be completed upon transfer of the Liguidi Malguem licence into the Company's Burkinabé subsidiary. The Company is obliged to spend a minimum of 25% of the total private placement proceeds on an initial work program on the Liguidi Malguem property within 12 months of the funding of the initial tranche.

Following the results of the initial work program, Teck will be entitled to elect to acquire an initial 35% interest in the Liguidi property by exercising sufficient share purchase warrants to provide Riverstone with at least $2 million for general corporate purposes and by incurring an aggregate of $4 million in expenditures over 3 years, including not less than $750,000 in year one of the option period. After acquiring a 35% interest in the property, Teck will have the right to acquire a further 16% interest (for an aggregate 51%) by funding an additional $4 million in expenditures on the property on or before the fifth anniversary of the option. After earning a 51% interest or, if Teck Cominco elects to cease sole funding, after earning a 35% interest, the property will be explored and developed as a corporate joint venture with each party contributing its pro rata share of expenditures and subject to dilution provisions.

After the private placement is completed, Teck will have a right to participate in future equity financings of the Company on the same terms as arm's length investors to maintain its percentage shareholdings in the Company on a non-diluted basis until the earlier of termination of the MOU or formation of a joint venture.

Yaramoko Project

This permit is located approximately 200 kilometres west-southwest of Ouagadougou, the capital of Burkina Faso. The permit's northern boundary adjoins SEMAFO's Mana permit where a mine commenced production in February of 2008 on a gold reserve of one million ounces. Previous work on Yaramoko has included mapping, soil sampling, prospecting and rock sampling. Several rock samples from scattered areas on the permit returned significant results, including 16 samples with values ranging from 1.0 g/t to 11.9 g/t gold. Soil sampling in the area of recent artisanal workings has outlined several gold in soil anomalies, with many values exceeding 100 ppb gold. The largest of these anomalous areas measures about 500 metres by 3.5 kilometres long and covers an area with numerous active workings. The Company completed additional mapping and rock sampling in the third quarter of 2007. A 2,000 metre RC drill program was undertaken in the fourth quarter, with positive results. Additional drilling is planned in late 2008 to evaluate the mineralized zone.

Bissa Area Projects

The Company holds seven permits in the active Bissa area located in north-central Burkina Faso. All seven permits were acquired in the early part of 2006. Four of the Company's permits are adjacent to High River Gold's Bissa project. High River has announced an independent resource estimate for the Bissa project of 662,250 ounces of gold in the measured and indicated categories and 679,470 ounces in the inferred category (see High River news release May 23, 2006).

High River's Bissa deposits are located within the Sabcé Shear Zone, which trends north-easterly through their property. The Company's Bissa East permits (Tangapella, Sebila, Malgtaba and Billiga) cover portions of the north-easterly trending Sabcé Shear Zone, plus two parallel shear zones to the north and south of the Sabcé. A work program comprising regional and detailed soil sampling, reconnaissance mapping and 3,071 metres of RAB drilling were completed on the Bissa East permits during 2006. Numerous gold-in-soil anomalies were defined and several significant gold intervals were intersected in the RAB drilling. During the first quarter of 2007, 3,714 additional metres of RAB drilling and 1,884 metres of RC drilling were completed on the Bissa East permits. The drilling has defined two gold-bearing structures on each of the Tangapella and Biliga permits. Further mapping and sampling was undertaken on Tangapella and Sebila in the 3rd and 4th quarters of 2007 to evaluate the remaining gold-in-soil anomalies. Results from these programs were encouraging and further evaluation is warranted.

The Company's Bissa West permits (Bissiga, Pella and Bouboulou) are located to the southwest of High River's Bissa project. A work program comprising regional soil sampling was carried out on the project area in 2006. Several gold-in-soil anomalies were defined which were followed up in 2007 with further sampling and mapping. Geological mapping, rock sampling and 5,600 metres of RAB drilling were carried out during the first quarter. An IP survey was carried out over a small portion of the Bouboulou permit in October of 2007. Several gold-bearing zones have been identified, and further evaluation is warranted.

Tao Project

The Tao permit adjoins the Essakane project on its southern boundary. The Essakane project is owned by Orezone Resources Inc. Orezone recently announced that they had made a production decision, and would be pursuing financing. The Burkina Faso government has recently awarded a mining permit to the project.

Riverstone completed a 4,358 metre RAB drilling program over two separate geochemical soil anomalies during July of 2006, plus limited mapping and rock sampling. During January of 2008, mapping and sampling were completed around a prominent artisanal gold site, and assay results are encouraging.

Solna Project

The Solna permit, covering approximately 160 square kilometres, is located in eastern Burkina Faso about 250 kilometres north-east of Ouagadougou. Gold mineralization is hosted in a zone of quartz and quartz-tourmaline veins cutting foliated and sheared rocks of the Sebba greenstone belt. Solna is approximately 75 kilometres west of the producing Samira Hill gold mine of Etruscan Resources where a resource of 2 million ounces of gold has been announced.

No work at Solna was completed in the current period. Two newly acquired permits, Teyango and Yantera adjoin Solna to the northeast. The Company has completed regional soil geochemistry and mapping programs on these permits, and results are encouraging. Additional surface work will be undertaken in 2008 in an effort to establish drill targets.

RESULTS OF OPERATIONS

The loss for the six months was $523,651, which compares to a loss of $440,463 for the previous six-month period. Significant items comprising the current loss include $140,021 for promotion and public relations, $211,233 in stock-based compensation, a non-cash item, and a future income tax recovery of $138,288 relating to the recognition of tax loss carry-forwards. Cash flows used in operations, before changes in non-cash working capital items, totalled $455,305 compared to cash of $341,960 used in operations in the prior period.

Compared to the prior year period, general and administrative costs increased to $693,039 from $463,466. In the current period, promotion and public relations costs increased by $77,860 as a result of increased investor relations activity by the Company; stock-based compensation increased by $114,339 over the prior period expense due to an increase in the number of options vesting. New items for the current period include a future income tax recovery of $138,288 which relates to the recognition of loss carry-forwards that were subject to a valuation allowance in previous years.

During the six-month period, the Company incurred direct resource property costs of $3,268,710 as a result of acquisitions and exploration work completed on its Burkina Faso properties. This compares to $1,442,711 of direct costs incurred in the prior period. Included in these totals are acquisition costs of $1,102,974 and $176,194 for the 2008 and 2007 periods, respectively. The increase in acquisition costs for 2008 is due primarily to the costs associated with the Goulagou and Rounga option agreement with Golden Star. During the period, the Company paid legal and filing fees of $83,821, a finder's fee of $45,000, and issued shares valued at $120,000 and warrants with a fair value of $300,721 to Golden Star. In addition, the Company capitalized future income taxes of $138,288 in respect of these warrants. The Company also recorded acquisition costs relating to its Liguidi property upon consolidating its Burkina Faso incorporated joint venture.

SUMMARY OF QUARTERLY RESULTS

Financial Data for the Last Eight Quarters

Three Months Ended	Apr-08	Jan-08	Oct-07	Jul-07	Apr-07	Jan-07	Oct-06	Jul-06
Total Revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Loss before stock-based compensation	$248,959	$72,459	$182,887	$169,117	$177,323	$166,246	$113,845	$171,159
Loss for the period	$398,341	$134,310	$246,940	$293,217	$225,212	$215,251	$190,441	$201,624
Loss per share	$0.01	$0.00	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01

The Company's administrative expenses have increased as a result of increased exploration activities since mid-2006 when the Company began major exploration programs in Burkina Faso. The Company hired a full-time exploration manager in March 2006. The quarterly losses presented (before stock-based compensation) reflect this increasing level of activity. Stock-based compensation is recognized as stock options vest, which varies due to the timing of the vesting provisions of the various stock option grants that the Company has made. The loss for the quarter ended January 31, 2008 includes a future income tax recovery of $138,288 relating to the recognition of tax loss carry-forwards previously subject to a valuation allowance. The loss for the quarter ended October 31, 2006 was reduced by lower legal and general exploration costs as well as increased interest income from the private placements in the previous two quarters.

Cash flows used in operations, before changes in non-cash working capital items also reflect the increasing costs of managing the Company's many projects in Burkina Faso, which were $455,305 for the period compared to an average of approximately $169,000 per quarter for fiscal 2007.

DISCUSSION OF CURRENT QUARTER RESULTS

The loss for the current quarter was $398,341, which compares to a loss of $225,212 for the previous year's quarter. Cash flows used in operations, before changes in non-cash working capital items, totalled $246,498 compared to cash of $176,497 used in operations in the prior quarter.

Compared to the prior year's quarter, general and administrative costs increased to $402,771 from $234,418. In the current quarter, promotion and public relations costs increased by $27,369 as a result of increased investor relations activity by the Company; stock-based compensation increased by $101,493 over the prior year's quarter due to an increase in the number of options vesting.

During the quarter, the Company incurred direct resource property costs of $1,744,222 as a result of acquisitions and exploration work completed on its Burkina Faso properties. This compares to $945,697 of direct costs incurred in the prior year's quarter. Included in these totals are acquisition costs of $349,674 and $69,028 for 2008 and 2007 periods, respectively. The increase in acquisition costs for 2008 is due primarily to the costs associated with consolidating the Liguidi joint venture.

FINANCIAL POSITION AND LIQUIDITY

Riverstone has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

At the end of the six-month period under review, the Company had a working capital deficiency of $1,187,393 compared to working capital of $1,125,029 at the end of the previous year. The decrease in working capital over the previous year results from cash provided by equity financing activities ($559,250) outweighing cash used in operating activities ($455,305) and investing activities ($1,535,747) during the period. The investing activities for the period consisted primarily of exploration expenditures on the Company's Burkina Faso properties.

At April 30, 2008, the Company had cash on hand of $16,306 compared to $1,240,443 at October 31 2007. The Company does not consider its working capital to be sufficient to meet its ongoing overhead requirements and exploration requirements (see *Capital Resources and Commitments)* and therefore the Company will have to raise additional equity financing in the ensuing year – see *Subsequent Events*.

CAPITAL RESOURCES AND COMMITMENTS

The Company has cash payment and mineral expenditure requirements under its Tangapella/Sebila property agreement. This agreement calls for cash payments totalling US$140,000, of which the Company had completed US$110,000 by April 30, 2008.

Similarly, the Company has cash payment and mineral expenditure requirements under its Tao property agreement. This agreement calls for cash payments totalling US$132,000, of which the Company had completed US$102,000 by April 30, 2008.

The Company has entered into an agreement with Golden Star, which grants the Company the option to acquire a 90% interest in the Goulagou and Rounga properties. To maintain and exercise its option, the Company must issue 2,000,000 warrants, 2,000,000 shares, incur $4,000,000 in exploration expenditures, and pay US$18,600,000 in cash, shares, or a combination thereof, at the Company's option, within four years. As at April 30, 2008, the Company had completed the issuance of the 2,000,000 warrants and 300,000 shares as required by the agreement.

Golden Star retains an NSR of between 0% and 2% depending on the quantity of gold produced. The Company can increase its interest in the properties to 100% by paying a third party US$1,000,000 on or before 12 months after the first production of gold from the properties. Thereafter, the third party will retain a 5% net profits interest, which can be purchased by the Company for US$500,000. The Company has accrued $45,000 and is committed to issuing 150,000 shares to an arm's length party as a finder's fee.

The Company has business services agreements, with two of its directors, which call for monthly payments of $4,000 each with a term of two years, renewable upon mutual consent. The Company also has a month-to-month agreement, with a company related by certain directors it has in common, for office rent and administrative support services. The Company pays $4,000 per month and the agreement can be cancelled at any time.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at April 30, 2008 or as at the date hereof.

RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in the financial statements and include administration and management fees for the year of $48,000 (2007 - $48,000) paid to companies controlled by directors and rent and office services of $24,000 (2007 - $24,000) paid to a company with which the company shares directors in common.

CHANGES IN ACCOUNTING POLICIES

There were no changes in existing accounting policies in the year under review, however, effective November 1, 2007, the Company adopted the following new standards of the CICA:

Accounting Changes

Effective 1 November 2007, the Company adopted the recommendations of CICA Handbook Section 1506, *Accounting Changes.* This new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors, replacing former CICA Handbook Section 1506. The adoption of this new standard had no material effect on the Company's financial statements

Capital Disclosures

Effective 1 November 2007, the Company adopted the recommendations of CICA Handbook Section 1535 – *Capital Disclosures*. This Section requires disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the Company's objectives, policies and processes of managing capital.

Financial Instruments – Disclosures

Effective 1 November 2007, the Company adopted the recommendations of CICA Handbook Section 3862 – *Financial Instruments – Disclosures*. This Section requires disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Disclosure of the measurement basis used and the criteria used to determine classification for different types of instruments is also required.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. All of the Company's financial instruments are carried at amortized cost and their fair value is considered to approximate their carrying value. The Company has no speculative financial instruments, derivatives, forward contracts, or hedges.

All of the Company's Canadian cash is held in an interest bearing account at a major Canadian bank and such balances earn interest at market rates. The Company also maintains cash in the currency of Francophone West Africa ("CFA"), which it uses to fund its foreign projects. The cash balances and payables that are denominated in CFA are subject to currency risk due to fluctuations in the exchange rate between the Canadian dollar and the CFA. To manage this currency risk, the Company maintains only the minimum amount of cash in CFA that is necessary to fund its ongoing exploration expenditures. Accounts payable are settled in a timely manner.

The Company is not exposed to any significant credit, interest rate, liquidity or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current period.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Consistent with other companies in the mineral exploration industry, Riverstone has no source of operating revenue. The Company's April 30, 2008 unaudited consolidated financial statements provide a breakdown of the general and administrative expenses for the period under review (Statement 2) and an analysis of the capitalized and expensed exploration and development costs incurred on its mineral properties (Note 4).

OUTSTANDING SHARES

As at April 30, 2008, the Company had 41,618,030 (diluted – 53,958,030) common shares issued and outstanding versus 40,243,030 (diluted – 55,449,155) at October 31, 2007. The changes over 2007 reflect the share activity as described below:

During the period, the Company issued 1,025,000 shares upon the exercise of warrants, the final tranche of 50,000 shares under the Rambo option agreement, and the initial tranche of 300,000 shares under the Golden Star agreement (see *Capital Resources and Commitments)*. The increase in the number of diluted shares since October 31, 2007 also includes the issuance of 2,000,000 warrants to Golden Star, the granting of 330,000 stock options to investor relations consultants, the granting of 1,010,000 stock options to directors, officers, employees, and consultants, and the expiry of 5,181,125 warrants during the quarter.

Issued and diluted shares outstanding as at the date hereof are 47,533,341 and 63,837,547 respectively, which reflect the subsequent completion of two private placements resulting in the issuance of 5,915,311 shares, 3,832,655 warrants, and 87,701 compensation options – see *Subsequent Events*.

SUBSEQUENT EVENTS

Subsequent to 30 April 2008, the Company:

a) completed a private placement of 4,165,311 units ("Units") at a price of $0.38 per Unit for gross proceeds of $1,582,818. Each Unit consists of one common share and one-half of one warrant, each whole warrant entitling the holder to purchase one additional common share at a price of $0.60 per share until 12 December 2008. The Company paid finders' fees of $33,330 and issued 87,701 compensation options exercisable to acquire up to 87,701 Units at a price of $0.38 per Unit with each Unit having the same terms and conditions as the Units issued under the private placement;

b) completed the first tranche of a private placement with Teck in respect of its option on the Liguidi property. The Company issued 1.75 million units at a price of $0.60 per unit for cash proceeds of $1,050,000 in accordance with the agreement. Each unit consists of one common share and one warrant entitling Teck to purchase one additional common share at a price of $1.20 per share until 16 June 2010.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's provides information from its corporate offices to investors and brokers directly. In addition, Mr. Ron Cooper provides the Company with investor relations services on a month to month basis. Subsequent to the year end, the company entered into six month agreements for investor relations services from Ascenta Capital Partners Inc. in Vancouver, BC and Plation Capital AG in Switzerland.

MANAGEMENT

Riverstone is very dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of Riverstone could result, and other persons would be required to manage and operate the Company.

DISCLOSURE CONTROLS AND PROCEDURES

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company evaluated the disclosure controls and procedures for the fiscal year ended October 31, 2007. They were satisfied that the Company's disclosure controls and procedures were effective in providing reasonable assurance that material information was made known to them on a timely basis.

It should be noted that while the Company's CEO and CFO believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

The Company continues to refine its disclosure controls and procedures from time to time, and the CEO and CFO have concluded that, during the period, the process effectively ensured that material information was accumulated and communicated to management in sufficient time for management to make decisions regarding the Company's disclosure required by securities legislation.

INTERNAL CONTROLS AND PROCEDURES

The CEO and CFO of the Company acknowledge that they are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. As at the end of the period covered by this management's discussion and analysis, management had designed and implemented internal controls and procedures as required by Canadian securities laws.

The Company evaluated the design of its internal controls and procedures over financial reporting for the fiscal year ended October 31, 2007. No material weaknesses in the design were identified. While management continues to review and refine its internal controls and procedures, there have been no changes in the Company's internal control procedures over financial reporting that occurred during the current quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

At present the principal activity of the Company is the exploration and development of gold resource properties. The feasible development of such properties is highly dependent upon the price of gold. A sustained and substantial decline in commodity gold prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect gold commodity prices in order to assess the feasibility of its resource projects.

Exploration and development projects are subject to the environmental laws and regulations of the country within which the Company is conducting its operations. As such laws are subject to change, the Company carefully monitors proposed and potential changes, and ensures that it is and will be in strict compliance. Various non-governmental organizations dedicated to environmental protection monitor, amongst others, the mining industry. These organizations have in the past commenced actions with the regulatory agencies or the courts to prevent or delay mining activities.

FORWARD-LOOKING STATEMENTS

Certain statements made and information contained in this MD&A and elsewhere constitute "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described under Risk Factors *in each management discussion and analysis. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Burkina Faso will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.*

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Interim Management Discussion and Analysis.

Respectfully submitted
On Behalf of the Board of Directors

"Michael D. McInnis"

Michael D. McInnis, P. Eng., President & CEO